$ 18 m money laundering scandal threatens politicians in India

NEW DELHI, Jan 17: India's 18 million dollars *"hawala"* black money scandal started half a decade ago with the arrest of two suspected Kashmiri guerrillas and now threatens dozens of political leaders, reports Reuter.

The scandal, being investigated by the Central Bureau of Investigation (CBI) and before a special Delhi court, found its improbable roots in the chance arrest of the suspected militants in March 1991, officials said.

None of the politicians, civil servants or businessmen named in the widening case has publicly admitted any wrong-doing.

Interrogation of the suspected militants led police to JK Jain, alleged by government prosecutors to be a dealer on the illegal foreign exchange market. Authorities claim he used the militants to deliver funds to separatist guerillas in the troubled Himalayan region of Kashmir.

A diary recovered from Jain's home listed in code the names of 115 politicians and bureaucrats with details of payments that each allegedly received from him, according to CBI officials.

The payments, made between April 1988 and March 1991, totalled nearly 655 million rupees (18.3 million dollars), investigators said.

A top CBI official was accused a month later of receiving a bribe from a Jain, who worked under three Jain brothers, who are his cousins and are alleged by government investigators to be among India's largest *hawala* dealers.

Hawala is a Hindi word denoting illegal foreign exchange transactions or money laundering.

The Jain brothers, who run large engineering and fertiliser firms in the northern Indian state of Bihar, received political favours in return for payments, according to government investigators.

Police said the payments have taken three forms: bribes for contracts, protection money paid to avoid legal trouble and illegal conversion of foreign currency into Indian rupees, bypassing the country's strict foreign exchange rules.

The CBI first filed charges in March 1992. A year and a half later, journalists Vineet Narain and Rajinder Puri filed a public interest petition in the Supreme Court, urging it to speed up proceedings.

Last March the federal police agency arrested JK Jain and his employer SK Jain.

In August the CBI raided the home of former Civil Aviation Minister Arif Mohammed Khan, who was named in the scandal, after two more public interest litigation petitions were filed in the Supreme Court.

Three months later, the agency filed charges against the Jains and eight government officials for their involvement in the case.

The CBI on Tuesday charged seven political leaders, including six former cabinet ministers, in connection with the case and sought authority to prosecute three ministers in Prime Minister PV Narasimha Rao's cabinet.

A CBI spokesman said on Wednesday that more politicians would be charged in the mushrooming case.

"In a turn of events that echoes the Watergate scandal, except for the fact that the court and not the press has been the catalyst, the *hawala* scam is at last getting unravelled," the Indian Express newspaper said.

Canadian Prime Minister Jean Chretien (L) and Indonesian President Suharto (2nd-R) applaud as Canadian junior minister with responsibility for Asia-Pacific Raymond Chan (2nd-L) shakes hands with Indonesian coordinating Minister for Political Affairs and Security Susila Sudarman (R) following the signing of three bilateral agreements on transport, culture and fishery at the presidential palace in Jakarta yesterday. Chretien is on the last leg of an Asian tour that has taken him to India and Pakistan. — AFP/UNB photo

Indians in HK urged to invest in homeland

BOMBAY, Jan 17: Indian Finance Minister Manmohan Singh urged Hong Kong residents of Indian origin yesterday to take advantage of a "golden opportunity" to invest in India, reports AFP.

"This golden opportunity should not be lost," the finance minister told a global conference on trade and investment in India.

Singh, the architect of India's economic reforms, said the thousands of Indian in Hong Kong should look to investing in their home country in light of the Chinese takeover of the British territory in July 1997.

"Attempts are on to provide them with facilities similar to those in Hong Kong," he said.

Singh also said that India could not afford to ban imports of consumer goods as advocated by opposition parties.

"If India discriminates against certain types of consumer goods we are certain to face similar discriminatory attitudes from other countries," he said.

Asian stock markets close lower

HONG KONG, Jan 17: Asian stock markets closed generally lower Tuesday, but share prices rebounded in Tokyo after three consecutive sessions of declines, reports AP.

Tokyo's 225-issue Nikkei Stock Average gained 279.65 points, or 1.38 per cent, closing at 20,567.07 points. Tuesday's rebound came after the index had fallen a total of 364.66 points in the previous three trading days, including a 90.50-point fall on Friday.

Financial markets were closed in Japan Monday for a national holiday.

The Tokyo Stock Price Index of all issues listed on the first section was up 10.87 points, or 0.68 per cent to 1,603.08. The Topix shed 7.77 points, or 0.48 per cent, on Friday.

Share prices moved higher in the morning as investors welcomed the US dollar's renewed rise against the Japanese yen.

Buying accelerated in the afternoon following comments at an investment seminar in Tokyo by American financier George Soros. He recommended investment in Japanese stocks and in bonds worldwide.

In late trading, the dollar was quoted at 105.60 yen, up 0.48 yen from late Friday in Tokyo and also higher than its late New York level overnight of 105.20 yen.

In Hong Kong, share prices closed higher for the fourth straight day.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, rose 36.65 points, of 0.3 per cent, closing at 10,671.15. On Monday, the index had gained 94 points.

Brokers said share prices opened on lower on profit-taking after recent sharp gains.

They said a late flurry of buying by overseas investors reversed the fall, pushing the index to a fourth straight gain.

WELLINGON: New Zealand share prices closed lower, with brokers expecting the market to remain subdued ahead of fresh inflation data to be issued Wednesday. The NZSE-40 Capital Index fell 9.80 points to 2,100.96.

TAIPEI: Share prices closed slightly lower in thin trading. The market's Weighted Stock Index fell 11.65 points to 5,015.36.

MANILA: Share prices closed lower following three straight days of gains. The Philippines unified composite index of 41 selected issues fell 2.11 points to 2,776.75 after Monday's 31-point gain.

SYDNEY: The Australian stock market defied weakness in the US market and a lower gold price to end mostly higher. All Ordinaries Index rose 12.1 points to 2,245.1.

SEOUL: Share prices closed mixed on renewed expectations of stock-stabilizing measures from the government. The Korea Composite Stock Price Index rose 2.81 points to 868.27.

SINGAPORE: Share prices closed lower on profit-taking. The 30-share Straits Times Industrials (STI) Index fell 15.76 points to 2,397.83.

KUALA LUMPUR: Malaysian share prices closed lower, dragged down by falls in speculative, second-board issues. The KLSE Composite Index fell 2.89 points to 1,069.66.

Bangkok: Thai share prices closed lower in brisk trading. The Stock Exchange of Thailand (SET) index fell 5.16 points to 1,371.64.

Jakarta: The stock exchange's Composite Index fell 5.471 points, closing at 558.433.

Taiwan passes law to privatise telecommunications monopoly

TAIPEI, Taiwan, Jan 17: The Parliament on Tuesday passed legislation to privatise the huge government telecommunications monopoly in five years, reports AP.

The Directorate General of Telecommunications, whose revenues exceeded 100 billion Taiwan dollars 3.6 billion dollars last year, will initially become the state-run Chinese Telecommunications Co.

The company will then re-employ the monopoly's 36,000 employees as it prepares for privatisation five years.

Vice Premier Hsu Li-Teh said the legislation is crucial to Taiwan's plan to become an Asian trading hub because it will boost the telecommunications businesses.

Hsu said Taiwan was just following the global trend as 2,600 state run firms in the world had been privatised between 1988 and 1993.

The legislation was passed after the ruling Nationalist Party made a last-minute compromise with 1,000 employees protesting the privatisation outside the Legislative Building.

The state-run company is required to have its employees represented at its board of directors to safeguard their interests.

Private firms will be allowed to operate mobile phone and other radio communications services soon.

Chinese experts estimate huge gas in Tarim Basin

BEIJING, Jan 17: Chinese experts have estimated oil and natural gas reserves in the country's northwestern Tarim Basin — hyped by officials as the next Saudi Arabia — at about 20 billion tonnes, Xinhua reported yesterday, reports AFP.

Reserves in the massive basin in Xinjiang province stand at between 19.15 billion and 20.63 billion tonnes, with the ratio of oil to gas thought to be 1.0 to 0.8, according to the results of a five-year research project involving more than 2,000 scientists, the report said.

The study was sponsored by the China National Petroleum Corp, the Ministry of Geological and Mineral Resources, the Chinese Academy of Sciences and the State Education Commission.

With China's traditional oil fields in eastern provinces drying up, the country — which became a net oil importer in 1994 — has in recent years pinned its hopes on new finds in western regions, particularly the Tarim Basin.

However, exploration in the inhospitable desert region by Chinese and foreign firms has not yet resulted in any major finds.

In 1995, Xinjiang's Tarim, Turpan-Hami and Junggar Basins accounted for just 16.89 million tonnes of national crude oil output of 149 million tonnes.

Eight million tonnes of oil has been pumped out of Tarim over the past five years, Xinhua said, adding that basin now had an annual productive capacity of two million tonnes.

The report said the research project had given scientists a clear understanding of Tarim's geological structure and reserves, as well as leading to breakthroughs in exploration technology suitable for dealing with complex desert structures.

HK's jobless rate decreases

HONG KONG, Jan 17: Hong Kong's jobless rate edged down to 3.5 per cent in the October to December period, declining for the first time in seven months, the Census and Statistics Department said yesterday, reports Reuter.

The October-December jobless rate fell from the 11-year high 3.6 per cent recorded in August-October and September-November, but the underemployment rate rose slightly to 2.3 per cent from 2.2 per cent in September-November, the department said.

While the jobless rate took a slight dip in the March-May period, it had actually been rising steadily since the beginning of 1995 as the economy faltered following a rise in interest rates.

In the three months ending in November, the total number of employed rose 1.7 per cent over the previous year, but total labour supply rose 3.4 per cent.

Pakistan invites investors to set up industrial alcohol unit

ISLAMABAD, Jan 17: Pakistan has invited local and foreign investors to set up an industrial alcohol unit with a total production capacity of 28,000 litres per day, the official Associated Press of Pakistan (APP) said yesterday, reports AFP.

The state-run Board of Investment, which invited investors, has prepared a feasibility report which says molasses required for the unit is available in the country.

Pakistan which has about 66 sugar mills, produces about 1.6 million tonnes of molasses, it said.

The country annually produces 42 million litres of industrial alcohol, of which 8.7 million litres are exported mainly to France, the Netherlands and Japan, APP said.

The rest is consumed locally in industries manufacturing paints, varnish, perfumes, pharmaceuticals, plastic, explosives, food products and chemicals.

It said the Board of Investment had issued the invitation as domestic demand for industrial alcohol was increasing by 15 per cent annually.

Gold prices firmer in London

LONDON, Jan 17: Gold prices were firmer yesterday, apparently having completed their retreat from 2-1/2 years highs hit on investment buying last week, dealers said, reports Reuter.

"It looks as though the worst of the reaction has been seen," one bullion market analyst said, adding that the market's floor now looked to be around 394 US dollars per ounce.

After a cautious day's trading, gold closed at 397.30 after 395.20 US dollars on Monday when it was coming off the high.

"It was a very healthy move on Monday and the market felt strong this morning," one dealer said, adding that a further attempt at 400 US dollars hit last week for the first time since 1993 was possible if New York bought, too.

"It is definitely stalling at 398 dollars where selling was always expected," the dealer said.

There was also producer selling at the higher levels which would be countered if aggressive investor buying was triggered as the rally continued, a dealer said, adding: "that could take US back above 400 US dollars."

But some market players thought the yellow metal might lack the momentum to sustain a move into the 400 dollars.

Silver was steady but less than lustrous, having responded to gold's change of direction with a five cent advance before easing as gold stalled. It closed at 5.45 dollars up two cents.

"Silver could see 5.60 dollars if gold goes higher," a dealer said.

Platinum and palladium were also firmer, having lost ground with gold on Monday," platinum is higher on short covering after Monday's selling, one dealer said.

It finished at 416, up 3.50 dollars while palladium was 0.50 higher at 130 US dollars.

"Their direction depends entirely on gold at the moment. Gold is the dominant metal," a dealer added.

US Citicorp reports weaker earnings

NEW YORK, Jan 17: Citicorp, the nation's largest banking company, Tuesday reported weaker fourth-quarter earnings, but the results were stronger than predicted by industry analysts, reports Reuter.

Citicorp said it earned 905 million US dollars or 1.89 dollars a share, in the quarter that was down from 1.0 billion dollars or 2.20 dollars a share, in the same period of 1994.

It said quarterly income was down despite an increase in revenue because of tax benefits taken in the 1994 period.

Revenue in the final quarter climbed to 4.8 billion dollars, up from 4.5 billion dollars in the 1994 period.

For the full year, Citicorp earned 3.46 billion dollars or 7.21 dollar a share, on revenue of 18.7 billion dollars that compared with income of 3.37 billion dollars or 7.03 dollars a share, on revenue of 18.7 billion dollars in 1994.

Wall street analysts had predicted the banking giant would report earnings equal to 1.65 dollars a share.

Citicorp said its total assets at year-end were 256.8 billion.

Fourth-quarter income from its consumer operations rose 18 per cent to 554 million, while income from commercial banking operations fell 9 per cent to 382 million dollars.

Trading-related revenue was 413 million dollars up from 287 million dollars in year-earlier period.

Nepal's economy likely to grow by 5.6 pc

KATHMANDU, Jan 17: Nepal's economy, benefitting from a bumper rice harvest, expected to grow 5.6 per cent in the current fiscal year to July 15, the Nepal Rastra Bank (central bank) said yesterday.

Central bank Governor Satendra Pyara Sharestha told AFP 1995-96 gross domestic product was expected to grow 5.6 per cent from the year before to around five billion dollars.

The forecast was based on a positive economic performance in the five months to mid-December 1995, revealed in a central bank statement released here Tuesday.

"Information indicate a bumper rice harvest leading to a considerable increase in food grains production helped by favourable monsoon rains," the statement said.

"This together with some improvement in non-agricultural production, is expected to have a positive impact on the country's overall gross domestic product growth this year."

The central bank said this year's harvest of rice, Nepal's principal crop, was expected to grow 20-to-22 per cent from the previous year, when production fell 20 per cent.

It said tight monetary policies had reined in inflation while a fall in exports in recent months had been turned around.

"Improve export performance and some decline in the import momentum has helped to reduce trade imbalance though the overall external position continues to remain adverse," the statement said.

The country's trade deficit widened 35.2 per cent from a year earlier to 430.39 million dollars in the five months.

Iraq ready to discuss limited oil sales deal

UNITED NATIONS, Jan 17: Iraq is ready to begin negotiations on a limited oil sales deal to purchase badly needed humanitarian supplies, diplomats said yesterday, reports AFP.

Iraq's Deputy Prime Minister Tareq Aziz was trying to contact UN Secretary-General Boutros Boutros-Ghali, who is in London, to see if he was willing to engage in the talks, they said. The UN chief, along with Security Council members has been pressing Iraq for months to accept the deal.

An official letter would follow from Aziz after his talks with Boutros-Ghali, the diplomats added.

The oil sales plan was outlined in Security Council resolution 986, separate from resolutions that would lift the more than five year-old sanctions completely. Iraq has been under crippling trade sanctions since it invaded Kuwait in August 1990.

Resolution 986 would allow Iraq to sell two billion dollar in oil over six months under strict UN monitoring to purchase food, medicines and other goods.

Iraq's UN Ambassador, Nizer Hamdoon, told non-aligned members of the Security Council early on Tuesday that Baghdad was ready to enter talks on the oil sales without preconditions, ambassadors at the meeting said.

Some council members questioned whether Iraq was talking about discussion on implementing the resolution or an attempt to re-negotiate its text, a move the council would reject. But others called it a "very interesting move."

Negotiations several years ago on a similar limited oil sales deal fell through after months of talks. Iraq has said the resolution, which requires heavy UN monitoring of oil sales violated its sovereignty.

Specifically, diplomats said, Baghdad objected to the amount of humanitarian supplies bought with the oil revenues that would go to rebellious Kurds in the Borth and a demand that most of the oil move through its pipeline to Turkey rather than its seaport at Mina Al-Bakr.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 16-1-1996

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Mafe	GI	-	OWSL	R/A	23/1
J/2	Anna Oldendorff	R.Seed	Sing	MSA	5/1	21/1
J/3	Smena	Rice(G)	Kaki	B.Bay	9/1	21/1
J/4	Sea Light	Cement	Sing	Litmond	3/1	28/1
J/5	Banglar Mamata(48)	GL	-	BSC	R/A	17/1
J/7	Foftune ocean	GI	Sing	Prog	7/1	21/1
J/8	Gios	Rice(G)	Kari	Cross	15/1	20/1
J/9	Amanicida	Rice(G)	Kaki	OWSL	5/1	26/1
J/10	Hua Tu	Gtsp	Tamp	Benam	7/1	23/1
J/11	Sea Express	Cont	Sing	Pil(B)	9/1	19/1
J/12	Continent-1(Flag)	GI/SPL	Kara	OWSL	10/1	19/1
J/13	Banglar Robi	cont	Sing	BSC	12/1	17/1
CCT/1	Padma	Cont	Sing	RSL	10/1	17/1
CCT/2	Meng Lee	Cont	Sing	AML	10/1	19/1
RM/14	Sea World	Repair	Viet	Litmond	9/12	25/1
CCJ	Emerald island	C.Clink	Chin	USTC	13/11	17/1
GSJ	Banglar Baant	Wheat(G)	-	BSC	R/A	19/1
RM/4	Feng Xiang ling	Cement	Qing	Delmure	6/1	20/1
RM/5	Wawasan setia	HSD/JP-1	Sing	MSPL	13/1	19/1
RM/6	Jian She-51	Lube cil	sing	ECSL	14/1	17/1
DOJ:	Banglar Jyoti	C.Oil	-	BSC	R/A	17/1
DD:	Banglar Kallol	Repair	Mong	BSC	1/1	20/1
DDJ/1	Tanary star	Idle	Para	PSAL	7/6	30/1
DOJ/2	Hawai splendour	Idle	Sing	PSAL	29/11	20/1
Cufj	Pattu	Rice(G)	-	AMBL	R/A	-

VESSELS DUE AT OUTER ANCHORAGE

name of vessels	Date of arrival	L port call	Local agent	cargo	Loading port
Pal Eagle	16/1	Sing	ANCL	GI	-
Timber star	16/1	Sing	BBA	GI	-
Tiger Hope	16/1	Pase	Prog	GI	-
Komsomolets armenii	16/1	Kaki	USTC	Cement	-
Banglar Moni	17/1	Sing	BSC	Cont	Mong
Bintang Harapan	17/1	Sing	Prog	GI	-
Asian Harp (Roro/24)31/12	17/1	Rang	BBA	Vehicles	-
Meng Yang 6/1	15/1	Sing	AML	Cont	Sing
Consistence 10/1	16/1	Sing	RSL	Cont	Sing
Sintra 10/1	17/1	Sing	Pil(B)	Cont	Sing
Maximo Gomez	18/1	Kaki	RML	Rice(G)	-
Golden kris	18/1	Sing	Gel	C.Clinker	-
Monolima	18/1	-	AMBL	Ballast	-
Jing Yu-601	18/1	-	Bdship	Fishingbot	-
Jing Yu-602	18/1	-	Bdship	Fishingboat	-
Jing Yu-6-3	18/1	-	Bdship	Fishingboat	-
Jing Yu-604	18/1	-	Bdship	Fishingboat	-
Mikhail Stenko 17	18/1	-	Baridhi	Cont	Col
Caraka Jaya Niaga-III	18/1	-	Seacom	GI/GL	Indo
Amilia	19/1	Sing	PSAL	C.Clinker	-
Mulpha Sibu	18/1	Sing	PSAL	Cement	-
Eagle Prestige 14/1	20/1	Sing	APL(B)	Cont	Sing
State of Nagalands(E/L)6/1	20/1	-	SSL	E/L	Ant.Dundee
Blue Ocean	20/1	Yang	Cross	GI	-
Jiang Chen	20/1	-	Bdship	GI	-
An sai Jing	20/1	-	Bdship	GI	-
Meng Klat 13/1	20/1	Sing	AML	Cont	Sing
Areti	21/1	-	Prog	GI	-

TANKER DUE

World Sea	16/1	Sing	MSPL	HSD	-

VESSELS AT KUTUBDIA

Name of vessels	Cargo	L port call	Local agent	Date of arrival
Aspilos	C.Oil	-	ESL	12/1
Banglar Shourabh	C.Oil	-	ESC	R/A
Ismaya	-	Sin	B.Bay	4/12
Ron Tappmeyer	-	Sing	B.Bay	8/12
Lady Lorraine	-	Sing	B.Bay	8/12
Lady Caroline	-	Sing	B.Bay	8/12

VESSELS READY

READY ON

Margilan	8/1	Cement	Rizh	RML	8/1
Yue Yang	10/1	Rice(G)	Kaki	Bright	5/1
Fong Yun	12/1	Cont	Sing	Ddship	11/1
Lanka Mahapola	11/1	Cont	Col	Baridhi	11/1
Achilles	11/1	GI	Shan	EPL	11/1
Nezabudea	14/1	GSSP	Sing	Jaycee	14/1
Fong Soon	14/1	Cont	Sing	Bdship	14/1
Java Princess	16/1	Amonia	Sing	MBL	16/1

VESSELS AWAITING INSTRUCTION

Komsomolets Armenii	-	-	Mong	CT	25/11
Namree-1	-	-	Mong	Nishan	6/1
Banglar Urmi	-	-	-	BSC	6/1
Ocean Trader	-	-	-	Litmond	R/A

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