

**Mahathir doesn't want to meet Soros**

COLOMBO, Aug 23: Prime Minister Mahathir Mohamad said Saturday he does not want to meet American finance George Soros, whom he has blamed for the fall of the regional currencies, reports AP.

World Bank officials were reported as saying on Friday that the bank would arrange a meeting between Soros and Mahathir, who will be attending a World Bank-International Monetary Fund meeting in Hong Kong in September.

"I will go to Hong Kong, but I don't have any wish to meet him," Mahathir told reporters.

"I have never given the World Bank any mandate to arrange anything," said Mahathir. The World Bank-IMF meeting is scheduled for September 21-23.

The Malaysian ringgit, the Philippines peso, the Indonesian rupiah, the Thai baht, and other Southeast Asian currencies have fallen the past seven weeks.

Mahathir has said Soros — whom he has called a criminal — was the man behind the slide. The ringgit was about 2.51 to the dollar seven weeks ago and is now about 2.78.

Mahathir claimed Soros was motivated by his opposition to the Association of Southeast Asian Nations acceptance of Myanmar as a member. Myanmar has been widely criticized for its record on democracy and human rights.

### Thai baht, stocks plunge

BANGKOK, Aug 23: Thailand's currency and stocks plunged Friday as embattled premier Chaovalit Yongchayudh set up a taskforce to put a brave face on his devastated economy, reports AFP.

The baht dived to record lows in both domestic and offshore trade, hitting 34 to the dollar. The Stock Exchange of Thailand index of leading shares tumbled four per cent.

At a special cabinet meeting Friday Chaovalit appointed his new Deputy Premier Virabhongse Ramangkura as head of a taskforce to prepare for a key parliamentary debate on the ailing Thai economy next week.

The loss of confidence followed revelations by the Bank of Thailand that it spent 23.4 billion dollars defending the baht against speculation before its July 2 float, since when it has since lost nearly a third of its value.

Thailand has agreed to adopt strict austerity measures in line with a 16.7 billion dollar rescue package brokered by the International Monetary Fund — the organisation's largest bailout since Mexico in 1995.

A special parliamentary debate on Thailand's economic crisis has been called for next Thursday in a bid to ease the blow of a no-confidence vote next month.

### Dollar makes a comeback in New York

NEW YORK, Aug 23: The dollar made a comeback in late trading here Friday after dropping sharply earlier, but still closed mostly lower for the day, reports AFP.

Around 2145 GMT, the dollar was trading at 1.8197 German marks against 1.8365 marks late Thursday. 118.33 yen against 117.15. 6.1285 French francs against 6.1080. 1.5025 Swiss francs against 1.5143 and 0.6215 pound sterling against 0.6281.

Gold gained three dollars an ounce to close at 326.20 dollars an ounce compared to Thursday.

The dollar could not match its performance Thursday except against the yen as more and more analysts expect Germany to announce a rate hike in the wake of new German inflation data.

The greenback's uneven showing also reflected the weakness on Wall Street, where the Dow Jones index of leading industrials dropped up to 170 points before surging at the end of the day.

"It looks like at the final part of the week, people have decided to buy a lot of market here," said Edward Solar, a trader with the Bank of Montreal in New York.

**BOI gets flooded with proposals but cannot say how much really comes in**

# \$ 3b investment registered

By Rafiq Hasan

The Board of Investment (BOI) says foreign investment proposals totalled more than three billion US dollars in 1996-97 fiscal year, but whether they will eventually materialise remains a question.

The proposals for investment by foreign companies were received by various government organisations in different sectors. The main organisations were Power Development Board (PDB), BOI, and the Bangladesh Export Processing Zone Authority (BEPZA).

These organisations signed agreements with foreign companies offering huge amount of foreign investment to set up power plant, manufacturing units and infrastructure projects.

A Korean company committed to invest 200 million US dollars for establishing a private export processing zone in Chittagong.

In addition to those projects, investment proposals worth 2.16 billion US dollars were received from foreign companies who planned to set up a total of 138 industrial units.

The BOI also gave approval to 1247 industrial units to be established by local companies with an investment commitment of Tk 4745 crore.

The areas where foreign companies agreed to set up manufacturing units include food and food processing, agro-based, textile, power, printing and publishing, leather and leather goods, chemical and ceramics engineering and service industry.

For all goes according to plan, four large-mounted power plants will bring in 450 million US dollars while another 700 million US dollars will be spent to set up three 110 megawatt power plant in Shikhabala, Chittagong, Hoirpur, Narayanganj and Gaibandha.

The barge-mounted power plants will be set up in Mymansingh and Khulna.

During the period two export processing zones — Dhaka and Chittagong — under the Bangladesh Export Processing Zone Authority (BEPZA) received direct foreign investment amounting to 53 million US dollars.

A Korean company committed to invest 200 million US dollars for establishing a private export processing zone in Chittagong.

Companies proposed to invest Tk 11,000 crore, of which foreign participation would be worth Tk 4,000 crore. The projects were to create 2,26 lakh jobs though it is very difficult

to know how many projects were implemented after getting approval from the Board.

The BOI officials said that they had just approved the proposals but did not know what happened after that. After the government withdrawal of restrictions on all investment, companies are not bound to send a progress report to the Board.

The BOI member said one-stop service for foreign investors at the Board would be set up within three months so that they would not have to go to different organisations to organise utilities.

"At BOI, a foreign investor will get every necessary logistic support to set up new industries or relocate a factory here."



MCI President Tim Price and British Telecom Chairman Sir Iain Vallance during news conference in London, Friday where they announced that the deal between BT and US rival MCI Communications was rescued from the brink of collapse after BT negotiated a price reduction of around 20 per cent for the buyout. Concert — the proposed name for the merged company — would be launched at the end of 1997, BT said.

— AFP/UNB photo

## Indian share prices set to slide

BOMBAY, Aug 23: Indian share prices will remain depressed and gloomy next week over continued fears of a devaluation of the rupee against the dollar, brokers said today, reports AFP.

Broker Ajit Ambani said share prices were likely to continue their steep fall next week when the market reopens Tuesday, in response to selling pressure over devaluation fears.

The stock market will be closed Monday to mark a Hindu holiday.

The rupee fell more than one per cent against the dollar during the week after a newspaper quoted Prime Minister Inder Kumar Gujral as saying a devaluation was likely.

The Reserve Bank of India's dismissal of the report as "misleading" had no effect, and overseas investors began selling Indian shares in a major way to minimise losses in the event of a devaluation.

The rupee had been holding steady against the dollar for 18 months although the latter has appreciated against almost all major currencies.

Analysts said the rupee should have followed the global trend and fallen, but large dollar inflows into India kept it strong.

Stock broker Ambani said: "Foreign investors and domestic speculators are expected to continue to sell next week also as devaluation fears persist."

"Political uncertainty in New Delhi is another factor worrying the market," he said, referring to fears about the stability of the centre-left, minority United Front coalition government.

The market is worried that elections may take place in six months or so, possibly derailing (free-market) economic decisions."

New Delhi is likely to hike petrol prices later Saturday. Ambani said that could possibly cheer the market.

ASSOCHAM's warning came two days after an Indian court ordered the arrest of the chairman of a state-owned bank.

## China's classic dilemma

By Joe MacDonald, AP writer

BEIJING, Aug 23: China can't decide what to do about smoking.

The government is trying to get 320 million smokers in China to quit, but the state owns the world's biggest tobacco company.

The Chinese treasury relies on cigarette sales for 10 per cent of its revenues, but health officials say smoking-related diseases and fires cost more than tobacco brings in.

Premier Li Peng says selling cigarettes is immoral, but with the help of foreign partners, the China National Tobacco Corp. has boosted its exports to 650 million dollars a year.

Beaten by such conflicting forces, this country with one-third of the world's smokers has become the site of the newest battle between tobacco companies and anti-smoking forces.

The struggle will be heightened this week when 1,500 health experts from around the world converge on Beijing for the 10th International Conference on Smoking or Health. President Jiang Zemin plans to speak, and participants are to release new data on smoking deaths.

It is the first time the conference has been held in the developing world, where critics say tobacco companies are marketing furiously to make up for stagnating sales elsewhere.

"China's anti-smoking forces will learn a lot from their overseas counterparts," Han Changlin, deputy secretary-general of the meeting, told the Xinhua news agency.

Holding the conference in Beijing is a personal coup for Li, the most prominent anti-smoking activist in a country where puffing is the closest thing to a national sport.

An estimated 70 per cent of Chinese men smoke. Fewer than 10 per cent of women smoke, but that figure is rising.

## 'HK currency stabilises'

HONG KONG, Aug 23: In an effort to put a reassuring face on the market's recent assault on the Hong Kong dollar, Hong Kong Financial Secretary Donald Tsang on Saturday said the currency has stabilised against the US dollar, reports AP.

"The money problem, as far as I am concerned, the so-called crisis is more or less over," Tsang told reporters before leaving for a week-long visit to Australia.

"We have well-established system dealing with attacks on currency, one kind or another," he said.

The government confirmed there had been mild speculation against the Hong Kong dollar two weeks ago, but declined to say whether it took action.

The government has banned smoking in buses, planes, trains and public buildings. Communist Party cadres are no longer allowed to chain smoke their way through meetings at the Great Hall.

Cigarette packs carry health warnings, and print and broadcast advertising is banned. Restaurants and stores in Beijing were ordered in July to remove hundreds of awnings, posters and other cigarette advertisements.

However, there is no indication yet that the campaign has helped reduce smoking rates.

The Ministry of Health says smoking-related diseases and fires cost 7.8 billion dollars in 1993, as compared with tobacco revenues of 4.9 billion dollars.

The government could close China National Tobacco Corp. — but only at a tremendous short-term cost. The company, which makes 1.7 trillion cigarettes a year — three times the US total — also provides jobs to 500,000 people. In the southern tobacco-producing provinces of Yunnan and Guizhou, taxes on the industry pay for half the provincial budget.

They have a lot of tobacco farmers and tobacco workers, and now they realize tobacco is harmful. It's a dilemma faced by every government," said Dr. Judith Mackay, a Hong Kong-based anti-smoking campaigner.

It looks like at the final part of the week, people have decided to buy a lot of market here," said Edward Solar, a trader with the Bank of Montreal in New York.

including the two Washington-based financial institutions. Through it all, critics were urging the IMF and the bank to be tougher in applying their policies on Mobutu.

But international lenders followed rules established by their member governments that said they could only offer economic advice and should stay out of anything that smacks of politics or nation's internal affairs.

Both institutions are changing those rules and stepping up efforts to combat corruption in developing countries.

Earlier this month, nearly 300 million dollars in loans and credits to Kenya were suspended because the government failed to tackle high-level corruption and mismanagement. The World Bank and IMF are likely to coordinate more such actions in the future.

World Bank President James

still the fund's top priority. Camdessus said in a major policy speech.

But countries that hope to attract private investment, he said, "must come to grips with issues associated with good governance... the rule of law, improving the efficiency and accountability" of government.

To be sure governments get the message, each organization is issuing formal guidelines that warn that financial assistance for either economic recovery programmes or development projects will be denied unless corrupt politicians and officials are reined in.

As the world's finance ministers prepare for the annual meeting of these two world financial institutions in Hong Kong next month, they will assess the first results of the new efforts to make better government a condition for economic help.

When they draw attention to politicians or officials who may be getting payoffs, fund officials are warned "to be prepared to face some tension in the working relationship with country authorities." But they'll still be talking like bankers,

and flak jackets have not been made part of the travelling wardrobe.

The bank's anti-corruption guidelines, due out next month, are expected to be more selective because unlike the fund, it usually has several loans outstanding in various Third World countries.

"We will make decisions on a project-by-project basis," said Massoud Ahmed, who is in charge of drawing up the bank's guidelines.

"We want our programmes as corruption-free as possible. If we find funds are not being spent for the purpose they were intended, we will delay or suspend disbursement."

He said the bank was not involved in a "moral crusade" but wanted to convince governments that corruption hinders economic development and social progress.

Coming AGMs					
Company	Book Closure	AGM/EGM	Date	Venu & Time	Dividend Proposed
BGIC	09/09/97-07/09/97	AGM	07/09/97	Ekaton Garden, 12 noon	24
BLTC	16/08/97-23/08/97	AGM	23/08/97	Hotel Purbani, 11.45 am	18.5
UCBL	13/08/97-20/08/97	AGM	27/08/97	Hotel Sonargaon, 3.30 pm	42.5
Eastern Ins	12/08/97-26/08/97	AGM	26/08/97	Hotel Sonargaon, 11 am	20
BD Luggage (Deb)	04/09/97-04/09/97	Half yearly interest			
Beri Fisheries	14/08/97-26/08/97	AGM	28/08/97	Hotel Sonargaon, 3.30 pm	20
Beximco Ltd	14/08/97-28/08/97	AGM	28/08/97	Hotel Sonargaon, 10.30am	25
Leaco Ltd	21/08/97-10/09/97	AGM	10/09/97	Prianka Community Centre, Dharmoddi 11 am	18
Gleno MF	11/08/97-17/08/97	AGM			100
1st ICB MF	22/08/97-31/08/97	DO			70
2nd ICB MF	DO				45
3rd ICB MF	DO				38
4th ICB MF	DO				45
5th ICB MF	DO				35
6th ICB MF	DO				24
7th ICB MF	DO				21
8th ICB MF	DO				