

**Singapore asks brokers not to serve money launderers**

SINGAPORE, Aug 25: Singapore has told stock brokers not to serve investors who could use the local stock exchange to launder dirty money, like that made from drug deals, a newspaper said Thursday, reports AP.

The Stock Exchange of Singapore issued a set of guidelines last week asking stockbrokers to personally interview prospective clients, the Straits Times reported.

It was not immediately clear what promoted the stock exchange to introduce the regulation. Calls to stock exchange officials were not returned.

There have been no reported cases of money laundering in Singapore, and the government has not even said that the problem exists.

"The authorities have not been forthcoming in terms of the magnitude of the problem. Most of us are plain ignorant about it," said an analyst at a merchant bank, speaking on condition of anonymity.

But the guidelines appeared directed more toward corruption and bribery money. Another stockbroker said drug money laundering could not possibly be as widespread in Singapore as in South America or the United States.

"The guidelines were drawn up (to) preserve the good name, integrity and reputation of the securities industry in Singapore," the Straits Times, a government-controlled newspaper, said.

It said stock brokerages should clarify the economic background and purpose of any transactions where the form or amount of funds appear unusual.

IBM cuts prices on personal computers

NEW YORK, Aug 25: IBM on Wednesday cut prices on personal computers it sells to business customers by 12 to 25 per cent, reports AP.

The reductions come as International Business Machines Corp prepares to introduce new models next month. Last week, Compaq Computer Corp also cut prices seven to 22 per cent in advance of a new product rollout.

While some media accounts have suggested that a price war is imminent in the industry, the actions by the two leading PC makers so far have amounted to little more than normal price cutting that occurs before product lines are revamped.

Both IBM and Compaq cut prices on just one or two models in excess of 20 per cent, and the bulk of the cuts were on older systems. With their most advanced products, the companies cut prices by less than component costs have been reduced.

Value of collateral security needs to be considered in loan clarification and provisioning

BY SM Abu Zaker

The brief method of classification as per BCD Circular No. 34 may be defined as follows:

**Qualitative Criteria**

Any loan may be classified by the lending bank whenever the bank has reason to believe the loanee may not be able to repay the loan due to a change in the circumstances under which the loan was originally sanctioned. I.e. on the basis of qualitative factors. The factors may be as under:

- Poor financial performance of the borrower.
- Insufficiency of security.
- Other unfavourable factors.

**Overdue Criteria**

If the length of overdue (from the date of expiration) is 12 months or more but less than 36 months it should be classified as sub-standard.

— If the length of overdue is 36 months or more but less than 60 months it should be classified as doubtful.

— If the length of overdue is 60 months or more it should be classified as bad/loss.

**Required Payment Analysis**

If the annual rate of payment (credit summation over required period divided by the months of the required period multiplied by 12) is less than maximum debit balance on any day over the required period, it should be classified as sub-standard.

**Limit Overdrawn Criteria**

If the total balance outstanding as of reference date is greater than 1.5 times sanctioned amount and it continued for 45 days or more preceding the reference date it

**China warned not to expect speedy end of US sanctions**

WASHINGTON, Aug 25: Despite a distinct warming in US-Chinese economic ties, Commerce Secretary Ron Brown warned China Wednesday that it should not expect a speedy end to five years of US sanctions, reports Reuters.

Brown travels to China Friday for an eight-day trade and investment mission but he denied the Clinton administration would use the trip to ease up sanctions pressure on Beijing.

The punitive sanctions have been in place since Beijing's 1989 crackdown on pro-democracy demonstrations in Tiananmen Square.

President Clinton extended them this spring — along with renewing Beijing's tariff bene-

fits — and also banned some Chinese munitions imports in what analysts considered a token gesture to human rights activists.

Token gesture or not, the sanctions are set to stay in place for the immediate future, said Brown.

"There are no present plans to lift those sanctions," he told reporters. "Those matters are always under consideration, but no action is anticipated, certainly no action during my mission, and no action that I know of in the near future."

The sanctions cover US military sales to China and prohibit trade development assistance and so-called insurance guarantees for US companies operating in China.

Earlier Wednesday, the Los Angeles Times cited Brown as saying that Clinton is weighing a possible end to the Tiananmen sanctions. But the commerce secretary said the newspaper had misinterpreted his comments.

Brown is the first US cabinet official to visit China since Clinton's controversial decision this May to extend China's most favoured nation tariff benefits and sever the link between commerce and human rights.

That decision helped clear the air and there is increasing speculation that Brown's trip, if successful, could pave the way for a presidential visit to Beijing. Brown said he knew of no present plans for Clinton to visit China.

Redwan Ahmed, MP, president of Bangladesh Garment Manufacturers and Exporters Association (L) and Anisul Haq Chowdhury, vice-chairman of Export Promotion Bureau (R) were interlocutors for a satellite Worldnet interactive on "GATT and the Multifiber Arrangement". They asked Dr William Cline, Senior Fellow, Institute of International Economics in Washington, questions and heard from other participants in New Delhi, Colombo and Kathmandu. This programme was arranged by the United States Information Service (USIS) in the city on Wednesday.



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**World oil prices rise**

LONDON, Aug 25: World oil prices rallied yesterday amid news of further crude oil production cuts in Nigeria where an oil workers' strike is in its eighth week, reports Reuters.

Traders said news that output at the 500,000-barrel-per-day Forcados field in Nigeria had been cut to "minimum levels" yesterday and tanker loadings delayed by at least a week hit the market at a time when Nigerian developments had been at the back of traders' minds.

The front-month contract for North Sea Brent blend crude oil, the world benchmark, rose on Wednesday to a high of 16.21 US dollar up 26 cents from Tuesday's close.

Prices have fallen sharply from the 17-month peak of 1.14 US dollar achieved on August 1 when effects of the pro-democracy oil workers' strike in Nigeria climaxed, slashing 1.9 million BPD crude oil output by as much as 25 per cent.

But Nigeria's oil exports had hardly been affected because oil destined for the local market is now going abroad since domestic refineries have been shut by the strike.

And Nigerian government officials said striking workers were following orders to return to work but the Forcados' shortfall seemed to indicate that they were optimistic.

"The market resisted moving higher unless the strike had further impact on supply and hit got that further impact today," said Peter Gignoux, Head of the London Energy Desk at Smith, Barney.

Oil industry officials said strikers were ignoring a back-to-work order by General Sani Abacha's military government and continued their strike to push for the release of presidential claimant Moshood Abiola.

The effects of the Nigerian strike had been waning on a shell-shocked oil market where eyes had turned to sluggish refiner demand ahead of autumn maintenance shutdowns.

**Cost of food in China soaring**

BEIJING, Aug 25: With the cost of food soaring in China's cities and more money pouring into already red-hot investment projects, Beijing has admitted its serious inflation problem will be difficult to solve, reports Reuters.

Retail sales inflation in 35 major cities in July stood at a yearly rate of 24.2 per cent, the State Statistical Bureau said in a report received on Wednesday.

The price of food for city dwellers rose 31.9 per cent over July last year with grain jumping 57.8 per cent and vegetables 29.7 per cent, the report said.

On Tuesday, probably in response to those numbers, the Ministry of Internal Trade issued an urgent order demanding an end to steep rises in food prices.

Despite the complaints there has so far been no panic in buying and no signs of public protests.

**Hyundai shipyard workers accept new wages**

SEOUL, Aug 25: Workers at Hyundai Heavy Industries accepted a new wage contract Thursday, ending two months of strikes that crippled the world's largest shipyard, reports AP.

The 55.4 per cent vote in favour of the contract officially ended the strikes and slowdowns that began June 24, idling 21,892 unionized workers.

Of the 14,654 workers who voted on the new contract, 8,125 favoured the new offer.

Normal operations were expected to resume September 1 after workers return from their postponed summer vacations.

The relatively peaceful resolution of the labour dispute in the southern industrial city of Ulsan also marked a success for the government's hands-off policy towards labour disputes.

In an about-face, the government had refused requests by management to order binding arbitration to settle the issue, and had stood firm on refraining from using police to break up rallies by the hardline unionists.

The sprawling Hyundai Heavy Industries shipyard is a subsidiary of the giant Hyundai group, the maker of Hyundai cars, semiconductors, and electronic goods. Hyundai is the second largest South Korean conglomerate last year in terms of sales volume.

The union-management agreement at the shipyard came late Tuesday when both parties compromised on two

key issues.

Under the compromise, the management promised to drop criminal complaints filed against 49 union leaders, and the union withdrew its demand that workers be paid during the strike period.

The new contract calls for an average 11.3 per cent pay hike plus additional fringe benefits, which company officials said are slightly more than what the union originally had sought.

In past years Ulsan city, home to the shipyard and several other Hyundai subsidiaries, had been a hotbed of violent labour troubles.

Riot police have been called in to break up the rallies by firing teargas, and unionists had fought back with fire bombs and rocks, resulting in dozens of workers injured.

This year's dispute was relatively peaceful in comparison, with 40 workers injured last week when those choosing to return to work clashed with workers still backing the strike.

As the strike dragged on, increasing numbers of union workers had opted to return, with some 10,000 returning by Tuesday. Over 14,000 had signed petitions demanding the strike be called off.

Hyundai said the strike had cost 530 million dollar in lost revenues and 750 million dollar in new contracts. Total loss incurred by the strike was expected to increase if the loss suffered by some 2,000 subcontractors were added.

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Korri Culbertson models on Thursday the gold and diamond encrusted 225,000 US dollars Bertolucci designed watch on display in Sydney. The unique 18-carat watch contains 360 brilliant cut diamonds and 80 baguette cut diamonds and is earmarked for an Australian watch connoisseur.

**Exchange Rates**

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on August 25 26.

(Figures in Taka)

Currency	Selling		Buying	
	TT & OD	EC	TT Clean	OD Sight Ex. Buifs. Transfer
US Dollar	40.3775	40.4085	40.0900	40.0365
Pound Sterling	62.4630	63.0113	61.2508	61.1691
DM	26.3496	26.3698	25.6274	25.5932
F Franc	7.6931	7.6990	7.4850	7.4750
C Dollar	29.7088	29.7316	28.9921	28.8336
S Franc	31.2740	31.2980	30.4131	30.3725
Yen	0.4121	0.4124	0.3967	0.3961
Indian Rupee (AMU)	1.2939	1.3036	1.2722	1.2531
Pak Rupee (AMU)	1.3236	1.3335	1.3014	1.2819
Iranian Rial (AMU)	0.0232	0.0234	0.0227	0.0224

At T. (DOC) US Dollar Spot Buying Tk. 40.0632

**Usance Rates:**

30 Days DA	60 Days DA	90 Days DA	120 Days DA	180 Days DA
39.7398	39.4558	39.1718	38.8879	38.3199

C) US Dollar sight export bill 3 months forward purchase: Tk. 40.0365  
D) US Dollar 3 months forward sale: Tk. 40.6085

**Indicative Rates**

Currency	Selling		Buying
	T.T. & O.D.	O. D. Transfer	
S Riyal	10.7665	10.6296	
UAE Dirham	10.9942	10.8539	
Kuwait Dinar	135.9970	134.0535	
Singapore Dollar	26.9129	26.5553	
D Guilders	23.4821	23.1720	
S Kroner	5.3229	5.2529	
Malaysian Ringgit	15.8343	15.6282	

Note: AMU—Asian Monetary Unit

**Scheduled Banks' Position**

Statement of position of scheduled banks as at the close of business on August 4, 1994

(Taka in unit)

1. Demand Liabilities in Bangladesh	
i) Deposits (general)	6550,03,13,000
ii) Deposits from banks	214,88,93,000
iii) Borrowings from banks	108,73,00,000
iv) Borrowings from non-banking financial institutions	.000
v) Other demand liabilities	1609,95,02,000
2. Time Liabilities in Bangladesh	
i) Deposits (general)	24553,95,96,000
ii) Deposits from banks	399,98,05,000
iii) Borrowings from banks	.000
iv) Other time liabilities	1490,01,49,000
3. Borrowings from Bangladesh Bank	
i) Against usance bills	.000
ii) Against promissory notes	190,00,00,000
iii) Against approved securities	.000
iv) Other borrowings	2602,88,25,000
4. Cash in Bangladesh	
i) Bangladesh notes	405,83,68,000
ii) Bangladesh taka coins	9,71,19,000
iii) Bangladesh subsidiary coins	45,000
5. Balances with the Bangladesh Bank	
i) Principal office	3746,67,53,000
ii) Other offices & branches	88,82,55,000
6. Balances with other banks in current account in Bangladesh	
	241,83,59,000
7. Money at call & short notice in Bangladesh	
	678,77,75,000
8. Investments (at book value)	
	7617,95,16,000
9. Credit provided in Bangladesh	
i) Advances except those to other banks	26725,67,81,000
ii) Advances to other banks	.000
iii) Inland bills purchased and discounted in Bangladesh	121,66,37,000
iv) Foreign bills purchased and discounted in Bangladesh	747,67,27,000
v) Inland bills sold to or rediscounted with the Bangladesh Bank not yet matured and not included in (iii) above	.000
vi) Foreign bills sold to or rediscounted with the Bangladesh Bank not yet matured & not included in (iv) above	.000
*Figure shown in column no. 9 (i) above includes foreign currency loans of Tk. 181,13,13,000	

Source — Bangladesh Bank press release.

**Shipping Intelligence**

**Chittagong port**

Berth position and performance of vessels as on 25/8/1994

Berth No.	Name of vessels	Cargo	Last port	Local agent	Date of arrival	Leaving
J/1	*Pagan	GI	Yang	MFA	22/8	25/8
J/3	Tirga Securesc	P Iron	Trin	USTC	9/8	30/8
J/4	Lydia-II	Sugar/GI	Saia	Seacom	12/8	28/8
J/5	Qing He Cheng	GI	S-Hai	BDship	21/8	26/8
J/6	Fukia	Mop(p)	Kosh	OWSL	7/8	2/8
J/7	Dong Fang Yang	Sugar/GI	Kosh	OWSL	15/8	30/8
J/8	Ocean Envoy	Rice(p)	Kara	Season	22/8	28/8
J/10	Elang-11	GI	Ciga	Season	16/8	1/9
J/11	Pelopidas	Wheat(p)	N.ord	Litmond	16/8	1/9
J/12	*Banglar Shobha	Cont	Mong	HSC	22/8	24/8
MPB/1	Fong Shin	Cont	Sing	BDship	23/8	28/8
MPB/2	Iran Elham	Cement	Yang	ESC	5/8	26/8
OCJ	* Petr Starostin	Repair	Sing	CT	16/8	26/8
GSJ	* Ocean Earth	Cement	Sing	USTC	16/8	26/8
RM/4	Throstream	CDSO	Darb	TSL	16/8	27/8
RM/6	Team Trinta	HSD/MSL	Sing	MSPL	10/7	26/8
DOJ	* Banglar Jyoti	C/Oil	Sing	ESC	R/A	25/8
DD	Continent-1	Repair	Okha	CLA	12/8	28/8
DDJ/2	* Banglar Asha	Repair	Sing	ESC	R/A	30/8
CUFJ	Sufar	Urea	Bank	ASCL	3/8	27/8

**Vessels due at outer anchorage**

Name of vessels	Date of arrival	Last port	Local agent	Cargo	Loading port
* Lhotse	25.8.94	Sing	HSL	Cont	Sing
* Min Jiang	25.8.94	Sing	Prog	GI	Sing
* A Goncharov	25.8.94	Sing	CT	Cont	Sing
Meng Kiat	26.8.94	Sing	AML	Cont	Cal
Robert-C-Lee	26.8.94	Bomb	Kama	GI	Cal
Silver Lake	26.8.94	Hong	Prog	GI	Cal
Vishva Parag	27.8.94	Bomb	SSL	Cont	Uk/Cont
Ultima	29.8.94	Mong	Baridhi	Cont	Col
Banglar Mont	28.8.94	Sing	ESC	Cont	Sing
Al Salma	28.8.94	Penia	ASL	GI	Sing
Kapitan Andgulazte	30.8.94	Sing	Seaco	M.Seeds	Sing
Trans Auto	30.8.94	Sing	HA	Vehicle	Sing
Optima	30.8.94	Sing	HSL	Cont	Sing
Banglar Robi	30.8.94	Sing	ESC	Cont	Sing
I. Yamburenko	30.8.94	Sing	CT	Cont	Sing
Zang Su Bong	31.8.94	NACA	Rainbow	Cement	Sing
Rex	30.8.94	NACA	OWSL	Vehi Cont	Sing

**Vessels at Kutubdia**

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Chemt Pioneer	C/Oil	Rast	H&SL	16/8
*Banglar Shourabh	C/Oil	Sing	ESC	R/A

**Vessels ready**

Name of vessels	Cargo	Last port	Local agent	Date of arrival
* Kota Bintang	Cont	Sing	CTS	24/8
* Choin	HSD	Sing	MSPL	25/8

**Vessels not ready**

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Anc Mone	Cement	Sing	Awka	19/8
Uberty	R Seed	Sing	Rainbow	24/8

**Movement of vessels for 26.8.1994 & 27.8.94**

Outgoing	Incoming	Shifting
26/8		
J/5	Q H Cheng	MPB-2 Meng Kiat
TSP	Ocean Earth	J/9 Silver Lake
RM-6	Team Trinta	DOJ B Shourabh
27/8		
RM-3	Throstream	CUFJ B Kallol
RM	Chopin	J/5 Uberty
DDJ-2	Shourabh	DOJ Anc Mone

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

(The writer is a staff member of Arab Bangladesh Bank, Ltd.)