



5 BCCI officials released from jail

ABU DHABI, Sept 20: Abu Dhabi yesterday released from jail five former Bank of Credit and Commerce International (BCCI) officials jailed for their role in the scandal which led to the bank's collapse in 1991, reports Reuters.

Diplomats named them as Basheer Ahmed Taher, a Pakistani, Britons Ameerul Haq Siddiqui, Muhammad Azmatullah and Naseem Hassan Sheikh, and Canadian Imtiaz Ahmed.

There was no official word on the release or the men's legal status.

A Reuters correspondent saw the five at a police headquarters' waiting room. They were wearing civilian clothes and carrying their hand baggage. Two of them, Taher and Siddiqui, later left the headquarters in a private car with family members.

Sources close to the case said the papers of the other three were being processed and they were getting their bags.

The five, who pleaded not guilty at their Abu Dhabi trial, had been held in Al-Watba jail since being sentenced last June. They and seven other former BCCI officials were also ordered to pay civil damages of some 9 billion US dollars.

Those freed on Monday had been given three-year jail terms with time served in detention since September 1991 they had completed the three years and lawyers said earlier they should be released this month.

Jordan's foreign reserves fall

AMMAN, Sept 20: Uncertainties over Jordanian-Israeli peace talks earlier this year caused a sharp decline in the Kingdom's foreign currency reserves. Central Bank Governor Mohammed Saeed Nabulsi said Monday, reports AP.

But stability has returned after Jordan and Israel signed a non-belligerence declaration July 25, ending a 46-year state of war between them.

The declaration, signed in Washington, was followed by discussions of economic cooperation and development projects, which generated ambitious proposals for infrastructure hookups and trade accords.

"One of the main reasons that contributed to the drop was the political atmosphere that prevailed in the region at the beginning of the year," said Nabulsi. That cost Jordan 400 million dollars in foreign currency reserves.

But since the Washington declaration, things started to pick up and the situation stabilized, he said. Jordan has recovered 200 million dollars of the lost reserves and if the trend continues, we would recover all the losses in the next four months, he added.

Before the July breakthrough, peace negotiations between Israel and Jordan were bogged down, mainly because Amman was reluctant to force ahead with an agreement without its other Arab partners.

Some 80 per cent of expatriate remittances were withheld because of that. The government estimated these remittances at one billion dollars in 1993.

Gold prices to go up by year-end

LONDON, Sept 20: Improving investor sentiment will lift gold prices to above 400 US dollars per ounce by year-end, according to credit Lyonnais Laing's International Mining Monitor, reports Reuters.

The gold market is much tighter than commentators have indicated and any fall in investor sales or rise in buying would bring a massive swing in the supply-demand balance, it said.

Gold supply from the mines was rising less quickly than offset, enhancing the supply-demand squeeze.

The shortfall had been made up by central bank selling but, Canada apart, this has dried up. CIS gold disposals have also dwindled as these countries try to stabilise their currencies.

The report noted that during the first half of 1994 the supply-demand shortfall was made up by liquidating positions built up the previous year.

A stronger performance from gold is likely during the rest of this year and next. But unless investors and speculators return in numbers, massive price rises are not expected until 1996.

India needs more reforms to woo Japanese investment

NEW DELHI, Sept 20: Japan's main overseas trade forum on Monday called upon the Indian government to further open its market-friendly economy in a bid to turn the tide and woo Japanese investment, reports AFP.

Toru Toyoshima, the Chairman of the Japan External Trade Organisation, said India's three-year-old market reforms needed infrastructural support to woo more Japanese investment.

"China has opened up very fast and so has Indonesia. India is becoming more transparent, but bottlenecks remain," Toyoshima told reporters at a gathering of Indian and Japanese businessmen.

"We are working closely with New Delhi," he said, hinting that further infrastructural

reforms were needed to win investors' confidence in Japan.

"India, I am told is as transparent as China, which has removed much of the procedural hazards," he said, attributing the decline of Japanese investment in India this year to the sudden upswing of the yen.

"Many factors are responsible. The sudden appreciation of the yen turned Japanese businessmen to old and tested markets in South Asia, like China," Toyoshima said.

Subodh Bhargava, President of the Confederation of Indian Industry, said "impediments" had reduced the inflow of Japanese capital to 17.6 million dollars between January and May from 83 million in 1993.

"Some problems like the exit policy and infrastructural and procedural hazards, we

understand; the others we don't," Bhargava said.

"Japan is not fully appreciative of reforms if we compare the response from the US and Europe."

Many potential foreign investors have balked at India's refusal to pave the way for large scale retrenchments from industry.

"The lack of awareness about the reforms... the perpetuation of certain regulatory mechanisms in various sectors and the low equity base allowed in joint ventures have discouraged the Japanese," he said.

"This is changing," he added, citing the instance of Japan's Sony Corp. the first company to get clearance for a

100-owned subsidiary in India's electronics sector.

India allows six more foreign banks

BOMBAY, Sept 20: Six more foreign banks have been granted permission to begin operations in India, central bank officials said here today, reports AFP.

ING Bank of the Netherlands, State Bank of Mauritius, Chase Manhattan Bank of the United States, Development Bank of Singapore, Union Bank of Switzerland and Germany's Dresdner Bank have been given the green light to open branches in India, said a Reserve Bank of India (RBI) official, who requested anonymity.

Pakistan to announce new energy package in October

ISLAMABAD, Sept 20: Pakistan is to seek private investment in power transmission and oil pipeline projects worth up to five billion dollars, a senior official said on Monday, reports Reuters.

Shahed Hasan Khan, Special Energy Adviser to Prime Minister Benazir Bhutto, said a new package for foreign investors would be unveiled late next month. It would be the next phase of an energy policy announced in April which drew many foreign offers to build power plants.

"We are looking at something like seven 500-KV, high-voltage transmission lines to be constructed at an investment of about 2.5 billion dollars," he told a news conference.

He said network of oil pipelines and upgraded railway tracks would be needed to supply fuel to the new power stations, requiring investment of another 2.5 billion dollars.

Khan was speaking before this week's visit by US Energy Secretary Hazel O'Leary, who will be accompanied by 70 to 80 American businessmen involved in the energy sector.

He said, he hoped one agreement signed during the visit would cover the establishment by an American bank or financial institution of a private-sector investment fund for Pakistan.

This would be available to

any prospective investor who wants to put up an infrastructure project, he said.

Khan said the initial amount might be a relatively small 100-150 million dollars, but it would be understood that 450 million dollars would be added once the original funds were utilised.

O'Leary, the first US cabinet member to visit Pakistan for eight years, is bringing experts in natural gas, oil, coal, electricity generation, transmission and distribution, energy efficiency and environmental protection.

US and Pakistani officials say her visit signals a new desire by both countries to build economic ties to smooth tensions over Islamabad's alleged nuclear ambitions.

The United States barred all military and new economic aid to Pakistan over the nuclear issue in 1990.

US ambassador John Monjo said at the weekend that private-sector interest in Pakistan had been fired by what he described as the government's highly competitive energy proposals.

Islamabad said in July that its power expansion plan had brought a huge investor response, drawing applications for new private-sector projects with a combined capacity of 19,000 megawatts. This compared to plans to add only 5,000 MW up to mid-1998.

Tata Tea facing difficult business year

BOMBAY, Sept 20: Tata Tea Ltd, the world's largest tea company, said on Monday that it was facing a difficult business year, reports AFP.

Chairman Darbari Sethi told the 31st annual general meeting of shareholders in Calcutta that exports had fallen and that there had been a serious imbalance in domestic production of tea.

"We are in the midst of what looks like a difficult year in our core business of growing and making tea," he said in his speech, a copy of which was made available here.

"Exports of black tea have been in disarray and domestic supply has been much in excess of demand," Sethi said. "And there has been an imbalance in indigenous production of tea."

"As a result of all these adverse factors, prices have been very depressed so far this year," he said, Sethi, however, added that prices had begun to look up recently.

Sethi said the growth of instant tea in the United States was not expected to be quite as buoyant, forcing the company to put on hold plans to open a new factory in India.

Tata Tea's income in the first five months of fiscal 1994-95, which began in March, was 55 million dollars, an increase of seven per cent over the same period in the previous year.

India grew a record 758 million kilograms (1.66 billion pounds) of tea in 1993. Tea is India's biggest export commodity, earning every year more than 600 million dollars.



Environment-friendly — free from CFCs — refrigerators are being tested and built in various versions in Germany.

— IN photo

Palestine to press ahead with 19 projects

CAIRO, Sept 20: Palestinian officials decided here Monday to press ahead with 19 urgent development projects for the Gaza Strip and West Bank, on the third day of economic talks, reports AFP.

"We have recommended that 19 projects start very quickly," said Mohammad Zohdi, Nashashibi, the Palestinian finance minister.

Nashashibi would not specify how much the reconstruction drive would cost, but said "the money is already there."

Water supplies, housing, roads and schools were pinpointed as priorities by the Palestinian Economic Council for Development and Reconstruction (PECDAR) meeting in the Egyptian capital.

The Palestinians have already

ready selected 135 projects in total at a cost of 225 million dollars. But most can not be launched until international donations arrive, they say.

PECDAR began, meeting Saturday in a session chaired by Palestinian authority Chairman Yasser Arafat, and continued Sunday and Monday without him.

Officials have focused on ways to streamline the financial affairs of the Palestinian authority, which took charge of the Gaza Strip and West Bank town of Jericho in May.

The appointment of management consultants, work systems and the administration of the authority's various departments were all discussed, Nashashibi said.

Faruq Kaddumi, PECDAR deputy chairman, repeated

Palestinian complaints about the slowness of international donors to hand over funding.

The self-rule authority has received just 60-65 million dollars out of the 720 million pledged for 1994, Kaddumi said.

A meeting of donor countries in Paris on September, collapsed and was adjourned indefinitely after a dispute between Israel and the Palestinians over Jerusalem.

The Palestinians had insisted that development projects for east Jerusalem, seized by Israel in 1967, be covered by donor money for autonomy. Israel refused and the demand was finally dropped.

A rearranged donors' meeting will take place soon but no date has yet been fixed, Nashashibi said Monday.

"There will be a very quick meeting between US and the World Bank," he added.

The World Bank recently signed an accord in Gaza City to unblock 30 million dollars — part of 128 million pledged by the bank to back self-rule.

Plans for a Palestinian development bank and monetary authority were also discussed in Cairo, Nashashibi said.

The bank, with around 50 million dollars in capital from private and public investment, would be controlled by an Abu Dhabi-based public holding company.

A consultative body, governor and officials will soon be appointed to a monetary authority to direct the Palestinian authority's financial policy, he said.

Sirajganj facing acute fish shortage

SIRAJGANJ, Sept 20: In the absence of scientific fish culture the district has been facing shortage of about 11,000 metric tons of fish, official sources said today, reports UNB.

Nine thanas of the district now produce about 16,087 metric tons of fish as against its present demand of 27,019 metric tons.

According to official sources, at least 4815 derelict ponds remained uncultivated for years due to lack of re-cavation. Most of these ponds are owned by the government (khas) and private shareholders.

Fish is being cultivated in 13,830 ponds out of the total 18,438 ponds in the district. A total of 16,087 metric tons of fish are being produced in these ponds.

There are 57 beels and haors covering 289 hectares of land and fish can be cultivated in eight rivers covering 26,331 hectares in the district. But no step has yet been taken to cultivate fish scientifically in these open waterbodies though every year fish fry are being released just to show the activities of the fisheries department.

Local people alleged that the officials finish their duty by releasing the fry only and they take no responsibility to look after it. They also alleged that huge amount of government money is being misappropriated in the name of releasing

fish every year.

They said the dishonest fishermen are catching fish fry by current nets in the open waterbodies with impunity violating the government ban.

Local leaders have urged the government to take a scheme to re-cavate the privately owned derelict and government owned khas ponds and cultivate fish on cooperative basis to overcome the fish shortage in the district.

BIBM course on project financing concludes

A training course on "Industrial project financing and entrepreneurship development" concluded in the city yesterday at the Bangladesh Institute of Bank Management (BIBM), reports BSS.

The course was intended to provide an overview on the state of industrial development in the country and the role of industrial credit in overall economic development.

A total of 23 officers from different banks and financial institutions participated in the 18-day course.

A H M Nurul Islam Chowdhury, Director General of BIBM presided over the concluding session and distributed certificates among the participants.

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"This will drive food prices up since farmers will either have cut down production or incur more costs to maintain current production levels," Braga said.

Uganda is basically self-sufficient in food. But this may not be for long. The country was ill-prepared for food shortages caused by a prolonged drought between late 1993 and early 1994, leading to deaths in parts of the country.

Despite the fact that the new trade agreement offers little hope for the economies of their countries, both the Ugandan and Moroccan diplomats said their countries will ratify it. That sums up the apathy of African governments to the economies of their countries. — *Gemini News*

(Onapito-Ekomoloi, a Ugandan journalist who writes for The Monitor in Kampala, is currently studying Journalism at The American University in Washington.)

Africa missing from world market map

Onapito-Ekomoloi writes from Washington

lishes a World Trade Organisation to enforce all GATT agreements made since 1947. It reinforces trade liberalisation, lowering of tariffs and expands GATT rules to agriculture, services and intellectual property rights.

GATT supporters assert it will promote growth by opening up foreign markets which will boost exports.

Alliance for GATT Now, says the agreement will increase US exports by 8.5 billion dollars per year by 2005.

The dilemma of the African countries is that their exports fetch very low prices on the international market. Nine out of 10 dollars earned from African exports come from raw materials and agricultural crops, by far the highest percentage worldwide.

Uganda, with a population of nearly 20 million, shares this dilemma with many other African countries. Coffee, its main export, earns the country only 110 million dollars annually, according to a senior diplomat at Uganda's Washington embassy, who did not want to be named.

"Our problem is not GATT or no GATT but the low prices offered for our coffee," he said. Coffee prices slumped with the

end of the quota system — part of an international coffee agreement — which assured Uganda of its market share.

The country has not been

account for this. When prices fell, farmers switched from growing coffee to food crops which has a ready domestic market.

able to take advantage of the recent rise in coffee prices on the international market. According to the diplomat, coffee exports have instead fallen. Two main reasons

Secondly, some coffee exporters are being thrown out of business by a high export tax slammed by the Uganda Coffee Development Authority, which handles coffee business in the

country.

Uganda is also unlikely to gain much from further lowering of tariffs by buyers of its products as envisaged under GATT. The country's exports of what the government calls "non-traditional cash crops" such as fruit, maize and beans are curtailed by non-tax barriers to Western markets.

The official at the Washington mission cited the stringent high quality product requirements of countries such as the US. "The Western countries set high standards which our agricultural products often can't meet," he said. The quality of Uganda's agricultural export is mainly lowered by poor post-harvest storage due to lack of facilities like cold storage.

However, lowering of import taxes by Uganda will enable investors to bring in materials for industries at a low cost.

Uganda's President Yoweri Museveni, who has been touring across western Europe and North America to woo investors, will relish this aspect of GATT.

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