

ADB cancels \$ 46m loan for Lankan power plant

COLOMBO, June 12: The Asian Development Bank (ADB) last week cancelled a 46 million dollar loan for a diesel power plant in Sri Lanka after "interested parties" blocked the deal, the independent Sunday Times reported, says Reuter.

It said the ADB had approved the German firm Man, selected by international experts to supply the 40 megawatt power plant.

"...But it was blocked by interested parties who later tried to promote an 80 megawatt plant from a French supplier who earlier supplied a defective generator... which has never worked even at half capacity," the paper said.

Government officials were not available for comment.

China planning to open up treasury bond sales to foreigners

BEIJING, June 12: China is planning to open up treasury bond sales to foreigners but not this year, a Finance Ministry official was quoted Sunday as saying, reports AP.

"We wish to open treasury bonds to foreign investors as soon as possible," the China Daily Business Weekly quoted Gao Jian as saying. Gao is vice director of the ministry's Department of State Debt Administration.

He said the bonds offered to foreigners would carry the same coupon rates for the same terms of maturity as those sold domestically, and would be denominated in Chinese currency, renminbi.

However, Gao said the bonds should have longer terms of maturity, in keeping with the preference of US institutional investors.

The newspaper quoted Gao as saying that a timetable for the move is yet to be set, adding that "we are sure no action will be taken this year."

'US food safety standard won't weaken with Uruguay Round'

WASHINGTON, June 12: US trade representative Mickey Kantor says the recently completed Uruguay Round global trade accord will not force the United States to take in unsafe food imports but instead will increase its ability to challenge arbitrary food restrictions imposed on its food products for trade, not health, reasons, according to USIS.

"Only the US Congress has the ability to change US law," Kantor said in issuing June 9 a new report prepared by the Food and Drug Administration, Environmental Protection Agency and US Department of Agriculture. "The World Trade Organisation will not affect US sovereignty, and will not affect the US right to pass new laws, enforce existing laws, or set its own levels of environmental protection."

The US trade representative said that allegations that the Uruguay Round accord weakens food safety standards are "misguided relying on tactics of fear and exaggeration to attack the Agreement."

The report, he said, concludes that the Uruguay Round Agreement "will not force the United States to adopt lower international food safety standards, will permit the United States to continue to reject food imports that the United States does not consider safe, and will permit states to maintain stricter food safety standards than the federal government."

S Africa to review trade ties with neighbours

CAPE TOWN, June 12: South Africa will renegotiate all its trade agreements with neighbouring states to assure a more balanced trade flow, Trade and Industry Minister Trevor Manuel said on Friday, reports Reuter.

He told a news conference at the southern African summit of the World Economic Forum that delegates had identified trade as a key issue in ensuring sustainable economic growth in the region.

"Sadly, trade is now a one way street to markets that are not sustainable," he said in an apparent reference to the aid dependency of most of South Africa's neighbours.

Manuel said South Africa would review its Southern African Customs Union (SACU) agreement with Botswana, Lesotho, Swaziland and Namibia as well as trade agreements with Malawi and Zimbabwe.

India's bond scam Central bank to crack down on guilty foreign banks

BOMBAY, June 12: India's central bank is moving to punish foreign banks guilty of wrong doing in a 1.3-billion dollar swindle which shook the financial system when it surfaced more than two years ago.

Errant domestic banks will be dealt with equally harshly, said Devendra Mehta, Deputy Governor of the Reserve Bank of India (RBI).

Action will be taken early, Mehta told AFP here. We are in the process of finalising a decision.

Guilty foreign banks will not be allowed to expand their Indian networks, and face "more stringent action as well," Mehta said.

Other central bank sources said the RBI was contemplating either a fine amounting to 10 per cent of the bank's illegal transactions, or ordering them to forfeit.

Mehta declined to disclose details, saying: A lot of complicated issues are involved. They (foreign banks) know action is coming. There will be no distinction between foreign and Indian banks on this issue.

He said punishment would be uniform, fair and reasonable and defend on the extent of the individual bank's violations.

The fraud, which surfaced

in April 1992, was carried out by stock brokers and corrupt bank officers who colluded to steal 1.3 billion dollars in illegal transactions to play a then-soaring stock market.

It ended an unprecedented share price boom, brought India's entire financial system under a cloud, triggered a broad revamping of the operations of foreign and domestic banks and caused two small banks to collapse.

Several brokers, including alleged scam mastermind Harshad "Big Bull" Mehta, and bankers were briefly jailed and one federal minister resigned.

Among foreign banks involved in the scam to varying degrees were Citibank, Bank of America, ANZ Grindlays, Standard Chartered, American Express, Hong Kong Bank and Banque Indosuez.

A host of national banks were also involved in the fraud. India's biggest financial scandal, but a parliamentary probe charged that foreign ones were the initiators and perpetrators of the scam.

The RBI said the value of the illegal transactions of Bank of America, Citibank, ANZ Grindlays and Standard Chartered alone amounted to nearly half the total value of the scam-tainted bank business.

Both Indian and foreign banks were found to have fudged and doctored records, creating false entries and reporting fake transactions in violation of not just central bank guidelines but also norms of prudent banking.

They were found to have engaged in numerous fraudulent deals involving public sector bonds and the corporate surpluses of cash-rich public sector firms.

Some local press reports have speculated that New Delhi was holding the RBI back from punishing foreign banks for fear of putting off overseas investors whom the government is courting.

A senior executive in a big state-owned banks said any kid-glove treatment to foreign banks would devalue India's financial system further.

But the central bank's Deputy Governor, Mehta, denied soft-pedalling, and listed steps already taken against foreign players in the scam.

We have denied extension of terms to the chief executives of four major foreign banks. Besides, several foreign banks have been asked to take action against guilty staff. Large-scale transfers of staff have taken place.



The Ambassador of the Republic of Korea in Bangladesh Jong Kyoo Byun called on a Rob Chowdhury (R), President of the Dhaka Chamber of Commerce & Industry (DCCI) at its office recently. They discussed issues relating to promotion of bilateral trade and economic cooperation between the two countries.

Drinks from China win gold prizes in Paris

PARIS, June 12: Three liquors and two beers from China won gold prizes at a five-day international beverages fair held here between June 6 and 10, reports Xinhua.

The prizes were awarded at a ceremony here tonight by the President of the International Confederation of Good and Beverage and French Confederation of Good and Beverage.

About 40 experts from various countries tasted the Chinese liquors and beer at the fair and expressed their appreciation.

Bid to develop business sector vision of Asia-Pacific region

SINGAPORE, June 12: Business leaders from 16 Asia-Pacific economies discussed ways to come up with a unified vision of the region's future during two days of talks here which ended yesterday, reports Reuter.

"We want to develop a business-sector vision of the Asia-Pacific region, end to recommend to the (government) leaders ways and means for advancing the economic development of the region," the delegates said in a statement.

Singapore hosted the first meeting of the Pacific Business Forum (PBF), a temporary working group within the Asia-Pacific Economic Cooperation (APEC) forum. The island republic is the site of the APEC secretariat.

The PBF members agreed to hold two more meetings here, in August and September, before submitting their final report to Indonesia's President Suharto in late October.

Indonesia chairs the 17-

member APEC this year, made up of Pacific Rim nations, the group aims to promote dialogue and cooperation among members.

The idea for the PBF sprang from last year's APEC leaders' summit in Seattle. The group's mission is "to identify issues APEC should address to facilitate regional trade and investment and encourage the further development of business networks throughout the region," according to the leaders' Seattle economic vision statement.

Each member country was allowed two representatives at the PBF meeting, one from a large company and the other from a small or medium enterprise.

Only Mexico and Chile did not attend. "Because of shortness of notice," said Tommy Koh of Singapore, Director of the Institute of Policy Studies and PBF Executive Secretary.

The forum was co-chaired by Indonesia and the United States. Countries or economies

attending were: Australia, Brunel, Canada, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan and Thailand.

Since its formation in 1989, APEC has been hampered by disagreements among its members on the face of its institutionalisation and development. There has also been some grumbling that the group seems overly bureaucratic and lacks practical clout in business and trade.

At a post-meeting press conference PBF delegates said they discussed trade and investment liberalisation and facilitation, support for small and medium enterprises, human-resource development, technology cooperation, infrastructure development, and interaction between governments and business.

PBF was unlikely to become a permanent forum, Koh said.

Asia's non-irrigated lands may boost rice harvests

LOS BANOS, Philippines, June 12: South and Southeast Asia's less hospitable rain-fed lands are likely to star in efforts to boost rice harvests and ease a projected supply crunch by the turn of the century, scientists say, reports AFP.

Agronomists at the International Rice Research Institute (IRRI) here say that these non-irrigated lands will be the source of the world's next potential miracle rice seed, which they are feverishly trying to develop.

Harvests in irrigated farms, which account for 75 per cent of the world's total rice output, have already reached their plateau at 6.5 to seven tonnes per hectare (acre) even with the aid of the most modern scientific techniques.

With population growth out-acting production, attention is now focused on breaching the yield barrier in the rain-fed lowlands and flood-prone fields of Bangladesh, Myanmar, India, Nepal, Pakistan and Sri Lanka as well as parts of Southeast Asia's such as Cambodia.

They comprise 40 per cent of the world's rice-producing area but account for only 25 per cent of the total harvests of 520 million tonnes annually. Rice varieties that recently

grow in these areas yield only 2.5 tonnes per hectare. These are the plants resistant to pests and natural disasters that frequent these droughts and typhoons.

High yielding varieties, developed by IRRI three decades ago, cannot grow in these wet lands and scientists are in the process of developing a plant that can both withstand adverse climates and double output to around five tonnes per hectare.

If this happens, scientists say that the share of non-irrigated lands in the world's total rice production can drastically increase to nearly 50 per cent. Minoru Yamauchi, a Japanese plant physiologist at IRRI in Los Banos town just south of Manila, told AFP it may take five years to create materials for this plant through biotechnology. Five years to breed it and other five years for actual field experiments.

But he said that the project had greater chances of success than efforts to develop a new variety that would hike rice harvests in the irrigated lands from 6.5 tonnes per hectare to 10 tonnes during the same time frame.

"I feel that this research on unfavorable rice ecosystems will make a greater impact on poverty because it is in these areas where we can find the poorest farmers," said Mahabub Hossain, an IRRI economist and Head of the Institute's Social Sciences Division.

From 1985 to 1993, the rice production growth rate was at 1.4 per cent annually, compared to population expansion during the same period of 1.8 per cent, he said.

As more rice lands are converted to housing areas or factory sites because of industrializations, production is projected to decline further, he added.

Since the prospect of developing a new rice seed that would increase production in irrigated lands appears bleak for the next 15 years, scientists are ringing alarm bells of appposable shortage in Asia - home to the world's most voracious rice eaters.

"Stocks are depleting and unless we reverse that production growth, may be within this decade, the rice situation would be very tight," said Hossain. Adding that rice output for the past four years had remained flat at 520 million tonnes annually.

3 more foreign banks to operate in Russia

MOSCOW, June 12: President Boris Yeltsin authorised three more foreign banks to compete with their Russian counterparts in the Russian market, as part of a series of decrees to fine-tune economic reforms, reports AFP.

The decrees were presented to journalists yesterday by Economics Minister Alexander Shokhin a day after they were signed by Yeltsin.

Shokhin named one of the three newly-authorised banks as Societe Generale, from France. The others were two unspecified Dutch organisations.

They will join the French Credit Lyonnais and the France-German BNP-Dresdner Bank conglomerate already licensed to operate full services in Russia.

Shokhin stressed that only banks based in countries affording reciprocal rights to Russian banks would be authorised under the decree.

Societe Generale is one of nine foreign banks that tried and failed last November to

gain access to Russian markets at a time when Yeltsin signed a decree limiting the activities of most non-Russian banks.

The presidency also charged Russia's central bank with speeding up the implementation of a federal fund to guarantee deposits placed by private investors with Russian banks, the Interfax agency said.

The new decrees included provision for cutting value added tax (VAT) for importers of consumer durables, the Itar-Tass agency said.

That move was intended to stimulate investment, the agency said, following news that Russia's industrial production had dropped by 26 per cent over the first five months of the year as compared with the same period of 1993.

Friday's wave of presidential decrees also included social policy initiatives to provide affordable housing, fight crime and poverty, and protect Russians from dishonest business practices.

Exchange Rates

The following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on June 12. (Figures in Taka)

Currency	Selling	Buying
TT & OD	IC	OD
	TT	Transfer
	Ex. Bills	
US Dollar	40.3000	40.3355
Pound Sterling	60.8208	60.8743
DM	24.3106	24.3320
F Franc	7.1444	7.1507
C Dollar	28.4685	29.4944
S Franc	28.8205	28.8459
Jap Yen	0.3933	0.3936
Indian Rupee (AMU)	1.2908	1.2973
Pak Rupee (AMU)	1.3178	1.3243
Iranian Riyal (AMU)	0.0231	0.0232
AI T. T. (DOC) US Dollar Spot Buying Tk	40.0591	
BI Usance Rates:		
30 Days DA	60 Days DA	90 Days DA
39.7507	39.4666	39.1826
CJ US Dollar sight export bill 3 months forward purchase: Tk	40.0172	
D) US Dollar 3 months forward sale:		Tk. 40.5355

Currency	Selling	Buying
T.T. & O.D.	O. D. Transfer	
S Riyal	10.7467	10.6348
UAE Dirham	10.9740	10.8598
Kuwait Dinar	135.2820	133.5717
Singapore Dollar	26.2969	26.0132
D Guilders	21.5080	21.2855
S Kroner	5.0629	5.0052
Malaysian Ringgit	15.5340	15.3706

Note: AMU—Asian Monetary Union

Shipping Intelligence

Chittagong Port
Berth position and performance of vessels as on 12.6.94

Berth No	Name of Vessels	Cargo	Port of Call	Local Agent	Date of Arrival	Leaving
J/1	Armas	TSP (P)	Sing	PSAL	22/5	16/6
J/2	Elang-VIII	GI	Sing	MSA	8/6	12/6
J/3	Salem Twelve	S Ash/GI	Sing	Paragon	27/5	14/6
J/4	Mulpha Subang	Cement	Sing	PSAL	29/5	14/6
J/5	Mulpha Sibu	Cement	Sing	PSAL	29/5	14/6
J/6	Nomadic Lady	Wheat (P)	Sing	Seacom	29/5	21/6
J/7	Banglar Mamata	Wheat (P)	Sing	BSC	12/6	
J/8	Banglar Sampad	GL	Mong	BSC	10/6	14/6
J/9	Dolores	Idle	Sing	Seacom	R/A	15/6
J/10	Banglar Moni	Cont	Sing	BSC	8/6	12/6
J/11	Alkyonias	Wheat (P)	Sing	Lams	R/A	12/6
J/12	Socot-7	Cont	Sing	RSL	11/6	14/6
J/13	Fong Shin	Cont	Sing	BDShip	8/6	14/6
MPB/1	Alma	Wheat (P)	Sing	Lams	R/A	13/6
GS/1	Sea Nymph	Cement	Sing	PSAL	17/5	14/6
RM/4	Allegria	HSD/J.P.1	Sing	MSPL	10/6	12/6
DDJ/1	Banglar Jyoti	Repair	Sing	BSC	R/A	13/6
DDJ/2	Astron	Idle	Agaba	SSST	25/5	15/6
DDJ/3	Infinitly	Repair	Sing	RSL	17/5	30/6
CUFJ	Tea Chon	Urea	Mong	Litmond	4/6	14/6

Vessels due at outer anchorage

Name of Vessels	Date of Arrival	Last Port	Local Agent	Cargo	Loading Port
Samudra Samrat	12/6	Kara	BSL	Rice (P)/GI	
Kamaleverett	12/6	Sing	EBFL	GI	
Morakat Narce	12/6	Vanc	Royal	M Seed	
Al Tajwar	14/6		BSL	Repair	
Ramdas	14/6	Cal	BSL	GI/CL	UK Cont
Feng Guang	13/6	Yang	CTPL	Cement	
Pearl One	14/6	Yang	USTC	Rice/GI	
Dignity-1	18/6	Mong	EBFL	Cement	
Champion Trader	14/6	Mong	BTSA	Cont	Japa
Ultima 29/5	14/6	Mong	BTSA	Cont	Sing
Meng Kiat 6/6	14/6	Sing	AML	Cont	
Phila	14/6	Dunk	AML	Wheat	
Banglar Robi 2/6	14/6	Mong	BSC	Cont	Sing
Sea Venture	14/6	Mong	AML	Cement	
Petr Starostin 9/6	14/6		CT	Cont	Sing
Ilgienia	14/6	Col	H&Sons	Scraping	
Yannis-II	15/6	Sing	PSAL	P Iron (P)	
Koushan (24) 9/6	15/6	Sing	EBFL	GI	
Socot-1 4/6	19/6	Col	Baridhi	Cont	Col
Al Swamuz	20/6	Pena	ASLL	GI	
Banglar Kakoli	15/6	Mong	BSC	GL	UK Cont
Kapil	15/6		Kama	Rice (P)	
Lhotse 7/6	16/6	Sing	RSL	Cont	Sing
Andrian Goncharov 9/617/6			CT	Cont	Sing
Green Island	18/6		Kama	GI (Lash)	
Asian Victory (24) 9/618/6		Sing	CTF	Vehicles	
Kota Birtang 8/6	18/6	Sing	CTF	Cont	Sing
Meng Lee 8/6	20/6	Sing	AML	Cont	Sing
Fong Yun 11/6	21/6	Sing	BDShip	Cont	Sing
Tigru Secures	25/6		USTC	P Iron	

Tanker due

Botany Triad 2/7 JF Tallow

Vessels at Kutubdia

Name of Vessels Cargo Last Port Call Local Agent Date of Arrival

Vessels at outer anchorage

Ready on

Tanary Star Cement Sing USTC 28/5

Umang Cement Sing B Day 8/6

Pavina-1 Mong B Day 9/6

Vessels awaiting instruction

Loyal Bird Urea Mong ENCL R/A (25/5)

Banglar Shourabh BSC R/A (3/6)

Movement of vessels for 13.6.94

OUTGOING INCOMING SHIFTING

GSJ Alma-7 GSJ Banglar Asha J/12 Samudra Samrat J/2

J/2 Elang-VIII NB Tanary Star

The above were the Sunday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Dhaka Stock Prices

At the close of trading in June 12, 1994

Losers dominate floor

Star Report

The losers, led by Zeal Bangla Sugar, dominated the floor of the Dhaka Stock Exchange (DSE) on Sunday.

Zeal Bangla Sugar led 27 losers in terms of volume with 7000 shares traded.

Among the losers, 6th ICB M Fund (2230), Eastern Cables (1140), Rupun Oil (4800), Beximco Synthetic (3560) and Beximco Ltd (3000) were also major volume leaders.

In terms of value, Bengal Carbide topped the losers' list with a fall of Taka 3000 per share.

Apex Spinning led the gainers numbering 17 in terms of volume. The company's 2800 shares were traded.

3rd ICB M Fund (320), Atlas BD (330), Ctg Vegetable (320) and United Insurance (740) also gained significantly in terms of volume.

First ICB M Fund dominated the gainers' list, in terms of value, with a rise of Taka 20.00 per share.

The turnovers on the DSE rose. The turnover in volume increased by 28.33 per cent and the turnover in value showed a gain of 45.53 per cent.

A total of 35,285 shares worth Taka 54,66,018.25

changed hands on the floor as against 27,494