

**US may convert
PL-480 loan
into a grant**

Visiting US Assistant Secretary of State for South Asian Affairs Karl F Inderfurth said Bangladesh's proposal for converting PL-480 loan into a grant is under active consideration of the US government, reports UNB.

He appreciated the Bangladesh Government's reform programmes and assured to provide all out support as Finance Minister S A M S Kibria sought greater cooperation from the US government in the efforts being made by Bangladesh.

The Finance Minister also requested the US government to reschedule the PL-480 loans under titles 1 and 3 when Inderfurth called on him at his office yesterday and discussed matters of mutual interest.

Kibria explained the background and progress of reforms programme undertaken by the present government in the financial, local government, administrative and other concerned sectors, said an official.

"We are determined to complete our reform programmes," he told Inderfurth, adding the chairman of Privatisation Board with status of a state minister had been appointed from private sector to expedite the process of privatising state-owned enterprises.

They expressed the hope that economies ties between the two friendly countries will grow further in the years to come.

US Ambassador to Bangladesh John C Holzman was present at the meeting.

Money tied up in Pakistan

BCCI creditors may be cheated of \$1b

By Sanjay Suri

LONDON, Sept 11: Creditors of the collapsed Bank of Credit and Commerce International (BCCI) are likely to be cheated of more than a billion dollars tied up in Pakistan.

Liquidators of the BCCI won a massive 2.1 billion dollars award in the Cayman Islands against Ghaih Rashid Pharaoh, a Saudi businessman with massive interests in Pakistan. He is believed to be in Saudi Arabia now to escape extradition to the US.

But the liquidators firm Deloitte & Touche expects to recover less than a quarter of the amount awarded. The bulk of that 2.1 billion dollars that the Cayman Islands court awarded to creditors is inaccessible in Pakistan.

Pharaoh, against whom the damages were awarded, already faces four criminal indictments in the US. The actions were brought against him by the federal government in America for his participation in an illegal scheme to acquire US banks.

The bulk of Pharaoh's wealth sits in the Attok Oil Company, which is registered in Britain and has substantial oil and gas interests in Pakistan. The liquidators have been trying to take control of Attok for the last five years without success.

Pharaoh was found to have been involved in a cover-up of

the interests of the ICICI, a sister concern of the BCCI, in Attok Oil Company. When the BCCI was closed by the Bank of England in July 1991, Pharaoh transferred shares in Attok held by ICICI to his private companies.

The liquidators have succeeded in getting injunctions to gain control of the assets of Attok in London, the Cayman Islands and Bermuda. But the courts in Pakistan have blocked moves to give the liquidators control of the assets of the company within Pakistan, where it has the bulk of its assets.

The ruling against Pharaoh had been delivered by a court in the Cayman Islands two years ago. The damages were awarded last week. The award will be used to recover money from his assets in South America, France, Britain and the Middle East, Nick Freer, spokesman for the liquidators, told IANS.

Pharaoh's main interests have been in hotel operations and real estate in these countries, Freer said.

"It will undoubtedly be difficult to enforce this judgment in Pakistan," Freer said. Pharaoh is reported to have close links with top Pakistani leaders. The Times reported that he was recently seen in Pakistan, where he continues to run the company.

Source: India Abroad News Service

The future of Pharaoh and of the billion dollars and more that he is sitting on in Pakistan will depend on political negotiations between the US and the governments of Pakistan and Saudi Arabia, sources said.

The US government wants him taken to America to face criminal charges. Pakistani leaders are reported to have said that public outrage would follow any attempts to hand over Pharaoh to the US and to hand over his billion dollars of assets in Pakistan to the British liquidators.

Massive investment and employment, including the employment of well connected senior Pakistani managers, is tied to the future of Attok, sources within the old BCCI said.

The liquidators hope to recover about 400 million dollars from sale of these assets. That will mean some recovery for the creditors, who recently lost a 550 million dollars claim against the Bank of England.

Two other claims for more than five billion dollars against auditors Price Waterhouse and Ernst & Young are proceeding in the courts in London.

The Attok group has said it will appeal against the Cayman court decision.

He again refuted BGMEA's allegations that the government had not discussed with the exporters before it withdrew the

disputed Generalised System of Preference (GSP) certificates.

He showed a letter dated May 12 from BGMEA president Mostafa Golam Qudus in which he had agreed to extend full cooperation to the government in withdrawing the Schedule 'B' GSP certificates.

"But at the same time we appeal to the government through you (Commerce Minister) for obtaining a two-stage derogation from the EU," Qudus said.

Qudus told The Daily Star he had asked the government to cancel those certificates as part of a "package deal" and after the government was convinced about getting the two-stage transformation.

"The government did not cancel when I asked them," Qudus said adding he would have taken the responsibilities for the consequences if those had been cancelled that time.

But the Commerce Minister said he could not do that because the knitwear manufacturers and exporters were resisting.

"It is really difficult to bring the conflicting mill owners, BGMEA and the knit manufacturers under one umbrella," he said.

Criticising the past government who he said allowed the "irregular issuance" of the certificates, he said the image of the present government would certainly improve after the withdrawal of the certificates.

The government decided to withdraw 6,910 Schedule B certificates last week, responding to the EU demand.

We cancelled those certificates in order to save the country's export earnings, 45 per cent of which come from the EU market," he reiterated the government, adding the fate of EU-bound shrimp, leather, jute might become uncertain if the government did not take the decision.

The minister said the government had not discussed with the exporters before it withdrew the

8,562 Schedule C certificates

**75 pc found irregular,
says Tofael**

By Govinda Shil

The government has found most of the 8,562 Schedule C GSP certificates were rightly issued after investigation, as demanded by the EU, commerce minister said yesterday.

Minister Tofael Ahmed said he was taking the findings to Brussels, where he would discuss a two-stage derogation for Bangladeshi knitted and sweater products, which is almost certain to be granted.

The minister said at least 75 per cent of the Schedule C certificates were found irregular.

The minister, also the chairman of the Export Promotion Bureau, said the fate of the 8,562 certificates depended on a consultation between the government and the EU during his tour in Brussels. He is leaving for Brussels tonight. He would proceed to Romania to sign a deal.

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Exchange Rates

The following are the Janata Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as 11/09/97.

Buying

Name of Currency	TT Clean	OD Sight	OD Export Bills	OD Transfer
US Dir	44.4200	44.2493	44.1334	
GB Pound	70.2256	69.9908	69.8382	
D Mark	24.6845	24.5840	24.5196	
F Franc	7.3431	7.3132	7.2941	
C Yen	0.3714	0.3698	0.3689	
C Dir	31.8585	31.7288	31.6456	
S Franc	29.9932	29.8711	29.7928	

Selling

Name of Currency	T.T. & O.D.	B.C.
US Dollar	44.7105	44.7505
GB Pound	71.2898	71.3536
D. Mark	25.0818	25.1042
F. Franc	7.4600	7.4667
C. Dollar	32.4059	32.4349
S. Franc	30.4844	30.5117
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Selling

AB Bank declares 20pc dividend

Arab Bangladesh Bank Ltd

this year declared 20 per cent

dividend in the form of bonus

share at the rate of one for five

shares held, says a press release.

This was announced at the

15th annual general meeting of

the bank held at a local hotel

recently. The meeting was

presided over by M Morshed Khan, Chairman and attended, among others, by Ramzul Seraj, Vice Chairman and other directors and A Rahim Chowdhury, President & Managing Director of the bank.

All four retiring Directors — Ramzul Seraj, Asghar Karim, Iqbal Ahmed and M A Qasem — have been re-elected at the AGM.

The bank achieved an operating profit of Tk 470.89 million in '96 over Tk 381.90 million in '95, representing a growth of 23.30 per cent. As of December 1996, full provisions were made for all classified loans and advances and one per cent general provision for unclassified loans also made as required by Bangladesh Bank.

The reserve fund of the bank expanded from Tk 202.48 million in '95 to Tk 239.64 million in '96, registering a growth of 18.35 per cent while the shareholders' equity (capital & reserves) increased by Tk 120.27 million or 21.16 per cent during '96.

This marketing arrangement will raise the quality of representation and customer service for the identified products of RPR-Fisons.

UniHealth is already engaged in marketing and distribution of pharmaceutical, medical, nutritional and consumer products of international companies.

The minister made an appeal to all to project the "reality."

"I would want the press, economists and analysts to tell the people the truth. The truth is the fundamentals of the economy are sound and the macro-economic management is satisfactory," he said.

"If there is political peace, we should be able to raise our growth rate and reduce absolute poverty. This is what has been set as the objective of the government of Sheikh Hasina."

"We want non-inflationary growth — growth with equity and social justice," he concluded, giving the philosophy behind the government's economic agenda.

M Morshed Khan, Chairman, Board of Directors of Arab Bangladesh Bank Ltd speaking at the 15th Annual General Meeting of the bank.

Most Asia-Pacific bourses fall

gust unemployment figures.

The Australian stock exchange's key All Ordinaries Index fell 8.0 points to 2,666.5.

SINGAPORE: Singapore's blue-chip stock index closed 1.3 per cent lower as investors cashed in after three days of consecutive gains.

A research manager at a local brokerage said the bourse was going through a correction after the index had climbed by almost 20 per cent since last Friday.

"I think falls have been quite well absorbed. The market should be able to stabilise at these levels," he said, adding that the bourse is not likely to experience the same magnitude of selling pressure seen recently.

The Kuala Lumpur Stock Exchange 100-share weighted composite index tumbled 25.67 points to end at 863.08, after hitting an intra-day low of 859.31.