

Indian journalist subpoenaed in BCCI case

WASHINGTON, July 26: A reporter for one of India's largest newspapers has been subpoenaed to reveal his sources after he wrote about suspicious financial dealings involving India's oil minister, an Indian crime ring, and BCCI, reports AP.

Bharat Bhushan, the Washington correspondent for the Indian Express of Bombay, intends to fight the request of defense attorneys to produce his notes and documents, his newspaper said.

The request was made following an investigative series by Bhushan about the financial dealings of Satish Sharma, India's Minister of Petroleum, Sharma's brother, Girish K Sharma, a US businessman, and Indian crime ring that prosecutors said was led by Ponnappa Sanjeeva Prasad.

New York state banking department in 1992 won a 108.9 million dollars judgement against Prasad and others concerning similar fraud charges against the New York BCCI branches, said Thomas J. Moloney, an attorney representing the banking depart-

ment. Bhushan's articles partly described events in a federal racketeering lawsuit filed by the New York State Superintendent of Banks against Girish Sharma and others. The suit alleges a conspiracy to steal \$34 million from the New York branch of Bank of Credit and Commerce International through false loans.

Satish Sharma, the oil minister, is not named as a defendant in the suit, which is pending in US District Court in Manhattan.

But the document alleges he and Girish Sharma and brother's wife received "hundreds of thousands of dollars" and described the payments as "bribes and kickbacks" to obtain their cooperation in a scheme to hide assets from the New York banking agency.

BCCI, an international bank which once operated in 70 countries, was shut down by regulators three years ago amid massive losses from fraudulent loans and insider dealings. The bank paid \$150 million to settle federal

racketeering charges in 1991. The New York State Superintendent of Banks seized the New York BCCI branches and brought the lawsuit against Girish Sharma as part of its effort to recover assets from the fallen bank. The superintendent claims the conspirators worked to "thwart collection on the loans through fraudulent transfers to a web of shell corporations created solely for that purpose."

Satish Sharma has denied wrongdoing. He has told India's parliament that the received 7 million rupees — 224,000 dollars — from his brother through normal and legal banking channels.

An attorney representing a company controlled by Girish Sharma, Gary Sherman Investments Inc., declined comment. That company last month subpoenaed the Indian Express reporter to turn over his notes for a pretrial hearing.

Central to the fraud were loans, fraudulently obtained from BCCI, for the purchase and renovation of five hotels in New York, North Carolina, Tennessee, Florida and Georgia.

Proceeds from the loans and some of the hotel operating revenues were improperly used to gain control in a US company and other proceeds were funnelled overseas, the lawsuit said.

Bhushan's articles described a series of complex transactions involving Girish Sharma, his associates and a series of offshore companies.

The series raised questions about how Girish Sharma could have sent about 248,000 dollars to his brother in India when his declared US income was only a fraction of that amount during that period.

Bhushan declined to comment on the case, citing the pending litigation.

Vivek Goenka, chairman and managing editor of the Indian Express, said in a statement the paper "will vigorously defend the rights of Bhushan and the paper to maintain confidential sources and the confidentiality of materials provided and obtained in the course of newsgathering activities."

Islamabad liberalises trade with new policy

ISLAMABAD, July 26: Pakistan has announced a liberal trade policy for fiscal 1994/95 lifting ban on several imports and offering concessions to export-oriented firms, reports Reuters.

"We want to bring our industrial and trading system at par with the system of the developed countries," Commerce Minister Ahmed Mukhtar said in a televised speech.

"We are moving in this direction step by step. We are trying to align our policies with the needs and obligations of the new international trading system."

Mukhtar put the value of Pakistan's exports for 1993/94 ending June at 6.75 billion dollars and of imports at 8.5 billion dollars, leaving a trade imbalance of 1.43 billion dollars compared with one of 3.12 billion dollars in 1992/93. He gave no projections of exports and imports for fiscal 1994/95, but said he would give a further details at a news conference tomorrow.

The new policy allows industrial consumers, commercial importers and construction organisation to import second-hand machinery without government approval. Flying clubs, charter aviation services and charitable foundations would be allowed to import helicopters and aircraft.

Also allowed for import were the raw skins of sheep, goats and rabbits, pre-recorded audio-video tapes and compact discs and used cars over two years old for private use under a residence transfer scheme, Mukhtar said.

"We will have to allow free import of items which are banned for import except those banned on considerations of national security or for religious reasons," he said.

Pakistan, where the highest import duties have been brought down to 70 per cent, would have to align its tariffs with the global tariff system, he said.

Mukhtar said export-oriented industries were offered concessional tariffs to import machinery and spare parts. He will announce details today.

Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on July 26. (Figures in Taka)

Currency	TT & OD	Selling	TT	Buying	OD
		HC	Clean	Ex. Bills	Transfer
US Dollar	40.3800	40.4100	40.1200	40.0450	39.9025
Pound Sterling	62.1634	62.2095	60.5261	60.4129	60.1979
DM	25.6695	25.6886	24.9914	24.9446	24.8559
FF Franc	7.5143	7.5199	7.3154	7.3016	7.2757
C Dollar	29.5792	29.6012	28.7859	28.7321	28.6298
S Franc	30.2550	30.2775	29.4431	29.3880	29.2835
Jap Yen	0.4153	0.4156	0.4003	0.3995	0.3981
Indian Rupee (AMU)	1.2908	1.2973	1.2754	1.2594	—
Pak Rupee (AMU)	1.3204	1.3270	1.3046	1.2883	—
Iranian Ryal (AMU)	0.0232	0.0233	0.0229	0.0226	—
A) T. T. (DOC) US Dollar Spot Buying Tk 40.0825					
B) Usance Rates:					
30 Days DA	39.4853	39.5012	38.9170	38.8486	—
90 Days DA	39.7695	39.7853	39.2012	39.1327	—
120 Days DA	39.7695	39.7853	39.2012	39.1327	—
180 Days DA	39.7695	39.7853	39.2012	39.1327	—
C) US Dollar sight export bill 3 months forward purchase: Tk 40.0450					
D) US Dollar 3 months forward sale: Tk 40.6100					

Currency	Selling	Buying
	T.T. & O.D.	O. D. Transfer
S Riyal	10.7678	10.6430
UAE Dirham	10.9565	10.8675
Kuwaiti Dinar	136.4735	134.6744
Singapore Dollar	26.7398	26.4140
D Guilders	23.1977	22.9240
S Kroner	5.2473	5.1841
Malaysian Ringgit	15.5749	15.3896

Note: AMU—Asian Monetary Unit

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 26.7.1994

Berth	Name of vessels	Cargo	Lport	Local agent	Date of Leaving
J/1	*San Pablo	VEH	Sing	JF	25/7
J/2	Alam Tenang	Sugar (P)	Sing	Seacom	17/7
J/3	Golden Rose	Cement	Sing	PSAL	14/7
J/4	*Safina-E-Ismael-2	Rice	Kara	Prog	14/7
J/5	Carltona	Sugar (P)	Kaus	Seacom	8/7
J/6	Imke Wehr	Cont	Sing	APL (B)	25/7
J/7	Banglar Kallol	GI	Pena	BSC	23/7
J/8	Nikoula	Cont	Sing	Prog	22/7
J/9	*Banglar Robi	Cont	Sing	BSC	22/7
J/10	Dokores	Idle	—	Seacom	R/A
J/11	Banglar Mamata	GL Mong	BSC	22/7	20/7
J/12	Kota Bintang	Cont	Sing	CTs	23/7
J/13	Ingenuity	Cont	Sing	RSL	23/7
MPB/1	Meng Kita	Cont	Sing	AML	21/7
MPB/2	Lhotse	Cont	Sing	RSL	22/7
OCJ	*Jala Mudra	Idle	Jaka	USTC	6/7
GSJ	Delta Star	Wheat (G)	Suc	Ancient	22/7
RM/4	*Akademik Vekua	COFO	Sao	Royal	19/7
RM/5	Team Trinta	HSD/MS	Sing	MSPL	10/7
RM/6	*Concord	HSD	Sing	MSPL	23/7
DOJ	Banglar Shourabh	Repair	—	BSC	R/A
DDJ/1	Pearl One	Repair	Yang	ENCL	15/6
RM/9	*Al Swaminuz	Repair	Pena	ASLL	26/6

Vessels due at outer anchorage

Name of vessels	Date of arrival	Last port	Local agent	Cargo	Loading
Kota Pusaka	26.7.94	Viza	CTs	—	Sing
Kranosoyarski	26.7.94	Sing	Seacom	GI	—
Komsomolets	26.7.94	Sing	SSP (P)	—	—
Kharoutum	26.7.94	Sing	MMI	GI	—
Young-II	26.7.94	Sing	BDSHIP	Cont	Sing
Fong Yun	26.7.94	Sing	CT	Cont	Sing
I. Yamburenko	26.7.94	Sing	—	—	—
Sam Houston	26.7.94	—	Kama	GI	—
Pan Trader	26.7.94	SACR	OWSL	Wheat (P)	—
Arktis Sun	26.7.94	—	BSL	GI	—
Dubai Glory	26.7.94	—	Prog	GI	—
Gai Jiang	26.7.94	L. Shan	Litmond	Cement	Sing
Optima	26.7.94	Sing	RSL	—	—
Fu Shan	26.7.94	MAD	MSL	Machinery &	—
S. Collifer Star	26.7.94	—	Prog	GI	—
Tirgo Secures	26.7.94	Braz	USTC	Beiro	—
Banglar Mont	26.7.94	Mong	BSC	Cont	Sing
Petr Starostin	26.7.94	—	CT	Cont	Sing
Fong Shin	26.7.94	Sing	BDSHIP	Cont	Sing
State of Nagaland	26.7.94	—	SSL	GL	UK Cont
Ultima	26.7.94	Col	Baridhi	Cont	Col
Michael Stenok	26.7.94	Col	BTSA	Cont	Col
Dona Ouraria	26.7.94	—	JF	Scraping	—
Pelopidas	26.7.94	—	Litmond	Wheat (P)	—
Samudra Raj	26.7.94	Kar	SSL	Rice	—

Vessels at Kutubdia

Name of vessels

Cargo

Last port

Local agent

Date of arrival

Vessels ready:

*Jiang Cheng

*Rusunala

Banglar Asha

*Prudent Venturer

Vessels waiting instruction:

Banglar Jyoti

Vessels not entering

Knock Ardy

Fantasy

Rybnny Murman

Rosario Del Mar

Laemthong Glory

MOVEMENT OF VESSELS FOR 27/7/1994

Outgoing

Incoming

Shifting

J/13 Ingenuity (Cont)

MPB-1 Meng Kiat (Cont)

MPB-2 Lhotse (Cont)

GSJ Delta Star

J/6 K Komsomolets

RM-9 B Jyoti

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

China, Malaysia to expand trade ties

BEIJING, July 26: China and Malaysia have pledged to expand trade ties as bilateral exchanges hit 924 million dollars in the first five months of 1994, the China Daily said today, reports AFP.

Visiting Malaysian Trade and Industry Minister Rafidah Aziz, in a meeting Monday with her Chinese counterpart, Wu Yi, praised the progress made by the bilateral economic and trade commission since its establishment in 1988.

Aziz and Yi are presiding over the commission's third session, which ends here Tuesday.

China, which established ties with Malaysia in 1974, is now its fourth biggest trading partner, with two-day trade worth 1.781 billion dollars last year, 2.5 times more than 1988, they report said.

It quoted Chinese statistics as putting Malaysian exports — mostly raw material such as timber, and coconut and palm oil — at 1.08 billion dollars for a Chinese deficit of 379 million dollars.

Malaysia put the shortfall at 160 million dollars, the paper reported, but quoted Aziz as saying that trade was now evening out.

"There's great potential for Malaysia to export more finished industrial products to China and for China to invest further in Malaysia," she said, adding that "China's sustained economic development is providing a good chance for Malaysian investment."

World's first mice market

BEIJING, July 26: Not content with rice, coal, oil and stock markets, China's entrepreneurs have come up with what is believed to be a world first—a mice market, reports Reuters.

Farmers catch rodents and sell them to restaurants which serve them as a delicacy, it said. Previously, the unwanted rodents were poisoned.

The market in Taiping county near Zhanyuan city meets four times a month, with over 2,000 mice traded.

Buyers prefer big, plump mice and reject those weighing less than 250 grams, the newspaper said.

Mice eat millions of tonnes of grain a year in China and official extermination drives are launched regularly.

Poland trims grain crop estimate to 24.2 m tonnes

WARSAW, July 26: Poland lowered its grain production forecast for this year to 24.2 million tonnes from June's 24.6 million estimate, but still above the 23.1 million tonnes produced last year, a farming ministry official said, reports Reuters.

"According to the information from different regions... we estimate the crops to be higher by 1.5 quintals per hectare than last year and reach around 28.9 quintals per hectare with the harvest area to remain unchanged", Franciszek Blok said.

He said wheat production was seen at 8.4 million tonnes against 8.2 million last year.

The ministry gave the following output forecasts, in million tonnes

1994 1993 (Production)

Total Grain 24.2 23.1

Wheat 8.4 8.2

Barley 3.5 3.3

Rye 5.4 5.0

Oats 1.6 1.5

Other 5.3 5.1



David N Merrill (L), Ambassador of the United States of America in Bangladesh, called on A Rob Chowdhury, President, Dhaka Chamber of Commerce & Industry (DCCI) at the chamber office yesterday. They discussed various issues relating to promotion of bilateral trade, possibilities of joint venture investment, economic cooperation between the two countries.

More Japanese-Asian economic interdependence sought

TOKYO, July 26: Japan should deepen its interdependence with other Asian economies to prevent the strong yen from "hollowing out" the country's industrial base, the Economic Planning Agency said Tuesday, reports AFP.

"We have often heard the pessimistic view that the Japanese economy will hollow out," the agency said in its annual white paper, referring to growing fears that the strong yen will force the country's industrial base offshore.

But while the adjustment might be painful in some sectors, the agency said Japan could ultimately benefit by concentrating on value-added industries.

"It is true that the transfer of manufacturing production bases abroad will reduce domestic production, employment and investment opportunities. In the short term, the adjustment to increases in imports and overseas production will be painful in some industries," it warned.

However, economic efficiency and expansion will be promoted if we can shift economic resources freed by the increase in direct investment to more value-added sectors. Therefore, it is important to deepen interdependence with Asian countries and make these side and industrial structure more value added."

The white paper, adopted by the cabinet Tuesday, said the type of direct Japanese investment expected to increase as a result of the yen's appreciation was in the electronics sector in Asian countries.

For every one percentage

point increase in the yen's value, it said Japanese investment in manufacturing in Asia was estimated to rise 1.6 per cent.

The Japanese currency has soared more than 10 per cent so far this year, with the dollar falling to a new all-time low of less than 97 yen earlier this month, down from almost 112 yen at the end of last year.

"Direct investment in Asian countries is intended to utilise the cost advantage by specialising in labour-intensive production processes."

"On the other hand, direct investment in North America and Europe is largely for the

establishment of production bases for local sales, which falls under the influence of cyclical movements of the economy," the white paper said.

The agency noted that the yen's recent surge was having a bigger impact on the Japanese economy than the appreciation which occurred in the late 1980s.

The surge which began in 1985 represented a return to the "equilibrium yen-dollar rate," based on the purchasing power of goods in Japan and the United States from which exchange rates had previously deviated.

Foreign oil cos resume operations in Yemen

NICOSIA, July 26: Most of the oil firms with concessions in Yemen have resumed operations since the civil war ended earlier this month, the Middle East Economic Survey (MEES) said Monday, reports AFP.

US firms Occidental and Chevron, Britain's BP and British Gas, and Shell (Britain, Netherlands), which have concessions in the central province of Shabwa, have returned.

But they are "closely studying the situation in the light of the exploration work that they have carried out and the fact that there have been very few oil shows in this once highly promising area," the newsletter said.

Total (France) and Nimir (Saudi Arabia) have resumed exploration in the eastern

provinces, said the Cyprus-based weekly.

MEES also reported that Canadianoix had asked Yemen's oil authorities to renew as of September the agreement which it to market all of the crude from the Masila field in the southeast.

The authorities in Sana'a are reviewing the matter and a decision is expected shortly, according to MEES.

During the two-month civil war, Canadianoix placed the government's share of the oil funds in an escrow account which it has now transferred to the Central Bank of Yemen.

A southern Yemeni official in exile, Abderrahman Al-Jifri, on July 10 warned the oil firms operating in the South from dealing with the North based government.



The KLM Royal Dutch Airlines held a press conference at a hotel in the city yesterday. Seen from left along with KLM staff are: F Van De Laar, Dutch envoy in Dhaka, KLM Vice President KBF Steller, A Rahman and GW Boven.

Dhaka Stock Prices

At the close of trading on July 26, 1994

Index falls by 12 points

Star Report

The Dhaka Stock Exchange All Share Price Index fell again sharply on Tuesday while the turnovers on the DSE maintained the upward trend.

The index dropped from 672.2276 to 660.0164, posting a decline of 12.212 points.

The turnover in volume increased by 74.459 per cent and the turnover in value showed a gain of 125.849 per cent.

A total of 75,588 shares were traded at Tk 2,72,03,826.50 as against Monday's 43,327 shares worth Tk 1,20,45,152.50.</