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DHAKA TUESDAY, JUNE 25, 1996

Iraqi ports ready for oil exports

BAGHDAD, June 24: Iraqi ports, damaged during the 1990-91 Gulf crisis, are ready for business once an "oil-for-food" deal reached with the United Nations takes effect, official newspapers said yesterday, reports Reuters.

Iraq has completed preparations to receive giant oil tankers and commercial ships through its ports in the Arabian Gulf, they quoted Iraqi Transport Minister Murtada Ahmed as saying.

Under the deal reached in May, the United Nations will allow Baghdad to sell two billion dollars worth of oil over six months to raise money to buy much-needed food and medicine for its population, suffering from UN trade sanctions. The ban was imposed after Iraq's August 1990 invasion of Kuwait.

UN diplomats said on Thursday procedures for implementing the pact should be ready for final approval by the Security Council's sanctions committee on June 28.

Under the deal, Iraq will export 450,000 barrels per day (BPD) of crude oil via a Turkish pipeline and 330,000 BPD from its oil terminals in the Gulf.

Ahmed said jetties and other naval facilities at Khour al-Khaifa port in the southern city of Basra were ready.

It has also repaired facilities at the Umm Qasr and Khour al-Zubair ports.

Iraq launched a campaign last month to repair its fleet of oil tankers lying idle since the Gulf crisis.

BUET seminar on helicopter tech

A seminar on "Advancement in Helicopter Technologies—Past, Present and Future" organised by Department of Mechanical Engineering of BUET will be held at the Council Building of BUET today, says a press release.

Dr Humayun Kabir, head of the Engineering Department, Agusta Aerospace Corporation, Philadelphia, USA, will deliver the lecture.

DSE chairman leaves for Prague

The Chairman of Dhaka Stock Exchange (DSE), Intiyaz Husain, left here for Prague last night to attend the Board of Directors' meeting of Regent Moulou Fund, says a press release.

The meeting will be held on the 27th of this month.

The DSE chief will also attend the emerging market investors meet in the Czech capital on privatisation.

He will also apprise them of the political developments in the country and prospects of portfolio investment in the Dhaka Stock Exchange (DSE).

Karachi bourse remains open amid strike

KARACHI, June 24: Pakistan's premier bourse, the Karachi Stock Exchange (KSE), remained open despite an opposition strike call Sunday, but trading was slow, business leaders and dealers said, reports AFP.

Trading remained slow, as other major business centres were shut in protest against a tax-laden national budget unveiled by the government of Prime Minister Benazir Bhutto on June 13, KSE President Arif Habib said.

Some 4.2 million shares were traded Sunday, representing less than 25 per cent of the average turnover on normal days, brokers said.

The hours closed Sunday at 1,693 points on the KSE 100 share index against 1,698 on Thursday the last working day of the week as Fridays and Saturday are official holidays in Pakistan, they said.

Commercial life in this financial capital and other major cities was widely disrupted during a one-day strike called by former prime minister Nawaz Sharif against the 1.12 billion dollars in new tax revenue in the 14.2 billion dollars national budget for fiscal 1996-97 starting on July 1.

Japanese FDI rises by 16pc

TOKYO, June 24: Foreign direct investment by Japanese rose 16 per cent to 4.96 trillion yen (45.5 billion dollars) in the fiscal year that ended March 31, 1996, the Finance Ministry announced, reports AP.

The US and Canada continued to get the lion's share of Japanese direct investment, with 45 per cent, Asia followed with 24 per cent, and Europe accounted for 17 per cent.

China, Indonesia and Thailand topped the list of investment targets in Asia, while Britain and France and the Netherlands got the most Japanese investment in Europe.

Islamic banks operating under threat of wilful defaults

By Staff Correspondent

Islamic banks which are operating in the country are under constant threat of low-profitability and wilful defaults.

This was observed by M. Azizul Huq, Managing Director of Social Investment Bank Limited, while addressing a day-long seminar on "Islamic Banking" at the conference room of Bangladesh Institute of Bank Management (BIBM) yesterday.

Organised by BIBM, the seminar was addressed by among others, A H M Nurul Islam Choudhuri, DG, BIBM, Habibullah Bahar, General Manager of Monetary Management and Technical Unit of Bangladesh Bank, Dr Azizur Rahman Khan, Professor at the Department of Finance of Dhaka University, M Farid Uddin Ahmed and Dr Mahmud Ahmed of Islami Bank Bangladesh Limited.

Pointing out the problems of flourishing of Islamic banking in the country, Huq said, absence of legal framework, shortage of supporting institutions, lack of trained manpower and absence of interest free securities are the main obstacles of expansion of this kind of bank.

In his inaugural speech, A H M Nurul Islam Choudhuri said

Islam believes in social justice, equity and upliftment of the poorer section of the society. He said social justice could be achieved by providing banking

services to the disadvantaged group of the country. Choudhuri said, "the concept of Islamic banking is not quite old in our country."

He said as financial sector is moving very fast to meet customer's needs, Islamic banks have to move with this pace to maintain momentum they have achieved so far.



Director General, BIBM, A H M Nurul Islam Choudhuri, speaking at the inaugural session of the seminar on Islamic Banking held yesterday at the Bangladesh Institute of Bank Management.

Opening Wagha border post issue Indian intelligence, commerce ministry at loggerheads

NEW DELHI, June 24: Indian intelligence is at loggerheads with the commerce ministry over a unilateral proposal by New Delhi's arch rival, Pakistan, to open a land route, to boost trade, arguing it would undermine security, reports AFP.

The Times of India newspaper today said Islamabad's recent notification announcing the opening of the border post of Wagha, in the northern Indian state of Punjab, was hasty and "suspicious."

India's commerce ministry, however, is keen to open Wagha in its bid to step up

trade with Pakistan, the daily said. Bilateral trade is currently routed through a rail link at Attari, also in Punjab.

The Wagha post was closed after the third Indo-Pakistani war in 1971.

Mutual ties are clouded by a host of irritants including the status of the disputed state of Kashmir and Indian allegations that Islamabad supported separatist movements there as well as in the neighbouring state of Punjab.

Pakistan and India have recently resolved to improve ties, including commercial relations. Indian exports to Pak-

istan routed through Attari have shot up from 28.2 million dollars in fiscal 1994-95 to March to 42 million dollars the next year.

The Times said intelligence agencies cited "a recent case of smuggling of a huge consignment of arms through the Wagha border to highlight the security risks involved. The arms consignment, hidden under a foreign bus, was detected in Delhi early this year."

New Delhi has accused Pakistan of two recent bomb attacks in New Delhi and the northern state of Rajasthan which left some 30 people dead. Both neighbours accuse each other of fuelling cross border tension.

Sumitomo faces \$4b copper market loss

LONDON, June 24: Japan's Sumitomo Corporation faces copper market losses of as much as four billion dollars over double first estimates from unauthorised trades, the Financial Times said, reports Reuters.

The Business Daily quoted traders who expect to profit from the accident as saying Sumitomo has more than two million tonnes of copper to sell, about 20 per cent of the total used in the Western world every year.

Sumitomo Corp last week acknowledged losses of 1.8 billion dollars in unauthorised copper trading by its former top trader Yasuo Hamanaka, who has been fired.

Japanese traders have already said they believe this is a minimum figure and said the final bill could reach as high as 2.5 billion dollars as the intricate positions held by

Hamanaka Unwind.

The Financial Times gave no details of how the new expected loss was reached.

The Sumitomo debacle triggered a sharp fall in world copper prices. Three-month LME copper slumped to a two-year low of 1,800 dollars a tonne during trading last Monday compared to 2,150 dollars a tonne the previous week.

The Financial Times said Sumitomo had already closed out the bulk of its huge loss-making copper futures in a transaction this week in which the Union Bank of Switzerland acted as intermediary.

The traders quoted by the Financial Times said that not all the copper still held by Sumitomo would be surplus to its requirements. They said the Japanese group would have customers for much of it and this would be properly hedged.

Plan for new generation of military transporter

Indian aviation experts announced Monday they planned to manufacture a new generation of military transporter that would also be built in a civil version to challenge US-made boeing in domestic skies.

The Aeronautical Development Agency (ADA) announced that the launch-pad for the ambitious project would be provided by technological spin-offs from India's missile and space programmes.

The ADA will design a "world class medium transport aircraft for military requirements," officials said from the southern city of Bangalore, the country's aeronautical hub.

The idea has been finalised to develop the aircraft incorporating expertise from various aeronautical projects of India's defence research units and its ongoing space programme. ADA Director Kota Harinarayana said.

Religion not cause of delays in KL-Tehran jt ventures

KUALA LUMPUR, June 24: Malaysia hopes that its stand against Shiite Islamic teaching in this country is not the cause of delays in joint ventures in Iran. Foreign Minister Abdullah Ahmad Badawi said Sunday, reports AP.

Almost all Muslim in Malaysia, where Islam is the official religion, are Sunnis while those in Iran are Shi'ites.

In the past few months, Malaysian government officials have expressed concern over the conversion of some Sunnis to Shiite teachings. An estimated 200 have been converted.

Government officials said the existence of different groups may cause clashes and problems later and Malaysia prefers all Muslims here to remain Sunnis.

I am not sure what problems the Malaysian entrepreneurs are actually facing and I will raise the matter at the Malaysia-Iran Joint Commission meeting to be held this year," the Bernama news agency quoted Abdullah as telling reporters in Kuala Lumpur, 300 kilometers (185 miles) northwest of Kuala Lumpur.

He was commenting on delays in implementing joint-venture projects under memorandums of understanding signed by Malaysian and Iranian entrepreneurs after Prime Minister Mahathir Mohamad's visit to Iran in April 1993.

Among the projects that have yet to start is the joint hotel development involving Ekran Ltd. and the Qeshm Free Trade Area Authority on Qeshm Islands.

Abdullah said he would get more information from the affected entrepreneurs, the Malaysian Malay Chamber of Commerce and the International Trade and Industry Ministry.

Most Asia-Pacific currencies weaken

HONG KONG, June 24: Most currencies in the Asia-Pacific region ended the week feeble vis-a-vis the US dollar, with the yen displaying nervousness following the release of economic indicators, reports AFP.

JAPANESE YEN: The Japanese yen moved in a boxed range against the dollar during the week — nervous on newly released economic indicators.

The Japanese unit was quoted at 108.69 to the dollar in late afternoon trading at week's end, compared with 108.55 a week earlier.

The yen eased to 109 yen Monday following trade data showing a sharp drop in Japan's trade surplus, dealers said.

AUSTRALIAN DOLLAR: The Australian dollar closed marginally up over the week, but failed to crack the 79 US cent level at the week's close with a United States institution selling intermittently, traders said.

The Australian dollar closed at 78.93 US cents compared to 78.77 US cents last week.

On the central Reserve Bank of Australia's trade weight index, a basket of major trading currencies, the local unit ended at 58.1 points from 57.8 points the previous week.

NEW ZEALAND DOLLAR: The New Zealand dollar closed the week worth 67.81, up from the 67.17 cents closing of a week earlier.

Trading had been quiet although during the week it rested the 68.00 cents ceiling.

SINGAPORE DOLLAR: The Singapore dollar ended the week slightly lower against the US dollar, to 1.4085 from 1.4080 previously.

Dealers expect the local unit to move sideways against the greenback coming the week.

ICB to float 8th fund in August

The Investment Corporation of Bangladesh (ICB) will float its eighth mutual fund to the public for subscription in the first week of August next, ICB sources said here yesterday, reports BSS.

The fund, amounting to Taka five crore with Taka 100 at per share and 50 shares a lot, has been initiated to expand the investment as well as to mobilise the public savings to productivity investment in the country, the sources said.

The corporation had an initiative to float the eighth mutual fund in May or June. But because of late approval by the Security Exchange Commission (SEC), it was delayed, the said.

"Finally we decided to float the fund in the first week of August," the source said.

The eighth mutual fund will comprise shares and debentures from 34 securities, the sources said, adding that of them, 12 securities are from primary issues and the rest are from the secondary market.

The securities are: Bangladesh Zipper, Raspi Foot and Allied Products, Taha Spinning Mills, Beximco Textile Mills, Beximco Denims, Sajib Knitwear and Garments, M. Hossain Garments Washing and Dyeing, Shine Pukur Holdings, Eastern Housing, ACI (Bangladesh), Wata Chemicals, Rupali Insurance, Phonix In-

urance, Eastland Insurance, Eastern Cables, Bangladesh Tobacco Company, Aramit, Beximco Pharmaceuticals, Singer, Jennini Sea Food, Apex Weaving Mills, Mac Paper Industries, Meghna Cement Mills, Confidence Cement Mills, Chic Tex, Agriculture Marketing Company Limited (AMCL-Pran), Monnu Fabrics, Sandhani Life Insurance, Sreepur Textiles, Bangladesh Zipper (Deb), Beximco Knitting (Deb), Beximco Denims (Deb), Beximco Textiles (Deb).

The features of the fund are: The investors to the fund may be given tax-exemption, income from the fund may be tax-exempted and Bangladeshis living abroad may invest through this fund.

ICB earlier, floated seven mutual funds for public subscription and 18 to 50 per cent dividend were given.

The seventh mutual fund was over subscribed by 13 times, the sources said and hoped that the Eighth Mutual Fund would also be oversubscribed.

The First Mutual Fund (Taka 50 lakh) was floated in 1980, the Second (Taka 50 lakh) in 1984, the Third (Taka one crore) in 1985, the Fourth (Taka one crore) in 1986, the Fifth (Taka 1.5 crore) in 1987, the Sixth (Taka five crore) in 1988 and the Seventh (Taka three crore) in 1995.

Tourism will continue to boom in China

BEIJING, June 24: Betting tourism will continue to boom into the next century, China said Monday it will build another 1,000 hotels for overseas travellers, reports AP.

The new hotels, if completed on time, will give China more than 4,500 tourist hotels by 2000, the official Xinhua News Agency reported.

Some 46 million people visited China from abroad last year, and the tourism industry earned 8.7 billion dollars in foreign currency, Xinhua said.

China National Tourism Administration expects the number of overseas visitors to grow to 54 million by 2000 and for domestic tourists to increase 8 to 10 per cent annually to one billion, Xinhua said.

To distribute the economic benefits of tourism more broadly, most of the new hotels will be built in poorer central and western China, especially along the Silk Route, the centuries-old overland trade artery between China's imperial dynasties and Europe.

State planning officials have put hotel projects on hold for the past few years as part of an effort to fight inflation.

Japan's economy continues to 'recover'

TOKYO, June 24: The top bureaucrat at Japan's Ministry of International Trade and Industry said the central bank's survey of business sentiment shows that Japan's economy continues to recover, but cautioned that the pace of recovery isn't increasing, reports AP.

Vice minister Tomio Tsutsumi, speaking to reporters at a regular press conference, noted that improvement in capital investment, bolstered by government spending on public works projects, contributed to the encouraging results in the survey announced recently.

Commenting on Japan's current account data for April, Tsutsumi said the unusual deficit in trade and services for the month was due to structural factors rather than a fundamental shift in Japan's trade relations.

The trade and service balance showed its first deficit since January this year, as the number of Japanese tourists overseas jumped 17 per cent from a year earlier while their per capita spending rose 9.8 per cent.

Laos hopes to attract more ROK interest

VIENTIANE, Laos, June 24: Top Laotian officials have received a South Korean trade delegation led by Park Su-Wan, President of LG International Group, making a nine-day visit to the Southeast Asian country, reports AP.

South Korea is the impoverished, landlocked country's third-largest foreign investor after the United States and Thailand, and Laotian officials hope to attract more South Korean interest, said a dispatch Monday from the official KPL news agency.

The 50-member delegation, which arrived Friday, has been received by Vice Premier Khamphoui Keoboualapha and briefed by officials of the state planning committee on Laos' development plans until the year 2000, KPL said.

Arab Banking Corp to launch Islamic bank

MANAMA, June 24: The Bahrain-based Arab Banking Corporation (ABC) is to launch the Islamic Bank along with other institutional partners, it was announced in Manama yesterday, says AFP.

The new institution will be called the Islamic Finance Corporation, with a total capital of 100 million dollars, of which ABC will own 25 per cent, Ahmed Abdul Latif, President and Chief Executive of the Bank, told reporters.

The shareholders will also include other Islamic banks and institutions. "We are planning to launch the bank in the first quarter of 1997, although it may materialise even earlier," he said.

Studies are being conducted and other shareholders are being identified, and a clear picture will be available by the end of July, Abdul Latif said, without providing other details.

The Islamic banking sector is a growing sector and the current market potential is placed at 60 billion dollars, and it is set to grow to 100 billion dollars over the next two years," he said.

The ABC will not go into direct competition with the existing Islamic banks but instead pool their expertise and financial strength. Adnan A Yousef, Senior Vice President of Institutional Relations at the bank, said.

Campaigners grab a share of the direct action

If you want to beat them — join them. That is the view of a growing number of protesters fighting big business on issues such as environmental destruction and arms sales.

Pressure groups can buy a single share in a target company and use it to gain access to annual shareholders' meetings, where they can vent their anger, ask awkward questions or even disrupt proceedings.

Campaigners seeking a reduction in developing nations' debt stripped naked at the recent annual meeting of a British bank, Lloyds, to reveal slogans scrawled on their bodies. "Here's my ethical streak — where's yours?" Declared one slogan.

Other tactics have included protesters rushing the company officials' stage and handcuffing themselves to microphones.

A group protesting against the arms trade hired a tank and parked it outside a shareholders' meeting, while one protester attended a meeting dressed as a pink panther.

Such eye-catching demonstrations are becoming increasingly common in Britain and coincide with a big growth in "direct action", in which environmental and other campaigners stage active protests rather than simply write letters to newspapers and politicians.

Under British law, no-one with a single share can be turned away from a company's

annual meeting.

Campaign groups buy shares on behalf of their members and then use these small stakes to embarrass firms, to press them into abandoning certain practices or to win publicity for a cause.

Big companies that have been targeted this year include Shell, Rio Tinto Zinc (RTZ), British Aerospace and Lloyds and Midland banks.

Mining giant RTZ is a favourite target of campaigners. When the company held its annual meeting in May, it was practically overrun with campaigners complaining about its activities.

Green campaigners Friends of the Earth attended, as did indigenous rights group Survival International and the World Development Movement, all protesting at the effects of RTZ's mining activities in countries such as Madagascar and Indonesia.

British Aerospace has faced protests over its agreement to sell military aircraft to Indonesia. Opponents of the deal say the aeroplanes will be used to crush resistance in East Timor, occupied by Indonesia since 1976.

At the annual meeting, one activist tried to make a citizen's arrest of the company's chief executive, Dick Evans, but was thrown out by security staff.

Other campaigners were unhappy about reports that the firm — which also deals with

Ursula Wills-Jones writes from Manchester



Taking the Mickey: Colourful company protests

Saudi Arabia — has backed British government attempts to deport a Saudi dissident, Mohamed al-Mas'ari.

A pressure group called Campaign Against the Arms Trade (CAAT) organised the protest — placing about 60 members inside the meeting. These protesters are growing massively at the moment," says Sue Brown of CAAT.

Despite this, campaigners admit they have little hope of influencing decisions at the meetings. "Shareholder democracy is a farce, and what we do highlights that," says Sid Parker, a member of a student-based group called Lloyds and Midlands Boycott (LAMB), which campaigns for a reduction in Third World debt.

"To a large extent, the shareholders are quite hostile, and the chair just steamrollers everything." When questions are put to company officials, he says, "they don't answer. Either they ignore them or they lie."

However, Brown of CAAT says protests at annual meetings have led to private talks between campaigners and the company involved. The action can also generate press coverage, she says, which can be read by institutional shareholders who often do not attend the meetings.

As a result of such publicity, says Friends of the Earth, a number of companies who own shares in RTZ have expressed discontent with the firm's

record.

Few companies are willing to admit the protests cause them inconvenience. "Shell has never had any objection to people protesting. All the questions that were asked from the floor came from bonafide shareholders," says a spokesman for Shell Oil, which has faced protests over pollution and human rights abuses in Nigeria.

"I don't think we've got too much to say on the matter," says a British Aerospace official. "But I'm sure companies would look at particular issues which shareholders raise."

Activists say companies are trying to make it harder for them to disrupt meetings. More security is being hired and special conference centres chosen where it is easier to eject rowdy shareholders.

Passions can boil over and meetings turn nasty, as Phil Rule, who protested against RTZ practices, found out. "A couple of us decided to really let them know what we thought about what they're doing to the planet," he recalls. "I got right in front of the chairman and shouted, 'You murdering bastard!' Then about five security guards dragged me away and shoved my head through a partition wall."

Gemini News Service
 (Ursula Wills-Jones is a British freelance journalist specialising in environmental and human-rights issues.)