

Poland keen to take part in mining of mineral resources

Poland has shown keen interest to participate in mining of mineral resources in Bangladesh.

The willingness was expressed by Polish minister for Industry and Trade Marek Pol when Energy and Mineral Resources Minister Dr Khandaker Mosharraf Hossain called on him at Warsaw yesterday, according to a message received here, reports UNB.

The Energy Minister, now on a week-long official visit to the European country, apprised the Polish minister of the prospects and possibilities of energy and mineral resources of Bangladesh.

He said Bangladesh is a delta landscape with unparalleled natural beauty and it has vast untapped natural and mineral

resources.

"There is immense scope for Poland to invest in Bangladesh in the field of mining, as Poland is a very advanced country in mining industry," said the Bangladesh minister who is leading a four-member delegation.

"An integrated coal mine with mine-mouth power plant may be a suitable project for Polish-Bangladesh cooperation in mining," he said and proposed that Khalaspir coal mine might be a starting point for future joint venture.

In this context, Dr Mosharraf referred to Barapukuria coal mine and said this project is being implemented with the financial and technical assistance of China.

Khalaspir coal mine in

Rangpur district with an estimated probable reserve of 635 million metric tons in an area of 12 square-kilometre of land was discovered by Geological Survey of Bangladesh (GSB) in 1989.

Outlining the prospect of limestone in Bangladesh, Dr Mosharraf said there is another prospective scope for Poland in extracting limestone, another valuable mineral.

Poland can provide financial and technical assistance in implementing Joypurhat limestone mine and cement complex for bilateral interests, he pointed out.

Joypurhat limestone, a ready project which is now awaiting implementation, has a deposit of 100 million metric

tons of high quality limestone at an average depth of 535 metre covering an area of 6.7 square-kilometre.

An estimated investment of 577.94 million US dollars, including foreign component of 277.94 million, will be required to implement the project, which was discovered in early 60s.

The Energy Minister invited the Polish minister to visit Bangladesh at his convenient time. He accepted the invitation with keen interest.

Bangladesh Ambassador to Poland Nazem Ahmed Chowdhury and members of the delegation — Power Development Board (PDB) Chairman Kazi Golam Rahman and Director (Planning) of Petrobangla Mosharraf Hossain — were present.

BKB recovers Tk 57.37 cr of loans in Barisal

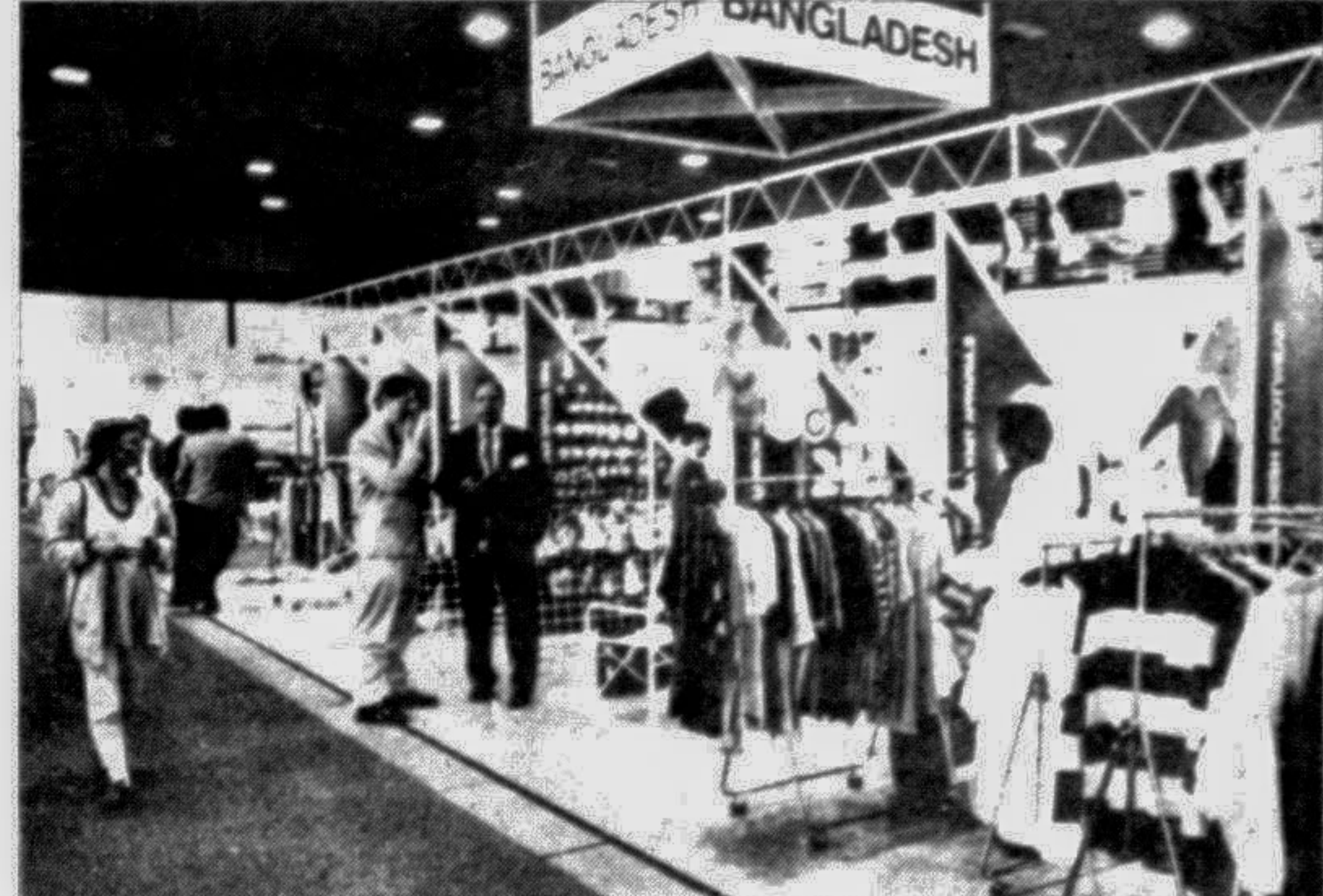
BARISAL, July 27: Bangladesh Krishi Bank (BKB) of Barisal region has recovered Taka 57.37 crore as outstanding agriculture loan from the farmers of eleven southern districts under the region during the 1993-94 fiscal year, reports BSS.

The districts are: Barisal, Jhalakati, Bhola, Pirojpur, Patuakhali, Barguna, Faridpur, Rajbari, Madaripur, Gopalganj and Shariatpur.

According to an official source, the target of recovery was taken at Tk 70 crore in the year.

The loan was disbursed for the cultivation of boro, aman, wheat, vegetables, pisciculture, purchase of oxen and milk cows, agriculture equipments, and self employments.

Of the total, 5.32 crore was recovered from Barisal district, Tk 5.37 crore from Bhola, Tk 6.47 crore from Pirojpur, Tk 3.13 crore from Jhalakati, Tk 6.15 crore from Patuakhali, Tk 4.83 crore from Barguna, Tk 7.61 crore from Faridpur, Tk 3.75 crore from Gopalganj, Tk 5.13 crore from Madaripur, Tk 4.24 crore from Shariatpur and Tk 5.37 crore from Rajbari districts.



A general view of the Bangladesh stand at the Import Fair Berlin 1994, held at the Berlin Exhibition Grounds from June 8 to 11.

\$ 1.3b bank swindle in India

Rao firm to punish the guilty

NEW DELHI, July 27: Indian Prime Minister P V Narasimha Rao's government pledged Tuesday to punish those found guilty in a 1.3 billion-dollar bank swindle which shook the country's financial markets two years ago, reports AFP.

But the government disowned administrative responsibility for the fraud, describing it as "essentially a reflection of the weakness in the system which the government was in the process of correcting."

The government's defence was contained in an 80-page action taken report unveiled in Parliament Tuesday in response to the findings of a legislative probe which held the Congress (I) party administration responsible.

Several Indian and foreign banks have been accused of involvement in the scam in

which bank officials connived with stock brokers to siphon off 1.3 billion dollars in fraudulent securities transactions to play the stock market.

The scandal, allegedly masterminded by Bombay stock broker Harshad "Big Bull" Mehta, broke out in April 1992, wiping out a share price boom and casting a cloud over India's financial system.

Several brokers, including Mehta, and bankers went to jail or were sacked for involvement in the fraud, India's biggest financial scandal, which bankrupted thousands of investors.

"The government is determined to ensure that all systemic weaknesses revealed in the scam are corrected and all persons found guilty are persecuted and punished," the government report said.

It said bank supervisory

mechanisms and stock market regulatory systems had been overhauled and safeguards would be introduced to prevent future wrongdoing.

Efforts are underway to trace the missing funds, but there is no evidence to show they have been funnelled overseas.

The Central Reserve Bank of India is trying to lay the blame on top management echelons.

The Parliamentary probe panel, in its report last year, blamed the finance ministry for failing to detect and check the scam in time, and also cited "liberalisation without adequate safeguards" as a catalyst.

The panel's report was in line with theories that the process of economic liberalisation begun in 1991 had encouraged unscrupulous

bankers and brokers to ignore the rules in order to make profits.

But such assessments have to be viewed against the backdrop of findings that improper securities transactions had been taking place as early as 1986, when liberalisation was still five years away, the government reply said.

Citibank, Bank of America, Standard Chartered Bank and ANZ Grindlays are among the banks accused of involvement in the scam, which led to a re-vamping of bank and stock market operations and prompted a special central bank audit.

The foreign banks' accounts are being studied every 12 months instead of two years. Their managements have been told to identify staff irregularities and punish those found guilty.

Saudi prince buys stake in luxury hotel chain

SAN FRANCISCO, July 27: A Saudi prince who recently came to the rescue of the Euro Disney theme park announced Tuesday he had bought a stake in the prestigious Fairmont Hotel chain for an undisclosed sum, reports Reuter.

Prince Al-Waleed Bin Talal bin Abdulaziz, a member of the Saudi royal family, the Swig family of San Francisco, the current owners of the luxury Fairmont chain, announced they would "come 50-50 partners in a new hotel partnership."

The partnership will own and operate the flagship Fairmont Hotel in San Francisco and two other Fairmont hotels in New Orleans and Dallas.

The luxury San Francisco Fairmont, built in 1907, is one of the city's best-known landmarks and was where the United Nations charter was signed in 1945.

The five-star hotel served as the backdrop for the popular 1980s television series "Hotel."

The Fairmont Hotels in Chicago and San Jose, California, will continue under the ownership of the Swig family, but may be brought into the partnership in the future, both sides said.

"The partnership is about furnishing a gem — the Fairmont brand — by providing capital to enhance the high quality and value which Fairmont guests have come to enjoy," Prince Al-Waleed said in a statement.

"We may also wish to expand the Fairmont brand to additional cities in the United States and abroad," said Prince Al-Waleed who becomes chairman of the group.

BB withdraws registration of export contracts of jute goods

The procedure for registration of sales contracts with the Bangladesh Bank for export of jute goods from Bangladesh has been withdrawn with effect from July 10, according to a press release of Bangladesh Bank in the city on Tuesday, reports BSS.

Henceforth the exporters of jute goods need not submit any export registration form for registration with the Bangladesh Bank.

Asian stocks close mixed

HONG KONG, July 27: Asian stock markets closed generally mixed Wednesday, with share prices falling in Tokyo, reports AP.

Tokyo's 225-issue Nikkei Stock Average closed at 20,137.23, down 208.14 points, or 1.02 per cent. On Tuesday, the index had gained 47.71 points to 20,345.37.

Tokyo stocks fell sharply as foreign and Japanese corporate investors reacting to the Japanese yen's resumed climb against the US dollar, sold heavily to take profits.

In Hong Kong, share prices closed generally higher for the fourth straight session, with the key index breaking through the psychological 9,300-point level.

The Hang Seng Index, the market's key indicator of blue chips, rose 207.82 points, or

2.3 per cent, to 9,402.18. On Tuesday, the index had climbed 19.74 points.

WELLINGTON: New Zealand share prices closed little change in quiet trading. The NZSE-40 capital index rose 6.56 points to 2,026.92.

TAIPEI: Taiwan share prices opened high, but spent the rest of the session fluctuating in negative territory on heavy profit-taking. The weighted price index closed down 65.88 points at 6,661.34 points.

MANILA: Share prices closed higher in active trading. The Philippines' unified composite index of 31 selected issues rose 56.07 points to 2,784.6.

SYDNEY: Australian share prices closed little changed. The All Ordinaries index of share prices rose 0.4 point to 1,020.19.

2,041.7. SEUL: Share prices closed lower because of investors' continued concerns about tightened liquidity and weakened buying power. The Korea Composite Stock Price Index dropped 0.98 points to 934.22.

SINGAPORE: Share prices closed lower in mixed dealings. The 30-share Straits Times Industrial Index fell 4.65 points to 2,201.39.

KUALA LUMPUR: Malaysian share prices closed higher, led by blue-chip buying by local institutional and foreign investors. The Composite Index, biased toward blue chips, edged up 11.88 points to 1,020.19.

BANGKOK: Thai stock prices closed higher. The Stock Exchange of Thailand Index rose 21.14 points to 1367.64.

BTC's sapling distribution centre opens

Environment and Forest Minister Akbar Hossain yesterday inaugurated a sapling distribution centre. Bonsai Nursery set up by Bangladesh Tobacco Company Limited (BTC) at Banani and handed over about 25,000 saplings free of cost from this nursery to the State Minister for Women and Children Affairs Begum Sarwar Rahman, reports BSS.

These saplings will be distributed among the distressed.

The Environment Minister, while speaking on the occasion, appreciated the initiatives of the BTC as a private organisation in promoting and protecting the environment through afforestation and mentioned that BTC should be much careful in preserving desired environment both inside and outside the factory.

Among others, BTC Managing Director Golam Mainuddin and Corporate Affairs Director R A Majumdar were also present on the occasion.

RBI withdraws cash reserve exemption for 35 banks

NEW DELHI, July 27: India's central bank has withdrawn a cash reserve exemption for 35 banks, including 12 foreign banks, the finance ministry said, reports Reuter.

The banks will have to keep 10 per cent of their deposits as cash reserves with the central Reserve Bank of India (RBI) from August 6, it told parliament deputies seeking measures against foreign banks in the country's biggest financial scandal.

The 1.28 billion dollar scandal uncovered in 1992 involved diversion of funds from the inter-bank securities market for stock market speculation. Parliamentary probe charged foreign banks with colluding with brokers.

On Monday the RBI issued notices to 20 banks, four of them foreign banks, asking why funds deployed by the under portfolio management schemes should not be treated as deposits.

If regarded as deposits, this would increase the minimum cash balance the banks have to keep with the RBI.



Minister for Environment and Forests Col (Retd) Akbar Hossain inaugurating BTC's Bonsai Nursery at Banani in the city yesterday. BTC's Corporate Affairs Director R A Mazumdar is also seen on his right.

Bank of England celebrates 300th birthday with more authority

LONDON, July 27: The Bank of England celebrates its 300th birthday today with more authority than at any time since nationalisation in 1946, reports Reuter.

Academics, economists and former chancellors have lined up over the past year to call for the bank to be given control over British monetary policy in order to defeat inflation.

However, the present government has given the bank control over the timing of in-

terest rate moves and enlarged its powers in other ways but it draws the line there on democratic grounds.

"The bank is already very powerful, and it is largely unaccountable through the democratic process," John Maples, former treasury minister and now Deputy Chairman of the ruling Conservative Party, said in a recent newspaper article.

"Periodic evidence to select committee is not adequate

democratic accountability."

A parliamentary committee recommended last December that the government should agree a price stability target with the Bank of England, which should then be given authority over monetary policy in order to pursue the agreed goal.

But the government opposed a bill aimed at pushing monetary arrangements in that direction at the beginning of this year.

Thousands of Russian investors try to dump MMM shares

MOSCOW, July 27: Shares of Russia's largest investment company plunged Wednesday amid panic selling, and thousands of worried investors camped outside its headquarters overnight hoping to reclaim their money, reports AFP.

An estimated 20,000 people massed outside the four-story brick building housing the MMM company on Tuesday, and about 9,000 remained there Wednesday morning because of fears MMM would collapse. About 50 policemen stood nearby.

Across town, about 5,000 people converged on Russia's main commodities exchange, trying to dump their MMM shares. MMM stock lost one-

third of its value overnight. It was the worst private financial crisis in post-Soviet Russia. There were nearly as many people surrounding MMM on Tuesday as there were on the streets of the capital during last October's political violence.

The developments could shake the confidence of millions of Russians in the country's fledgling market economy. MMM claims to have 10 million shareholders.

MMM has sought to turn the financial crisis into a political one. It took out full-page advertisements in several newspapers Wednesday, blaming the government for its problems.

MMM's shadowy president, Sergei Mavrodi, has said in recent days that his company's failure could provoke a revolution or civil war by angered shareholders.

A spokesman for President Boris Yeltsin, who has singled MMM out for criticism, told The Associated Press he would not get involved in the MMM crisis. Yeltsin left Wednesday on a trip to eastern Siberia.

"The government hasn't offered any guarantees to MMM shareholders," spokesman Anatoly Krasikov said. "Just the opposite: It has been warning them of the risks they were running."

"Such things can happen in a market economy," he added. "Of course, the government must protect people, but it's not the government's business to settle their affairs for them."

For many investors, the stakes were high: They gave MMM their life savings, their pensions and salaries.

The company in return paid huge returns, with share prices skyrocketing from 1,600 roubles in February to more than 100,000 Zlublus this month (from about one dollar in February to more than 50 dollar at the current exchange rate).

Analysts say MMM and other high flying investment funds and banks have been able to promise hefty profits by running classic pyramid schemes that eventually will collapse.

MMM shares on Wednesday dropped to 40,000 roubles (20 dollar) after trading for 60,000 roubles on Tuesday. The com-

pany refused to redeem them at all but one of its offices. Few were able to leave with their money.

"Open! Open!" people shouted Tuesday evening, some banging on the company's metal door. Others waited quietly in long lines behind metal barricades.

The panic selling began late last week when the government warned investors that it could not guarantee the money they had invested in MMM or other investment firms.

This is a catastrophe," 25-year-old investor Anna Chernova told the English-language Moscow Times.

At Moscow's Raw Materials and Commodities Exchange on Wednesday, about 5,000 people gathered, with authorities

limiting the number actually allowed inside the building because of the huge crowd.

"Obviously, the panic selling has started, and it may entail the company's collapse," said Marianna Astakhova, chief analyst for the exchange. "It's difficult to predict the impact on the securities market as a whole, but they may be disastrous."

Yeltsin and other officials have criticized MMM and similar financial organizations that promise returns of up to 1,000 per cent.

Russian tax authorities have filed charges against MMM affiliates, alleging tax fraud and other violations reportedly amounting to some 50 billion roubles (25 million dollar).

IMF suggests more reforms in Indian economy

WASHINGTON, July 27: The International Monetary Fund has expressed concern over several aspects of India's economic performance and has called for accelerated reforms even while welcoming the "impressive progress" made by India in certain other sectors like the balance of payment situation, reports FTI.

In the IMF annual report presented by its executive board, the fund "strongly recommended accelerated liberalisation of the trade and exchange system, noting that the strength of the balance of payments, offered an excellent opportunity for rapid liberalisation."



Abul Hasanat Khan, Managing Director of BOL, and S H Tabir, Managing Director of Renata, seen signing the agreement in the city recently.