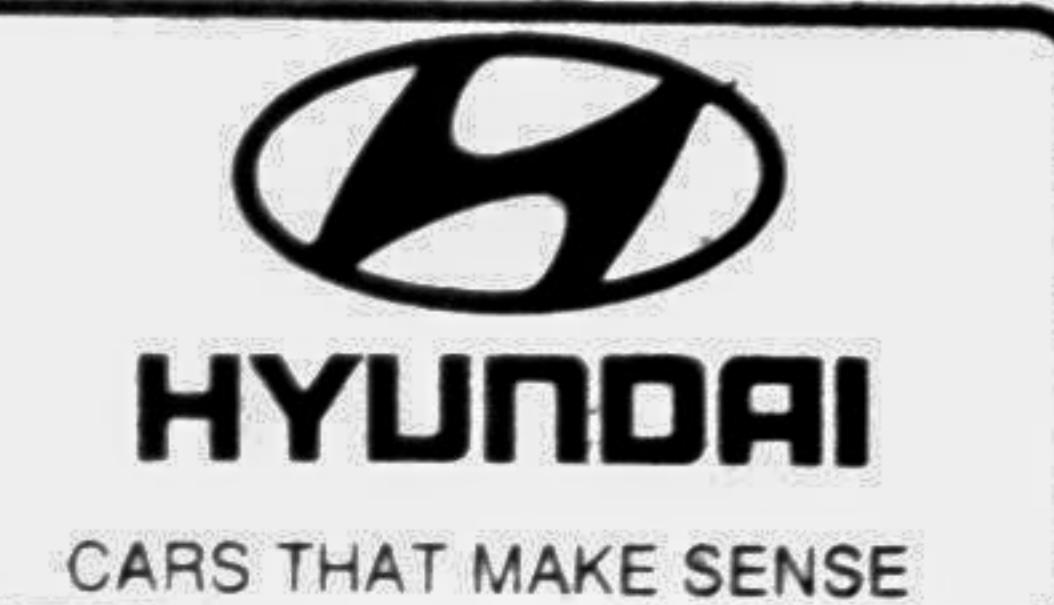


The Daily Star BUSINESS

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Developing nations voice concern about banks' role

WASHINGTON, Apr 21: The G24 group of countries from Asia, Africa and Latin America voiced concern yesterday about the possibility of multilateral development agencies like the World Bank meddling in their domestic affairs, reports Reuter.

In a draft of a communique to be issued on Sunday during the semi-annual meeting of the International Monetary Fund and the World Bank, delegates of the Group of 24 took issue with part of a recent report on the role of development banks.

The group is worried that the World Bank and regional development banks will use their influence as big creditors to push for changes in the way their governments operate.

The delegates expressed reservations about the possibility of multilateral development banks becoming a key source of technical advice and policies for borrowing countries in promoting effective

government and a strong civil society," said a copy of the draft obtained by Reuters.

The report on the multilateral development banks was released last month by a task force which included official representatives of G24 countries such as India, Saudi Arabia, Nigeria and Brazil.

Among other proposals, the report encouraged banks to back programmes designed to reduce poverty, make governments more efficient and accountable, improve the management of natural resources and foster private sector development.

World Bank President James Wolfensohn Saturday welcomed the report which was commissioned by the joint development committee of the World Bank and the IMF, saying its goals coincided with that of his organisation.

The report on multilateral banks highlighted the importance of "appropriate" economic and social policies to at-

tain stability and growth. It added that, as a first step to assess whether countries should be helped, banks should determine whether they are "seriously interested in and capable of promoting sustainable economic growth and a better life for their people."

The document stressed that such a commitment does not necessarily depend on a country's form of government.

But it went on to list among the attributes of "good public sector policy" the rule of law, a government's accountability to its people and effective measures to curb corruption.

The delegates firmly opposed the welding of issues related to the environment, good governance or human rights to strengthen the protectionist interests of industrial countries, it added.

Developing nations have complained in the past that rich countries have used such issues as an excuse to stymie competition.

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Citicorp reports \$914m net income

By Staff Correspondent

Citicorp's net income in the first quarter of 1996 posted a ten per cent increase to 914 million dollars from the same 1995 quarter, says a press release of Citibank.

Its revenue of 5117 million dollars after adjustment for card securitisation was also up ten per cent and earnings per share were 1.75 dollars, up 14 per cent.

Citicorp's return on common equity was 20.2 per cent. The company bought back 9.6 million common shares during the quarter for 721 million dollars under its announced stock repurchase plan, says the press release.

Commenting on the performance of the bank, John S Reed, Citicorp's Chairman, said, "It was a solid quarter, continuing very much on our plan."

Citicorp's consumer businesses earned \$513 million on adjusted revenue of \$3,253 million, gains of 11pc and 10 pc respectively. Its (corporate) banking business earned \$469 million, up 18 pc, on revenue growth of 4 pc to \$1,616 million. The principal strength in the banking business was in the emerging markets, offsetting soft trading and venture capital results in North America, Europe and Japan.

Tier 1 capital was reported at \$19 billion, total capital at \$28 billion, and the Tier 1 and total capital ratios at 8.4 pc and 12.3 pc respectively. The ratio of common equity to total assets was 6.7 pc.

Tk 12 cr remitted thru' FMOs in March

Bangladeshi nationals living abroad during the month of March remitted through Foreign Money Orders (FMOs) 1,33,749,10 pound sterlings and 27,30,334 13 US dollars against 14,380 foreign money orders, reports BSS.

The exchange value of those FMOs is Taka 11.96/40.95346, a PID handout said.

The payees dependents of the remitters living in different parts of the country have been paid in local currency.

Total remittances in the first nine months of the current fiscal year amounted to 21,93,326.42 pound sterlings and 2,44,02,265.87 US dollars against 1,51,652 FMOs. The exchange value of these foreign money orders is Taka 122,70,15,606.43 in local currency, the handout said.

Sexual harassment in Mitsubishi: US judge won't silence attorneys

PEORIA, Illinois, Apr 21: A US judge has refused to silence attorneys for a group of women accusing Mitsubishi Motor Manufacturing of America Inc of sexual harassment.

Output in all countries of the area — the ex-Soviet Bloc states, the former Yugoslavia and Albania — was still an average of 15 per cent below the levels before communist rule dissolved at the end of 1989 and they began the transition to market economics, the survey said.

And it said it would "still be premature to be overly optimistic about the economic prospects of these countries because it remained to be seen if the high rate of growth of some of them could be sustained."

Benassi represents 28 women who filed a sexual harassment lawsuit more than a year ago. The US Equal Employment Opportunity

Commission for Europe (ECE) reports Reuter.

Western European economies, the major market for goods from the former Soviet Union, were unlikely to achieve growth of more than 1.5 per cent and may not even reach that target, the survey indicated.

The analysts' assessment came in the annual report on European and North American economies issued by the Geneva-based Economic Commission for Europe (ECE).

"Eastern Europe now stands out as an area of rapid growth," said the report, Economic Survey of Europe 1995-96.

It said the aggregate rate of growth in gross domestic product (GDP) for the region as a whole reached what it called an impressive 5.3 per cent in 1995 in a recovery led by industry and fuelled by growing exports to Western Europe.

The ECE analysts said official expectations pointed to GDP growth of up to six per cent this year, but warned this surge could be cut short by the economic slowdown in the

Putting your money in emerging markets: Investors' checklist

by Tariq I Siddiqui

stock market. The retail investor should not invest in private deals in emerging countries.

The government must be committed to free enterprise, gentle regulation of business and must itself be stable. The Government's budget as a percentage of gross national product should be modest.

The people must be industrious and well educated which is usually reflected by high savings rate.

Interest rates should be declining, and there should be excess industrial capacity. Thus when production rises, profits will boom.

Company: (Among the requirements for a specific company, the most important and hardest to achieve is the first).

Management must be honest. Old fashioned family groups are often a good bet, although of course, there may be too many relatives on the payroll. Foreign subsidiaries of international companies are often attractive.

It helps if the company participates in its own country's area of comparative advantage, rather than a fishing enterprise in South Africa of computer software in Jamaica, better bets might be mining and tourism respectively.

In whatever industry the company is engaged, the price the investor is paying per barrel, ton, or bushel of production, should, after considering the risks, be attractive compared with other countries it competes with. For example, if one is buying a telephone stock, one should calculate what one is paying per installed line.

The perfect moment to buy into an emerging market is when two things are happening at the same time: A sensible government decides to improve its capital market and thus: Decrees that pension funds, particularly government pension

fund, will be permitted to own equities as a rising proportion of their total investment portfolios and

Privatised bloated and corrupt state companies:

Telecommunications, airlines, banks, railroads or whatever.

The occurrence of these two developments means that there will be more paper available to buy, usually at highly attractive prices and new money available to buy it. If the foreign investor is allowed to participate in this transformation, and if the criteria that have been listed above are met, it is hard to lose money.

Everyone has his own favourite country. However, the following countries are worth keeping in mind:

Chile (whose market is no longer so cheap though).

Korea (where stocks are very inefficiently priced, which creates some outstanding opportunities).

India (Particularly secondary companies, which are not properly covered by market analysts, although remember the honest management problem)

Probably Indonesia and New Zealand.

Some of the most outer markets such as Botswana could have the best prospects but almost no reader is likely to go into them.

The best general flavour for an emerging market is the same as for a stock: the person you tell the story can't quite believe it, but then when you explain the underlying logic e.g. that Korea is a better way to participate in the growth of China than China itself, light dawns and he chuckles. This is called the "ha, ha effect".

(The author is a Bangladeshi banker working in the Islamic Bank, Dhaka.)

(The author is a Bangladeshi banker working in the Islamic Bank, Doha.)



Faruque M Siddiqui
new finance
member of BWDB

Faruque M Siddiqui, a senior officer of BCS (Audit & Accounts) cadre has joined as Member (Finance) in Bangladesh Water Development Board, says a press release.

Prior to his joining the present assignment, he was working as Senior Finance Controller of Bangladesh Army.

He held the posts of Additional Controller General of Accounts, Director General Civil Audit and other important posts. He visited a number of foreign countries and participated in various trainings and seminars.

A three-decade ideological rift between China and the former Soviet Union was finally brought to an end in 1989 with the visit of the then-president Michael Gorbachev to Beijing.

Siberia is to hold an export commodity fair and trade talks in June, while Xinjiang is to host the fifth Urumqi economic and foreign trade talks in September.

A special exhibition hall devoted to Russian exports will be opened at the September fair, Wei said.

Xinjiang's trade volume with Russia was 38.69 million US dollars in 1995, while its total border trade, including exchanges with Mongolia, Kazakhstan, Kyrgyzstan and Tajikistan, was 695 million dollars.

"We have come to see that to further develop trade among the Commonwealth of Independent States, it is essential to strengthen our cooperation with Russia," said Habay, Deputy Director of ARBFACT.

Last week, China and Russia announced plans to open the Kanas Pass from Xinjiang to Siberia in an effort to boost trade between the land-locked but mineral-rich areas.

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The market was hit by the prospect of bumper harvests in numerous exporting countries. Cuba planned to reap a harvest in excess of four million tonnes. Thailand, India and Brazil have already turned out or will produce large quantities of sugar this season.

Exports said that supply, which has been unable to meet demand of late, should take off, and dealers decided to quit the market before it becomes too late.

GNL trading house said that anticipated Indian sales are still a powerful and negative influence on the market. However, this may be offset by Brazilian exports that are likely to be smaller than they were

to be.

PRECIOUS METALS, TEA, COFFEE, SUGAR FALL OVER THE WEEK

ket skywards in their upstream.

Dealers believed that the 1996 crop in the United States, the world's leading producer, would be smaller than had previously been expected. Farmers there have decided to sow maize (corn) instead of soya because of high maize prices and favourable weather conditions.

In addition, demand remained strong for livestock feeds. Stocks of wheat and maize, that are alternative foodstuffs for farm animals, were too low to give any let-up in demand for soya.

Soya settled at 100 guilders per hundred kilos on the Rotterdam market.

GRAINS: Swing. The fever seen last week on the Chicago market abated initially, as investment funds launched into profit taking, which pushed prices lower.

Weather forecasts for the American great plains appeared reassuring, with rains expected to bring relief to the dry crops there in coming weeks.

COTTON: Fall. Prices fell after last week's excitement, and the cotton outlook magazine index of physical market prices) dropped by two cents to 0.82 dollars per kilogram.

But prices on the futures market in New York held steady after news of a large Japanese purchase of US and Australian cotton.

At the end of the week, New York prices advanced after a surge in grain prices and fears that less land will be cultivated for cotton crops in the United States in 1996.

Economies of former Soviet states show sign of growth

GENEVA, Apr 21: Eastern and Central European countries

are emerging strongly from the recession sparked by the collapse of Communism and could be headed for further growth this year. United Nations analysts said yesterday.

The analysts' assessment came in the annual report on European and North American economies issued by the Geneva-based Economic Commission for Europe (ECE).

"Eastern Europe now stands out as an area of rapid growth," said the report, Economic Survey of Europe 1995-96.

It said the aggregate rate of growth in gross domestic product (GDP) for the region as a whole reached what it called an impressive 5.3 per cent in 1995 in a recovery led by industry and fuelled by growing exports to Western Europe.

And it said it would "still be premature to be overly optimistic about the economic prospects of these countries because it remained to be seen if the high rate of growth of some of them could be sustained."

The ECE analysts said official expectations pointed to GDP growth of up to six per cent this year, but warned this surge could be cut short by the economic slowdown in the

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