

DThe Daily Star DUSINESS

your friend in need SHARIF UMBRELLA.

India asks two Japanese banks to act as custodians for foreign institutions

TOKYO, June 15: India's Finance Secretary. Montok Singh Ahluwalia, said Tuesday he had asked Japan's Sanwa Bank Ltd and Bank of Tokyo Ltd to act as custodians for foreign institutions making portfolio investments in India. reports AFP.

Ahluwalia also said foreign banks were not being singled out for punishment over a 1.3 billion dollar fraud and penalties imposed by the central bank would offer "absolutely no discouragement" to foreign investors.

The Finance Secretary told a luncheon here he made the request to the Japanese banks to ease problems with India's domestic settlement systems. which had become "chocked up" with the influx of foreign institutional investment.

He said the four foreign banks already acting as custodians for foreign investors were "swamped" and therefore not taking any new fund.

"In the last three or four months, this has been a new irritant to foreign investors who haven't got in." Ahluwalia

Pak traders for

holiday on Sunday

ISLAMABAD, June 15

Pakistan's leading businessmen

called on the government

Tuesday to end the new five-

day working week and to re-

turn to a six-day week with a

holiday on Sunday instead of

the Islamic Friday holiday, re-

Pakistan cannot afford the lux-

ury of a five-day working week

as it will badly affect the work-

ing of government offices

which in turn will affect the

national economy," S M

Muneer. President of the

Federation of Pakistan

Chambers of Commerce and

meeting of the business group,

Murieer said his members had

unanimously opposed the in-

troduction June 1 of a two-day

weekend - on Friday and

Saturday - and demanded one

weekly holiday - on Sunday,

the official APP news agency

international markets and ac-

tual business dealings are sus

pended for three and a half

days a week as most of the

world markets are closed on

Saturday and Sunday," Muneer

said. Prime Minister Benazir

Bhutto introduced the five-day

week, saying it would save

money for the government in

terms of electricity and petrol.

German bid

to host

WTO

GENEVA, June 15: Germany

on Tuesday formally proposed

Bonn as the headquarters of

the new World Trade Organi-

sation, in a challenge to the

lakeside city of Geneva.

host the trade body expire

Wednesday but there are not

expected to be any other can-

life next year to succeed the

General Agreement on Tariffs

and Trade, which sponsors

trade liberalizing agreements

and arbitrates in disputes. The

WTO will have wider powers

and be much bigger than

GATT, which has just 400 em-

based, is the favored candi-

date, although trade officials

are still haggling with the

Swiss over issues like diplo-

matic privileges. The Geneva

city council fears a big drop in

revenue if it loses the WTO.

Geneva, where GATT is

The WTO is meant to start

Deadline for applications to

reports AP.

didates.

ployees.

"Pakistanis cut off from the

In a statement issued after a

"A developing country like

ports Reuter.

Industry, said.

said, explaining why he had asked Sanwa and Bank of Tokyo to act as custodians too. duties of which include such activities as clearing stock transactions.

"The market will provide a solution if there is demand."

Ahluwalia said the Indian government was also working in legislation to set up a central depository system to ease domestic settlement problems.

Foreign portfolio investment in India came to almost four billion dollars in the year to March, he said, of this, 1.4 billion dollars came from foreign institutions investing in the Indian market and an additional 2.5 billion dollars from equity issued by Indian companies in the Euromarkets.

Ahluwalia said equities issued by Indian companies abroad were "preferred very strongly" by foreign investors for simpler settlement proce-

"Hence, reforms are now focussing in the Indian stock market," he said.

The Finance Secretary also

CHITTAGONG, June 15:

The weekly tea sale held here

vesterday was marked by se-

lective demand and lower

prices for different categories

of teas, market sources said,

increased quantity of large and

fold brokens while Poland

bought smail quantity of the

category at lower rates. Pak-

istan and internal buyers lent

less support resulting in a

lower price for fannings and

bold brokens was sold at

in the city on Tuesday.

The 10th Annual General

Meeting of the Saudi-Bang-

ladesh Industrial and Agri-

cultural Investment Company

Limited (SABINCO), a joint

venture investment company

of governments of Saudi Arabia

and Bangladesh was held on

The meeting was chaired by

Dr. Abdulaziz Al-Orayer, Chair-

man, SABINCO and Deputy

Minister and Economic Advi-

ser, Ministry of Finance and

The government of Saudi

Arabia was represented by

Mansour Al-Mebrek, Deputy of

Saudi Public Investment Fund,

while the Bangladesh side was

represented by AH Mofazzal

Karim, Deputy Chairman,

SABINCO and Secretary.

Ministry of Commerce and KM

Ehsanul Haq. Joint Secretary.

The meeting was also at-

tended by directors of the

Company from Saudi side

Turki Mohammad Al-Sudairy

and Sami Al-Yousuf and

Ministry of Finance.

National Economy, KSA.

Tuesday, says a press release.

A fair quantity of large and

Russian buyers purchased

reports BSS.

small brokens.

reiterated that "fair" penalties would be imposed by the Reserve Bank of India against the foreign banks found to be involved in the 1.3 billion dollar scam which surfaced two

years ago. Among the foreign banks are Australia's ANZ Grindlays Bank Ltd. Britain's Standard Chartered Bank PLC, Bank of America. American Express Co. Hong Kong and Shanghai Bank Ltd. and France's Banque

Indosuez. "These penalties are being introduced by the central monetary authorities for clear violation of financial norms. both by Indian banks and foreign banks," Ahluwalia said.

"We are certainly not viewing the penalties as penalties for foreign banks. I'm quite sure the reserve bank will levy penalties that will stand up to the judgement of bankers around the world.

Reserve Bank Deputy governor Devendra Mehta recently told AFP in Bombay that the central bank was "in the process of finalising a decision" and that "action will be

Lower prices mark tea auction

slightly easier rates ranging

between Tk. 45/50 and Tk 47

only a limited demand and

were mostly unsold. Smaller

brokens, likewise, met with a

less demand at easier rates

selling mostly upto Tk. two per

kg. below last levels. Popular

types also received less sup-

port selling between Tk. 51/-

support and had a lower mar-

ket declining upto Tk three

per kg, following quality. Good

liquoring fannings had a fairly

good market and generally

Dr Abdulaziz Al-Orayer, Deputy Minister and Economic Adviser, Ministry of Finance and

National Economy of Saudi Arabia presiding over the Annual General Meeting of SABINCO

Bangladesh side Khairuzzaman

Chowdhury and AFM Sarwar

operational performance of the

Company for the year ending

December 31, 1993 and the

investment portfolio of the

Company stood at Tk. 1,633

million comprising 36 pro-

formance of three taken over

projects of which two are

running with profits and one is

running at breakeven.

SABINCO recently undertook

financing of shrimp culture

projects under National Pilot

Scheme with the loan of Tk.

150 million from the govern-

ment of Bangladesh. The Chief

Executive of Saudi Fisheries

Company of Saudi Arabia is

considering to come up with

an investment proposal of in-

tegrated shrimp and fish cul-

ture project having processing

and packaging facilities under

collaboration with

It also reviewed the per-

The meeting reviewed the

Operational performance

of SABINCO reviewed

All fannings met with a less

50 and Tk. 53/-10 per kg.

Medium brokens met with

taken early" against the errant banks.

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

Other central bank sources said the Reserve Bank was contemplating either a fine amounting to 10 per cent of the banks' fllegal transactions or ordering them to forfeit the profits made in the scam.

Mehta declined to disclose details of the punishment apart from saying "there will be no distinction between for eign and Indian banks on this

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

The Reserve Bank has 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-tained bank business.

based upto Tk. two per kg

while plainer types were ne-

glected and were discounted

Popular types also had a

lower market selling between

Tk. 52/ and TK 54/60 per kg.

gory on offer met with much

less demand at easier rates

Better liquoring types once

again attracted more interest

while the plainer sorts were

generally neglected. Internal

buyers absorbed the bulk of the

China keen to

expand trade

with India

trade delegation led by Chi

nese Minister of Foreign Trade

and Economic Cooperation Wu

Yi arrived here early this

morning to explore the ways

and means of expanding Sino

Indian bilateral trade, reports

visit to India at the invitation

of the Indian commerce min-

istry, will attend the fifth

meeting of the Sino-Indian

Joint Team for economic and

trade affairs which is taking

matters of common interest

relating to economic, trade

and technological cooperation

between the two countries,

The joint team was set up

after late Indian Prime Minis

ter Rajiv Gandhi visited China

in 1988 to promote bilatera

trade between the two coun

she said at the airport.

tries.

The two sides "will discuss

place in a few hours.

Wu Yi, who is on a three-day

NEW DELHI, June 15: A

There were 19,792 chests

offerings.

of teas on offer.

4,258 chests of dust cate-

upto Tk. three per kg.

Plea to withdraw import duty, VAT from synthetic fibre

Kamal Uddin Ahmed. Managing Director of Ashraf Textile Mills Ltd. has urged the Finance Minister to completely withdraw import duty and VAT from synthetic fibre. savs a press release.

In a statement yesterday he said synthetic fibre should be treated as another basic raw material of the textile industry with a view to attracting investors in this sector.

Import duty on nylon chips' has been withdrawn. Similarly duty on synthetic fibre should also go. Kamal said.

He, however, praised the Finance Minister for attaching more importance to textile sector in proposed budget of 94-95 fiscal year.

German unit of UK firm signs contract with Malaysian co

LONDON, June 15: A Ger man unit of British conglomer ate Trafalgar House has signed a contract with a Malaysian company for the supply of continuous polycondensation and solid-state plant, the company said Tuesday, reports

In February, the Malaysian government decided to boycott British firms in retaliation for British media allegations of corruption in Anglo-Malaysian trade and in the regime of Prime Minister Mahathir Mo-

John Brown Deutsche Engineering (JBDE) located in Essen, Germany, signed contract with Polybond SDN BHD in Kuala Lumpur to set up a plant for produ in 30,000 tonnes per year of polethylene terephthiate (PET) bottle and film grade resins. JBDE said it would provide

its own process know-how, the basic and detail engineering supply the key equipment and machinery and supervise the erection and commissioning o the plant.

The plant is scheduled to start production at the end of 1995. The value of the contract was not disclosed.

JBDE also said it had been awarded a contract by PET. Polysindo Eka Perkasa in Jakarta, Indonesia, to supply equipment for a continuous Polycondensation plant to produce 120,000 tonnes per year of polyster fibre grace melt for direct spinning of fibre and polyster fiber grade chips.

Tokyo to stop cash remittances to

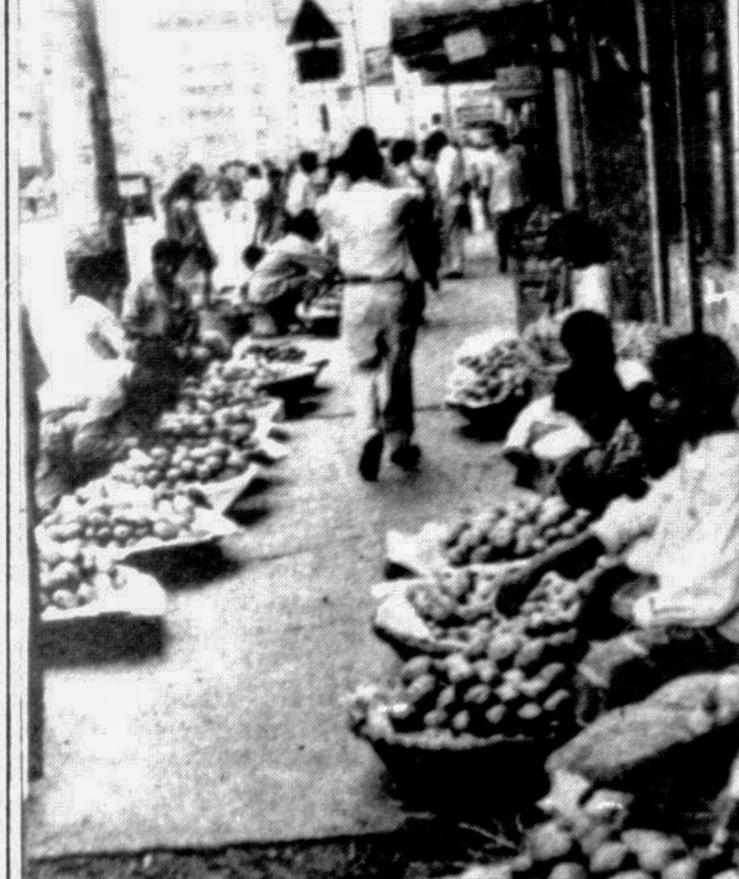
Pyongyang

TOKYO, June 15: Japan has agreed to stop cash remittances to North Korea from ethnic Koreans living in Japan as part of a draft UN resolution against Pyongyang over the nuclear standoff, the Yomiuri Daily said Wednesday, reports

The a cment followed a telephone conversation Tuesday between US President Bill Clinton and Japanese Prime Minister Tsutomu Hata, the daily quoted an unidentified senior government official as

In Washington, White House spokeswoman Dee Dec Myers said Hata assured Clinton that a formerly hesitant Tokyo was now prepared to approve

sanctions. North Korea receives large sums of cash from Japan, usually from ethnic Koreans living in the country, with estimates ranging between 600 million and two billion dollars annually. The latter figure, attributed to experts and Bank of Japan calculations, would represent half the Stalinist states' annual economic output.



Local mangoes are being sold at Motijheel Commercial Area in the city at the rate of Tk forty to forty-five per kilogram yesterday. — Star photo

Power failure hits output at mills in Narail

NARAIL, June 15: Frequent power failure in the district is hampering production in mills and factories, reports UNB.

Mill owners complained that they are incurring huge losses due to irregular supply of electricity as they are to pay the labourers sometimes for no work. They also said they were forced to retrench the workers as the mills cannot operate its full capacity due to frequent power break down.

Town dwellers complained that many electronic gadgets have been damaged due to fluctuation of voltages and loadshedding over last few days. They said power goes off for hours together hampering their normal activities. The situation turns worse during the nightfall

Taking advantage of the situation some mastans and terrorists become active after sundown and take away the belongings of the pedestrians.

The transformers often become out of order due to overloading at some points where unauthorised connections have been given by some dishonest PDB employees. The HSC examinees are the

worst sufferers as they cannot prepare their lessons properly due to power disruptions.

Irrigation is being ham-

power supply causing extensive damage to standing crops. Many farmers complained that due to lack of irrigation during preflowering and milking stage of paddy crops they will be forced to have poor harvest.

Hats, bazars in pitiable condition

Another report says: Almost all the hats and bazars of the district are in pitiable condition due to lack of proper maintenance and care.

There are 75 hats and bazars in three thanas of the district maintained by respective thana parisads. But due to inadequate drainage system water remains stagnant in the hats and bazars creating great suffering to both the buyers and sellers.

Besides, shortage of space is another problem in most of the bazars. Established many years ago no steps have vet been taken to develop and expand these bazars.

A number of important hats and bazars have not been even electrified, causing difficulties to the buyers and sellers after

Moreover, there is no urinals and sanitary latrines in the bazar areas. A small number of tubewells were installed which remain out of order in most of the time, it is alleged.

pered greatly due to irregular Asian stock markets look lackluster

HONG KONG, June 15: Asian markets generally looked lackluster Wednesday, showing little change in moderate trading. In Tokyo, the US dollar edged higher against the Japanese yen after a six-day slide, reports AP.

The Tokyo Stock Exchange's two main indexes declined in moderate trading. Prices recovered moderately in the morning, but fell again later on profit-taking, dealers

The Nikkei Stock Average of 225 selected issues fell 71.01 points, or 0.33 per cent, closing at 21,282,96.

The Tokyo Stock Price Index of all issues listed on the first section was down 4.53 points, or 0.27 per cent, to 1.698.27.

In Hong Kong, shares were boosted by signs that China is willing to set aside its dispute with Britain and renew cooperation on the colony's future. BANGKOK: Shares fell in

moderate trading as dealers hedged against a burgeoning crisis over constitutional reform that could topple the government. The Stock Exchange of Thailand index fell 19.35 points to 1.359.53.

JAKARTA: Shares closed lower in quiet trading as foreign interest remained lackluster, dealers and analysts said. The Jakarta Stock Exchange Index fell 0.256 points to 482.09 according to an unofficial estimate by a foreign securities house.

KUALA LUMPUR: Shares ended broadly higher in moderate trading, buoyed by a resurgence in retail-investor interest. The Kuala Lumpur Stock Exchange Composite Index rose 15.46 points, or 1.5

per cent, to 1,028.95. MANILA: Shares ended lower in dull trading, dragged

down by the dirs 1.875 decline of Philippine Long Distance Telephone Co. to dirs 66.375 in the United States Tuesday, traders said. The Philippines' unified composite index of 31 selected issues fell 14.18 points to 2,921.87 following Tuesday's 50-point slide.

SEOUL: Tension over the Korean nuclear standoff again pushed stocks sharply down. with losses across the board. The Korea Composite Stock Index ended 12.8 points or 1.4 per cent, down at 890.92 in thin trading.

SINGAPORE: Shares ended slightly higher. Traders saw institutional buying of some major Singapore stocks, but overall attention was focused on the over-the-counter market, which consists of mainly Malaysian shares. The 30-Share Straits Times Industrials Index gained 8.21 points to 2,286.51 after Tuesday's fall of

SYDNEY: Shares closed slightly lower in light trading as investors readied for the end of the financial year on June 30. The All Ordinaries index closed at 2,074.4, down

TAIPEI: Strong late buying in electronics reversed a downward drift and pushed the weighted price index up 16.12 points to a closing 6,115.06. Analysts said investors remained confident in blue-chip electronic shares, which lately have dominated the market.

WELLINGTON: Shares finished higher in thin trading. with brokers expecting the market to remain buoyant over the next few days after drifting down over the past few weeks.

The NZSE-40 capital index closed 24.32 points higher at 2,10087.

Israeli shares fall by 4.7pc

TEL AVIV. June 15: Tel Aviv's frenetic stock market plunged 4.7 per cent Tuesday. continuing a month of rollercoaster ups and downs that have left Israelis confused and jittery about prospects for the economy, reports AP.

The General Share Index fell from 185.51 to 176.88 by the end of trading, the exchange announced.

The fall, which wiped out more than one billion dollars in paper value, was typical of the unstable market in recent weeks after the index fell about 35 per cent in May, reaching the 165 level.

In early February the Index stood at around 250 after months of dramatic rises brought on by peace hopes. But since then the market has been battered by revelations of stock manipulations, charges that shares were overvalued.

Some analysts expressed fear that the continuing slump indicated the market was sensing an imminent recession despite optimistic overall assessments for the economy The finance ministry has projected six per cent economic growth for 1994.

Bankruptcies in Japan rise TOKYO, June 15: Corporate

failures in Japan rose 7.3 per cent from a year earlier to 1,194 cases in May, remaining above 1,000 cases for the 16th consecutive month, credit research agency said yesterday, reports AFP. The failures, with individual

liabilities of at least 10 million yen (97,000 dollars) rose 1.5 per cent from the previous month, Teikoku Databank Ltd.

Combined liabilities for these bankruptcies totalled 443.3 billion yen (4.3 billion dollars) up 22.9 per cent from the previous month, but down 33 per cent from a year ear-

lier, the agency said. The number of recessioninduced failures - attributed to such factors as sluggish sales and exports, difficulties in collecting bills and the accumulation of bad debts, totalled 750 cases, or 62.8 per

cent of bankruptcies. It was the tenth consecutive month that the ratio of recession-induced failures

topped 60 per cent, the agency said.

30 hurt as ROK students protest farm market opening

SEOUL, June 15: About 30 students and police were injured Wednesday when a student rally protesting South Korea's farm market opening turned violent, a news report

said, reports AP. About 800 students attending an anti-import rally in the southern city of Kwangju clashed with police guarding a district governing party office, the national news agency.

Yonhap, said. They used rocks and steel pipes to confront about 600 riot police when they tried to attack the office, the report said. Police responded by lobbing tear gas at the students.

In Pusan, the nation's second largest city, 328 kilometres (205 miles) southeast of Seoul, about 50 students staged a sit-in protest Wednesday in front of an American cultural centre, the agency said.

Police arrested 46 students in both clashes, it said. Students charged that the

South Korean government gave in to US pressure to open the country's agricultural market.

"Asian poor states" GDP to grow 6pc by century-end" NEW DELHI, June 15: Asian

developing countries will achieve GDP growth of 6.5 per cent between now and the end of the century, with sustained reforms and an external resource flow to support restructuring, says the Managing Director of the World Bank group, Ernest Stern. Writing in the latest issue of

"finance and development" a joint publication of IMF-World Bank, Stern said the East Asian 'miracle' might be spreading to South Asia. He said though a late starter. South Asia too is beginning to reform its investment and trade policies.

Bangladesh, India, Pakistan, Sri Lanka have initiated reforms that are dismantling restrictions on domestic and foreign private investment, removing quantitative trade restrictions and reducing the level and dispersion of tariffs.

Americans give high value at owning a home! euphoria has subsided along the first quarter of this year ation (Fannie Mae) which leased on Monday, more than with the rise of interest rates.

WASHINGTON, June 15: Americans place so high a value on owning a home that they will make many tradeoffs in order to achieve it, reports Xinhua.

Sometimes, they postpone retirement, commute long distances, turn down good jobs in a city where they have to rent, rather than own, and take a second job, if that is necessary to become a home buyer.

And anticipation of buying a home often creates a feeling of optimism for the future. "Owning a home represents

financial, psychological and familial security," said James Johnson, Chairman of the Federal National Mortgage Associfunded home mortgages for For examples, Americans

3.3 million families last year. usually associate increasing levels of homeownership with abroad range of positive implications for the national economy, their neighborhoods and their personal family finances.

Renters and owners say that an increase in homeownership in their area would lead to a better economy, more young people going to college, more families getting ahead financially, and greater turnout in local elections.

By an overwhelming margin, according to Fannie Mae's third annual housing survey re-

70 per cent of Americans prefer to live in a community where the majority are homeowners. Three out of four Americans in the survey believe that owning a home is a positive factor on one's life, and once you are able to

achieve it, do so regardless of

your marital status or whether

or not you have children.

1993 was a good time to buy. Optimism for economy

helped fuel the most dramatic year in the history of mortgage finance, with a record 1.1 trillion US dollars in mortgage originations across the coun-

Although some of last year's

people still believe the economy and the housing market are positive for buyers. What is disturbing is that Americans, especially the

African Americans still perceive the home mortgage system to be one that continues to discriminate. In the Fannie Mae survey,

for African Americans, discrimination ranks as an obstacle only behind the down pay ment funding affordable housing, and finding a neighbour hood in which one can confidently invest. According to the National

Association of Realtors, the av erage price of a new home in

was 153,000 dollars. The contract mortgage interest rates for 30-year fixed

rate mortgages reported by Federal Home Mortgage Corporation (Freddie Mao) was 7.3 per cent. Despite the successes of the country's system of home finances, through which close to

two thirds of all American fam-

ilies live in homes they own,

people do not give the system

noticeably high marks. Lending discrimination is a blight on our industry, and one that those involved in providing mortgage finance for Americans must eradicate. Fannie Mae's James Johnson told reporters.