

# Delhi tightens control over banking sector

BOMBAY, Aug 7: India's central bank has tightened its regulatory control over the banking sector to prevent a repeat of the scandal that rocked the country two years ago, reports Reuters.

Chakravarty Rangarajan, Governor of the Reserve Bank of India (RBI), said on Saturday banks have been asked to introduce a system of concurrent auditing covering 50 per cent of their business operations and 100 per cent of treasury operations.

"This should facilitate early detection of errors and failures," Rangarajan told the Indian Banks Association.

The US 1.28 billion dollar financial scandal, in which bankers and brokers clouded to illegally divert funds from the inter-bank securities market to the then-booming stock markets, briefly disrupted an economic liberalisation programme and is still embarrassing the government.

Rangarajan said the Institute of Chartered Accountants had issued guidelines defining the scope of external audit. It lets auditors report directly to the RBI any serious irregularity.

He admitted that there were serious shortcomings in RBI's supervision in the past. Until recently, the state-run banks were inspected once in four years. They will now be inspected once a year.

Foreign banks will be inspected every 12 months instead of the current 18 months, Rangarajan said.

The RBI last week served notice on 20 banks, including nine foreign ones, saying they must pay 1.47 billion rupees for accepting funds irregularly in India's worst financial scandal.

American Express Company's American Express Bank Ltd, ANZ Grindlays Bank Plc, Citicorp's Citibank, Standard Chartered Plc and Hong Kong and Shanghai Banking Corp are among the foreign banks in the notice.

The RBI has created a separate department of supervision for inspection and post-inspection follow up, he said.

It has also introduced prudential norms relating to income recognition, asset classification and capital adequacy which compel banks to look at the quality of loan assets and risks attached to lending, the governor said.

They will also make balance sheets and income and expenditure statements provide a true reflection of the health of banks, he added.

"We will also have to conform to international accounting standards if Indian banks are to get their due to place and recognition in the global financial market," Rangarajan said.

He expected all banks operating in India to fully conform with the new standards within two years.

# US seeks strong code-sharing rules for foreign airlines

WASHINGTON, Aug 7: The Department of Transportation has proposed rules requiring foreign airlines to disclose any code-sharing arrangement in which prospective passengers buying tickets for one airline end up travelling on another, according to USIS.

The department said August 4 it would make a final rule after a period of public comment.

The department already has a rule requiring US airlines to give notice of code-sharing arrangements to passengers. The proposed rule would extend that notice requirement to foreign airlines and travel agents, requiring written notice to each passenger identifying the airline actually providing the transportation.

Code sharing is a common practice in which one airline advertises and sells the services of another airline as its own.

More US airlines have begun offering code-shared flights with foreign airlines that allow them to sell service to more international destinations, among them Northwest with Netherlands-based KLM, USAir with British Airways, United with Germany-based Lufthansa and Delta with Aeromexico.

Earlier this year a department investigation found that in more than 200 reservation calls to 15 airlines and 20 travel agencies, these companies failed to give code-sharing information 30 per cent of the time.

"Stronger code-sharing rules will help assure that passengers are informed of the actual carrier they will be using when they receive their tickets and when they call for a reservation," Secretary of Transportation Federico Pena said.



Workers and police guard the port of Havana, Cuba on Saturday after demonstrators the previous day smashed windows and hurled stones at police. The riots started in response to news that a third ferry in ten days had been hijacked by Cubans seeking to flee to the United States. — AFP photo

# Investment in science a national priority: Clinton

WASHINGTON, Aug 7: President Clinton has called for investment in scientific research and education to be a national priority in the first formal presidential statement on science policy in 15 years, reports USIS.

The 31-page science policy report, released by Vice President Gore at a White House ceremony August 3, calls for refocusing post-Cold War scientific research on a broadened set of national goals that include improving science education and public understanding of science.

The long-term goals listed in the report, "Science in the National Interest," include maintaining leadership across the frontiers of scientific knowledge; raising the scientific and technology literacy of all Americans; producing the finest scientists and engineers for the 21st century; and stimulating government, industry and academic partnerships that promote investment in fundamental science and engineering.

"The national goals outlined in this document... stress the importance of scientific research and science education to America's future," Gore said.

"Science research... is research we must continue, for on it depends our health, prosperity and security."

Our global lead in science and technology has significantly diminished, at the same time that we've become more dependent upon it for our livelihood, our health and our environment," said John Gibbons, the president's science adviser. "Recognizing this situation, President Clinton... asked that the rationale and the outlook for science be examined and updated."

Along with the statement on science policy, Clinton has announced the membership of a private-sector committee to advise him on major science and technology issues, and to help guide federal investments in science toward the national goals.

Gore said the new 18-member Committee of Advisors on Science and Technology, composed of top-level representatives from industry, education and research institutions, will serve "as a channel for private-sector advice" to the National Science and Technology Council, a cabinet-level body chaired by the president.

"To achieve our goals, we must strengthen partnerships with industry, with state and local governments, and with schools, colleges and universities across the country," Clinton said in a statement released by the White House. "My goal for this committee is to help encourage those partnerships."

The statement calls for an increase in the total national investment in research and development, both public and private, to three per cent of the gross domestic product (GDP). Total R&D funding currently stands at 2.6 per cent of GDP.

The report points out that total US support of non-defence R&D is currently about 1.9 per cent of GDP, below that of both Germany and Japan.

The report presents a new view that fundamental science research and technological advances are interdependent elements that underpin the nation's economy.

"Technology is the engine of economic growth, creating jobs, building new industries and improving our standard of living," Gore said. "Science fuels technology's engine."

# New standard for next-generation magneto-optical discs soon

TOKYO, Aug 7: Twenty-four companies led by Japan's Fujitsu Ltd and International Business Machines Corp of the United States have agreed on a new standard for next-generation magneto-optical discs, a Fujitsu spokesman said today, reports AFP.

The spokesman said the new standard would allow a single disc to store about 650 megabytes of data, the same as compact disc-read only memory (cd-rom) discs and about three times the capacity of existing magneto-optical discs. But the access speed will remain the same, he said.

The new discs would be able to store about 450 times the amount of data contained in a single floppy disc or about one hour of compressed video pictures, making them especially suitable for multimedia applications.

The two dozen companies, which expect the new standard to be accepted by the international standards organisation, also includes Japan's Nippon Telegraph and Telephone Corp, Hitachi Ltd, Mitsubishi Electric Corp, Sharp Corp and Philips Electronics NV of the Netherlands.

The Nihon Keizai Shimbun predicted the new discs and drives would be available by 1996, but the Fujitsu spokesman said the new products would not be launched soon.

# Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as of August 7. (Figures in Taka)

Currency	Selling		Buying	
	TT & OD	EC	TT Clean	OD Sight Transfer
US Dollar	40.3850	40.4150	40.1000	40.0325
Pound Sterling	62.5850	62.6315	60.8672	60.7647
DM	25.8255	25.8447	25.1275	25.0852
Franc	7.5437	7.5493	7.2167	7.2045
S Dollar	29.4186	29.4404	28.6222	28.5740
S Franc	30.5993	30.6220	29.7594	29.7093
Jan Yen	0.4093	0.4096	0.3940	0.3933
Indian Rupee (AMU)	1.2908	1.2972	1.2754	1.2595
Pak Rupee (AMU)	1.3204	1.3270	1.3046	1.2883
Iranian Rial (AMU)	0.0231	0.0232	0.0229	0.0226
A T. T. (DOCI US Dollar Spot Buying Tk)	40.0662			
B) Usance Rates:				
30 Days DA	60 Days DA	90 Days DA	120 Days DA	180 Days DA
39.7497	39.4656	39.1816	38.8976	38.3295
C) US Dollar sight export bill 3 months forward paying:	Tk. 40.0325			
D) US Dollar 3 months forward sale:	Tk. 40.6150			

Currency	Selling		Buying	
	T.T. & O.D.	Local	O. D. Transfer	Ex. Bills.
S Riyal	10.7647		10.6310	
UAE Dirham	10.9919		10.8550	
Kuwaiti Dinar	135.5641		133.6658	
Singapore Dollar	26.7943		26.4459	
D Guilders	22.7135		22.4204	
S Kroner	5.2227		5.1555	
Malaysian Ringgit	15.0234		15.4246	

Note : AMU—Asian Monetary Unit

# Shipping Intelligence

Chittagong Port						
Berth position and performance of vessels as on 7.8.94						
Berth No	Name of Vessels	Cargo	L Port	Local Agent	Date of Arrival	Leaving
J/1	Arktis Sun	GI (Copro)	Sing	RSL	31/7	9/8
J/2	Kutuzovo	GI (Copro)	KOCSC	Seacom	31/7	8/8
J/4	Dubai Glory	GI	Sing	Prog	1/8	11/8
J/5	Khartoum	SSP (P)	Sing	Cosmo	30/7	10/8
J/6	Kranos Yarski	GI (Copro)	Sing	Seacom	26/7	11/8
J/7	Banglar Kallol	GI/GL	Pena	ESC	23/7	7/8
J/8	Safar	Sugar (P)	Bank	ASLL	4/8	20/8
J/10	Dolores	Idle	—	Seacom	R/A	12/8
J/11	Alam Tenang	Sugar (P)	Bank	Seacom	17/7	15/8
J/12	Fong Yun	Cont	—	BDSHP	R/A	7/8
J/13	Mikhail Stenko	Cont	Col	BTSA	2/8	8/8
MPB/1	Fong Shin	Cont	Sing	BDSHP	2/8	9/8
MPB/2	Andrian	Cont	Sing	BDSHP	2/8	9/8
CCJ	Banglar Asha	Repair	Sing	ESC	R/A	10/8
GSJ	Albodor	Cement	Sing	Aska	21/7	9/8
TSP	Young II	Repair	Sing	EMC	28/7	10/8
RM/4	Apj Priti	Cement	Sing	USTC	31/7	10/8
RM/6	Team Trinta	HSD/MS	Sing	MSPL	10/7	11/8
DOU	Blue North	Cement	Sing	PSAL	5/8	13/8
DD	Banglar Maya	Repair	Cal	ESC	1/8	10/8
DDJ/1	Pearl One	Repair	Yang	ENCL	15/6	15/8
RM/9	Banglar Jyoti	Repair	Cal	ESC	R/A	7/8

Vessels Due at Outer Anchorage						
Name of Vessels	Date of Arrival	Last Port	Local Agent	Cargo	Loading	Port
Esteburger 31/7	7/8	Sing	APL(B)	Cont	Sing	—
Dong Fang Yang	7/8	Kosh	OWSL	Sugar (P)	Cont	—
Lhotse 31/7	8/8	Sing	RSL	Cont	Sing	—
Samudra Raj	7/8	Kara	SSL	Rice/GI	Cont	—
Georgios-L 7/8	8/8	Sing	SES	Cement	Cont	—
Ultima 23/7	10/8	Mong	Baridhi	P Iron	Cont	—
Tiruz Seules	10/8	Sing	USTC	Cont	—	—
Kota Bintang 31/07	9/8	Sing	CTS	Cont	Sing	—
Enliverer 9/8	9/8	Mong	TEA	GL	Japan	—
New Genlord 6/8	9/8	Cal	BDSHP	Cont	Sing	—
State of Nagaland	10/8	Mong	SSL	GL	UK Cont	—
Banglar Moni 31/7	13/8	Mong	ESC	Cont	Sing	—
Banglar Robi 2/7	13/8	Sing	ESC	Cont	Sing	—

Vessels at Kutubdia						
Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival		
Al Dhablyyah	9/8	Sing	MSPL	SKO/JP-1		

Vessels at Outer Anchorage						
Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival		
Couper	Urea	Sing	GEL	6/8		
Meng Kiat	Cont	Sing	AML	7/8		

Vessels not Ready						
Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival		
Clipper Aquamarine	D Peas/Wheat	Sing	MSA	16/7		
Catrona	Sugar (P)	Kaus	Seacom	R/A (2/8)		
Pan Trader	Wheat (P)	Sing	OWSL	2/8		
Al Reza	Len/C Peas	Javo	BSL	2/8		
Iran Elham	Cement	Yang	ESC	5/8		

Vessels Awaiting Instruction						
Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival		
Banglar Shourabh	—	—	ESC	R/A (31/7)		

Vessels Not Entering						
Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival		
Rybny Murman	Scraping	SUEZ	OTBL	15/7		
Dona Ourania	Scraping	KAPT	JF	4/8		
Rosario Del Mar	Scraping	Cape	TSL	25/7		

Movement of Vessels for 8.8.94						
Outgoing	Incoming	Shifting				
J/2 Kutuzovo	J/12 Lhotse	J/12 Meng Kiat to MPB/2				
J/13 M Stenko	J/9 Ultima	J/9 Esterbruge to J/13				
MPB/2 A Goncharov	J/2 Samudra Raj	RM/4 Apj Priti to CCJ				
	J/1 Al Reza					
	J/7 Catrona					

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 on August 7, 1994

# Index jumps 6 points

The Dhaka Stock Exchange All Share Price Index rose sharply on Sunday. The index leapt from 703.24206 to 709.25781, showing a gain of 6.016 points. The turnover in volume on the DSE increased by 12.451 per cent while the turnover in value showed a decline of 11.167 per cent.

A total of 39,017 shares were traded at Tk 59,67,255.50 as against Saturday's 34,697 shares valued at Tk 67,17,372.50.

The number of issues traded rose to 60 from 56. Of them, 33 gained, 17 incurred losses and the prices of 10 other issues remained unchanged.

Sixth ICB M Fund led the gainers' list in terms of volume with 3620 shares traded. Rupon Oil (3600), Beximco Fisheries (3340), Tallu Spinning (2270), GQ Ball Pen (2135), Beximco Ltd (3400) and Eastern Insurance (2100) also gained significantly.

Beximco Fisheries experienced a gain of Tk 13.66 per share, leading the gainers in terms of value.

Apex Spinning dominated the losers' list in terms of volume. Its 1580 shares were

Gainers (33)		
Company Name	Change (per share)	Number of shares traded
City Bank	10.00	10
2nd ICB M Fund	4.93	64
3rd ICB M Fund	0.29	35
4th ICB M Fund	3.70	440
5th ICB M Fund	8.15	1410
6th ICB M Fund	0.92	3620
Ataf Automobiles	5.00	150
Aziz Pipes	11.85	35
Eastern Cables	0.62	1050
BD Autocars	2.00	190
Alpha Tobacco	1.00	50
BTC	5.00	25
Zeal Bangla Sugar	0.01	1350
Rupon Oil	0.15	3600
Cig Cement	0.50	260
Beximco Fisheries	13.66	3340
BD Oxygen	0.64	64
Shine Pukur Jute	2.00	42
Ashraf Textile	0.31	600
Saham Textile	0.94	160
Tallu Spinning	5.14	2270
Padma Textile	0.47	150
Beximco Pharma	8.42	60
Kohinoor Chemical	1.18	285
Bn Sina	6.90	70
BCL	1.67	50
Libra Pharma	9.19	480
GQ Ball Pen	0.81	2135
Beximco Ltd	1.03	3400
Cig Cement	0.24	340
DKR	3.40	10
Eastern Insurance	1.95	2100
B Fisheries (Deb)	5.12	97

Losers (17)		
Company Name	Change	Number of shares
Singer BD	3.00	20
BD Thai Aluminium	13.90	50
Bengal Food	0.18	30
Dhaka Vegetable	0.27	561
Rahim Textile	0.74	215
Eagle Star Textile	1.00	15
Desh Garments	0.49	1200
Apex Spinning	1.00	10
Amber Pharma	3.03	1580
Bangla Process	0.28	600
Bahman Chemicals	5.00	20
Beximco Infusion	1.68	310
Beximco Synthetic	1.57	710
Umanisa Glass	0.99	920
Apex Footwear	0.71	250
Green Delta	0.50	50

Issues (10) unchanged		
Company Name	Change	Number of shares
AB Bank (1452), United Leasing Co (380), Atlas BD (200		