

The Parily Star DUSINESS

HYUNDAI

CARS THAT MAKE SENSE

Hillary favours trade union for poor women

treatment for the often op-

pressed, illiterate women who

struggle to provide for their

struggling to tell the world

that they are strong and they

are not a burden and they are

not a sort of a problem," Mrs.

Bhatt said for poor women.

"They are the answers to

unemployment, to poverty

(and) they are positive eco-

rose to tell Mrs. Clinton how

SEWA has changed, their lives.

my mother-in-law, the police.

One by one, the women

"I was afraid of my husband,

NEW YORK, Mar 31: Mexico

has borrowed nearly 13 billion

dollars from the United States

and other sources to help its

crippled economy, but won't

have to draw on all the emer-

gency funds available to it,

central bankers said Thursday.

The country's need for

emergency short-term funds

has eased some what because

tight monetary policy, said

of increased trade flows and

reports AP.

from US, IMF

nomic components."

"All my life I have been

AHMABADBAD, India, Mar 31: In a sweltering tent, Hillary Rodham Clinton speaks with vegetable vendors, seastresses and embroidery workers who say they are no longer afraid to organize for better treatment of women in India's marketplace and society, reports AP.

Mrs. Clinton's visit to the Self-Employed Women's Association could well be the defining moment of her 12-day tour of South Asia, a trip centered on promoting better health, education, and opportunity for women and girls throughout the world.

"I will never forget what I have seen and heard and learned here today," Mrs. Clintold a group of 200 women who eagerly shared their success stories. "I know how this kind of solidarity and effort can change lives.

SEWA is a trade union of 143,000 women formed in 1972 to help those in the largely invisible "informal" economy of agricultural workers, vendors and other self employed women,

It was organized by 62-yearold Ela Bhatt, a soft spoken follower of Mahatma Ghandi who wanted to ensure better

SIA, AF launch

second joint

freighter service

and Air France (AF), which be-

gan a joint freighter service

between Singapore and Paris

last year, will launch a second

release, like the first, the sec-

ond service will be operated

with an AF B747-200

freighter, which has a net pay-

The second service, which

includes stops in Dubai and

Kuala Lumpur, will depart from

Paris on Wednesday at 0055

hours and arrive in Singapore

at 0105 hours the following

Singapore at 0405 hours and

arrive in Paris at 1400 hours

day. The return flight will leave

According to a SIA press

service on April 5.

load of 100 tonnes.

the same day.

Singapore Airlines (SIA)

of everybody," one middle aged woman confessed to knowing laughter from the But since I joined SEWA I am no longer afraid

A young woman in a bright green saree told the first lady "Now we can fearlessly walk into the village council and speak our minds there.

From a modest beginning. SEWA has grown into India's premier women's association. It set up a bank that offers credit to women who otherwise could not get loans, organizes cooperatives to build up business and create jobs, offers skills training and health insurance and provides legal aid.

And, perhaps most importantly, it gives women confidence in themselves and pride in their work.

"Our 20 years of experience says that women are capable of taking the lead in fighting poverty, of running economic organizations viably." Mrs. Bhatt said.

Mrs. Clinton, who first met Bhatt'at the White House last year, praised the group's efforts to give women "a better life without fear."

National Tubes declares 10 pc dividend

By Staff Correspondent

The National Tubes Limited (NTL) has declared a 10 per cent dividend for the shareholders for 1993-94 fiscal

The dividend was declared at the 14th annual general meeting of the company at its factory premises in Gazipur on Wednesday.

According to a NTL press release issued on Thursday the company said the dividend was given considering its financial performance.

It said efficient management, and cost reduction were the main reasons which enabled the company to make profit in the fiscal year '93-94 after losses in the past several

In the current fiscal year, the company hopes to earn profit more than double compared to last fiscal year.

At the 13th annual general meeting, K A M Kamal Uddin, Syed Sajedul Karim and Md. Amin Ullah, on behalf of the 34 per cent shareholders, were re-elected chairman and directors respectively.

At the 14th annual general meeting, Abdul Malek has been elected managing director while Dr Mirza Khairuzzaman and A Z M Nazim Uddin from the shareholders, were elected directors of the company.

Seminar on hospital pharmacy

A seminar on Hospital Pharmacy had followed the inaugural session in the first day of South Asian Pharmaceutical Conference yesterday, says a press release.

Chaired by M Salim Khan. Chairman of the Hospital Pharmacy Committee of the Bangladesh Pharmaceutical Society the papers were presented by Dr D. Steinbeich, President ceutical Federation, Phil ngirnagar University. It was attended by over 400 pharmacists from home and

immediate introduction of Hospital Pharmacy System in Bangladesh for the betterment of the health care services.

Rajshahi Krishi Unnayan Bank loan to farmers

RANGPUR, Mar 31: Rajshahi Krishi Unnayan Bank has disbursed Taka 57 crore of krishi loan among the farmers of eight districts of the greater ficial sources said, reports

The amount is more than 50 per cent of the total disbursement target of the bank

The capital market: Indian experience

By Rafiq Hasan

After taking some initiatives to liberalise the economy. the Indian capital market has experienced a tremendous development during the 1980s.

This was stated in a keynote paper presented by TV Mohandas Pai FCA at the 10th South Asian Federation of Accountants (SAFA) conference held in the city recently.

The paper said in 1980-81 the amount of capital raised by the private sector in the form of equity was only Rs 2 billion. By 1992-93 the total amount raised through the capital markets by the public and private sector issuers had gone up to Rs 187 billion. The secondary markets too saw an increase in activity to keep up with the growth in the primary markets. .

The paper titled 'Capital Market Development : Indian Experience', said the considerable liberalisation in the capital markets happened only during the last two years - but nevertheless the decade of the eighties saw commendable development in the capital mar-

Citing example in this regard, the paper mentioned that the number of stock exchanges recognised by the government increased from 9 in 1980 to 23 currently. Market capitalisation at the Bombay Stock Exchange went up from Rs 54 billion in 1980 to Rs 4.469 billion at the end of August 1994.

The number of listed firms in the stock exchanges went up from 2114 to around 7400 today, the second largest in the world, the paper pointed

The paper also mentioned that along with the opening up of the portfolio investment route. Indian companies have been allowed to raise resources abroad through the floation of securities in foreign markets. These are being allowed through the Euro issue route- Euro equity and Euro debt. Indian companies have raised substantial funds through the Euro equity route in the form of the global depository receipts. The listing for the same has been done primarily in the Luxembourg Stock Exchange on account of the easier terms. Euro debt has been accessed through a hybrid instrument the Euro convertible bond which is convertible at a point of time.

Giving a brief account about the reforms taken by the Indian government, TV Pai said the major impediment to the growth of the capital markets in India has been the controls on the pricing of securities. Every capital market all

over the world has grown only with freedom being given to the issuer to price his securi-

The controls on pricing by the Controller of Capital Issues (CCI) had a disastrous effect on the Indian corporate sector. It led to a situation where companies were inadequately capitalised and unable to rustle up the capital required for gro-

The debt equity ratio was unduly high making them vulnerable to changes in the economic conditions. Large capital intensive projects could not be undertaken due to lack of risk capital. As a curtain raiser to the capital markets reform the Capital Issues (control) Act. 1947 was repealed in May 1992 and the office of the Controller of Capital Issue abol-

With one stroke of the pen. Indian industry was freed of a great burden. With the abolition of the CCI prior permission of the government was no longer required by companies to access the capital markets subject to adequate disclosure. Controls on pricing and premium fixation has been removed, the paper mentioned.

In 1988, on the recommendation of various committee, an administrative body called the Securities and

Exchange Board of India was set up. In 1992 the Indian Parliament passed the Securities and Exchange Board of India (SEBI) for the regulation of the Indian capital markets. This was followed by the Capital Issues (Control) Act 1947 leaving the field wide open for

SEBI to regulate the market. Under the act, SEBI has been established as a body corporate with its head office at Bombay. It has been charged with the duty to protect the interest of the investors in securities and to regulate and promote the development of the securities market. The focus has been shifted from controls on the issue of capital to the protection of the interest of the investors.

The author observed that the Indian capital markets are poised for an exciting growth in the future. The government has realised the importance of the capital markets as a vehicle for improving the growth process in the economy. Investors too have realised the benefits of capital appreciation through a judicious investment in stocks. The investor population has increased dramatically to around 25 million.

Pai hoped that India would occupy its rightful place amongst the capital markets of the world.

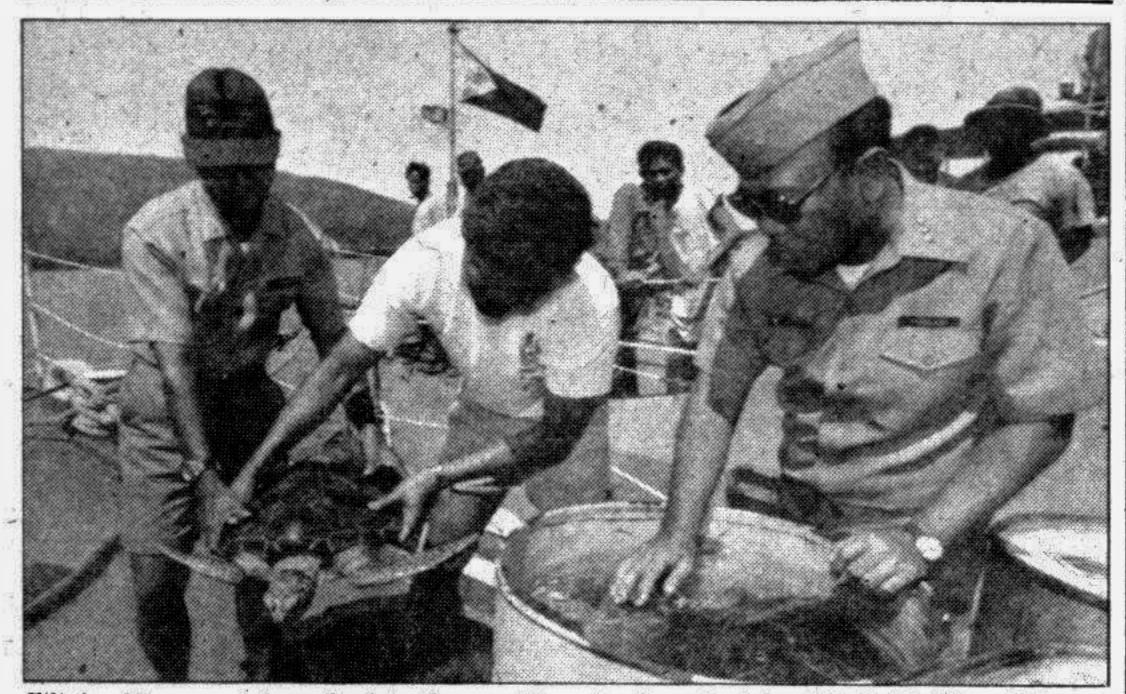
Mexico borrows \$13b In recent years, Mexico issued large amounts of shortterm debt at high interest rates to foreign investors. The

withdrawal of that money last year helped lead to a devaluation of the peso that sparked the current economic woes. Now, with its reserves

constrained by the devaluation, the government has been forced to borrow money to pay back its debt obligations. The government has drawn

Ariel Buira Seira, deputy governor of the Banco de Mexico. 7.5 billion dollars from a 17.8 The central banker spoke billion dollars International during a visit to New York to Monetary Fund aid package meet with the press, in an atand 5.2 billion dollars from a tempt to counter reports of 20 billion US dollars rescue the wobbling Mexican econloan, said Buira Seira.

omy with positive news.



Filipino Navymen release back to the sea 40 sea turtles seized from the hold of four Chinese fishing boats in the disputed Spratly islands on March 25. The Navy has detained 62 Chinese fishermen and filed criminal charges against them for poaching and capturing endangered animal species and for possession of dynamite. - AFP/UNB photo

of the International Pharma Wiffen, Manager Hospital Phar macy services, Oxford, Radcliffe Hospital, UK and AYSI Ferozuddin Ahmed Chow dhury. Assistant professor Pharmacy Department, Jaha-

The seminar recommended

Rangpur and Dinajpur zone, of-

in the current fiscal year. The bank planned to disburse Tk 107 crore till February of the current fiscal but they have only able to disburse about Tk 57 crore through its 135 branches.

Russia plans to produce synthetic industrial diamonds next year

The Russian Ambassador to Bangladesh Eduard S Shevchenko called on State Minister for

Civil Aviation and Tourism Major (Retd) Abdul Mannan at his office in the city on Thursday.

KALININGRAD, Russia, Mar 31: Russia plans to start producing synthetic industrial diamonds next year in a 200 metre (yard) wind tunnel originally used to test how rockets and ballistic missiles perform on re-entering earth's atmosphere, says Reuter.

"Our goal is to make this facility cost-effective," Pavel Kryukov, Director of Ballistic Technologies at the Central Scientific Research Institute for Machine Building, said on Thursday.

The complex is known as Tsniimash and is sited in Kaliningrad, north of Moscow a sprawling 50 hectare (125 acres) site of multi-storeyed. buildings, it houses Russia's space control centre and the first Soviet ballistic missiles were developed there. It was

until recently closed to foreigners.

Foreign visitors must still give seven days' notice to visit. but with the end of the cold war, thousands of scientists once involved with weapons of mass destruction are now seeking alternative ways of using their skills and knowledge to make commercial use of costly scientific apparatus.

The half metre (19 inch) wide tunnel is a metal, greenpainted tube, built in 1958, which stretches the length of an underground chamber.

Previously, the facility was used to test how missiles and rockets would react on re-entering the earth's atmosphere from space. It was last used to test a missile in 1989.

Now, Kryukov and his team send steel discs hurtling down the tube at 10 times the speed

of sound to hit a cast-iron target. The impact causes traces of graphite in the carbon in the cast iron to convert to diamond dust.

-PID photo

Each 30 kg (66 pounds) of iron ore yields up to 250 grams (almost nine ounces) of diamond dust, which can be used in industry to make grinders and cutters.

Kryukov explained to reporters and a visiting delegation from the Moscow-based International Science and Technology Centre (ISTC). which is partly funding the project, that a mixture of hydrogen and oxygen in half the length of the tube is ignited, to produce an explosion.

The force sends a steel disc shooting through a previously created vacuum in the rest of the tube at a speed of 3.5 km (2.175 miles) per second.

Future looks brighter for troubled US C-17 programme

WASHINGTON, Mar 31: A year after the C-17 airlifter programme seemed ready to collapse, the contractor said Thursday it can slash the price and an Air Force general concluded that plane could be the right choice, reports AP.

The decision on how many more of the whale-like cargo planes capable of carrying tanks and Patriot missiles is eight months away. But the key issue a year ago - can McDonnell Douglas Corp. turn around a programme that was delivering planes over budget and under performance - appears

resolved. "The C-17 may be the right choice," Air Force Gen. Robert Rutherford, head of the United States Transportation Command, told the House National Security procurement sub-

committee. "The program is on track." Trouble for the airlifter appears to be coming not from skeptical lawmakers but from

Boeing Co., which is trying to convince Congress to buy fewer C-17s and substitute less expensive 747 freighters. Don Kozlowski, McDonnell's

senior vice president in charge of the C-17 program, said the price per plane would drop from more than 300 million dollars each to 190 million dollars each if the Pentagon increased its buy from eight to 15 aircraft a year.

The Clinton administration is requesting 2.6 billion dollar for its 1995 defense budget to build eight C-17s for a total fleet of 40 planes. Whether the Pentagon will buy as many as 80 more will be decided in November after a major review.

Military experts identify airlift as one of the key weaknesses in the US armed force.

Nick Leeson — Arch-villain or Scapegoat? By Sagar Chaudhury

although Leeson's lawyer claims that he wants to face a British jury so as to have a fairer trial, the irony of the situation is that the British authorities have not yet asked for his extradition. Apparently, there is no evidence that he committed a crime under British jurisdiction. So his lawyers are in the curious position of trying to encourage Britain's Serious Fraud Office to find evidence against him. However, even if such evidence is found and extradition papers are sent, it is far from certain that he will be allowed to return to Britain to face trial.

Experts on London City fraud feel that legal precedent will favour Singapore's claim to Leeson. The British SFO will no doubt be finally persuaded to conduct its own investigation. but it will be extremely difficult to establish whether there have been criminal offences committed in Britain and as result Leeson could remain in a German jail for several months before extradition to either country is completed.

At the moment, Nick Leeson is the banking world's most wanted man. But the law says that no man may be considered guilty until proven so beyond any reasonable doubt, and as Leeson sits waiting in his German prison cell, the scale of damage caused by his disastrous judgement is begging questions of competence on the part of top Barings executives in London. When news of the bank's collapse reached the world Press. Barings claimed to be innocent victim of Leeson's massive and unauthorised gambling on the money markets. While a manhunt was launched for the missing trader, fingers were also pointed at shadowy overseas associates as details of covert trading began to emerge. But the feasibility of the assumption that Leeson was acting independently of his employers when he progressively bet and lost thousands of millions of dollars is doubted by even those until recently closely associated with Barings. Richard Magides, former Director of Barings Future, for example,

thinks it unlikely that Leeson was deliberately trying to bankrupt the bank or destroy them or make money from destroying them. He was probably just trying to make money for the company and things just went terribly wrong.

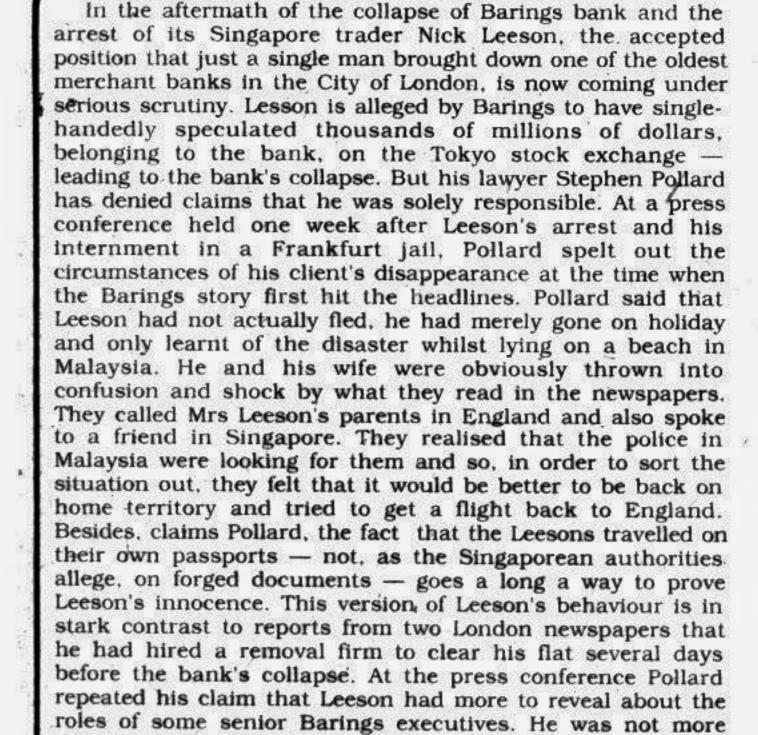
Nick Leeson was, according to those who knew him on the trading floor of the Singapore Exchange, Simex, a personable and popular man. He had quickly built up credentials as a successful and reliable trader having that all-important quality - the ability to make money - money which paid for the substantial bonuses earned by himself as well as his London bosses. With his fabulous successes came power that alarmed the auditors sent by Barings three years ago to probe into Leeson's activities. A letter from the auditors to the London office warned that Leeson was now controlling both the trading floor and the settlement office which keeps the traders accountable for their transactions. This concentration of power presented a serious risk of its abuse which should not have been possible, given the risk control procedures already in place. But despite the auditors' warnings, Nick Leeson was allowed to retain all his responsibilities and the profits kept coming in, keeping his superiors in London happy. However, Leeson was already beginning to abuse this position by betting the bank's own money as well as client investments on the Exchange. In August 1994, he used the banks funds to invest on the Nikkei Index and the Osaka Exchange in a large scale gamble for profits. He was relying on the stability of the Japanese market to support his investments. He could not have foreseen the natural disaster - the gigantic earthquake at Kobe - that was to send the market plunging downwards.

Leeson tried the best he could to shore up the market into which he had poured so much of Barings money, with yet more money. In one day he bought 20,000 contracts, which more than half the total volume of trade for the day. He covered up his accumulating losses by sending sanitised daily reports to London, creating false client Accounts to give the appearance of funds coming in and concealing transactions that misfired in a so-called "error" account. Lesson was still meeting his "margin calls", which is the percentage of any transaction that must be paid up front. But soon the sheer volume of the transactions began to worry the Singapore Exchange. But Barings reassured Simex and transferred 1.6 thousand million Singapore dollar to support Leeson's activities. Less than three weeks before the crash, a senior Barings executive visiting Singapore further assured Simex by saying that their risk management unit in London was looking after the situation and risks of all kinds were automatically managed actively.

The collapse came soon afterwards and Nick Lesson left Singapore suddenly. But he can no longer be seen as an adventurer playing a lone hand. Leeson's might have been the finger that pulled the trigger, but his bank gave him the gun and the ammunition, and when he wanted more ammunition, they gave him as much as they could give until they ran out, and then the bank was bust. The question many people are now beginning to ask is how could Barings be unaware that their Singapore office was operating in such an improper way.

Actually. Leeson was one of the most profitable operators employed by Barings. His unit alone in 1993 was estimated to have made about 20% of the bank's total profits. So he was regarded as an extremely valuable asset and that could have affected the way the bank managed him. Of gravest concern to the SFO in London at present is, how far the questionable or, to say the least, irresponsible behaviour of top-ranking Barings officials will reflect on the whole regulatory practice of the city of London, Europe's largest financial centre. Whatever finally emerges as the truth about the extent of Barings responsibility for their own collapse. Nick Leeson may take cold comfort in the fact that he is no longer the only one under investigation.

(The author is a freelance journalist based in London. He contributes occasionally to this paper. This article was sent by



understood and having the support of his own family. What kind of response there will be to Pollard's comments and claims remains unclear as yet. In recent days, though, the belief that Leeson could not really have been acting entirely on his own, has been gaining growing credence. Legal authorities in Singapore have issued a warrant for his extradition, so that he can be tried in Singapore. But,

specific but he did explain why Leeson hoped to be tried in

Britain and not in Singapore - he would obviously feel a lot

more comfortable dealing with an environment he