Star Business Report

The two-day 13th SAFA (South Asian Federation of Accountants) Conference, jointly organised by the Institute of Cost and Management Accountants of Bangladesh (ICMAB) and the Institute of Chartered Accountants of Bangladesh (ICAB), begins today at 4 pm at Sonargaon Hotel, says a SAFA press release issued in city yesterday.

The conference will be inaugurated by Prime Minister Sheikh Hasina as the chief guest. Finance Minister SAMS Kibria and Commerce and Industries Minister Tofail Ahmed will attend it as special guests, while M. Saifur Rahman MP, the formar Finance Minister, will be present as guest of hon-

The theme of the conference is "Accounting profession's re-sponse to the challenges of the new millennium." A large number of pofessional accountants, executives and delegates from both home and abroad will participate in the confer-

BIBM seminar on micro-finance programmes held

A day-long seminar on "Mi-cro Finance Programmes of Commercial Banks" was held at Bangladesh Institute of Bank Management (BIBM) in the city on Thursday, says a press release

Lutfar Rahman Sarkar, Governor of Bangladesh Bank. chaired the first session while Prof M Yunus, Managing Director of Grameen Bank, presided over the second session of the seminar.

The keynote paper title "Commercial Banks' Involvement in Micro Finance: Experience of Bangladesh and other Asian Countries," prepared jointly by Dr Bandana Saha and S M Ahsan Habib, Faculty Members of BIBM was presented at the seminar.

Hari Narayan Majumder, Executive Director of Bangladesh Bank, presented another paper on Problems and Prospects of Re-orienting Commercial Banks to Micro Finance in Bangladesh."

The keynote paper of the first session concluded with the remarks that financial viability of the micro-credit providing institutions is important but in the context of the present situation of our country that should not be treated as the first priority, rather innovative techniques to reach the poorest of the poor and borrowers' viability are much more impor-

The paper presented in the second session observed that commercial banks by entering the micro-credit market will not necessarily be in conflict with the operations of NGOs and Grameen Bank. They may be complementing each other efforts in alleviation of poverty.

In his presidential speech. Bangladesh Bank Governor stressed the need for micro-finance to change the lot of suf-

fering people. He said a huge portion of the population of the country is poor. So there is no debate on micro-credit. "Our people are not in a livable atmosphere due to concentration of wealth in few hands. We require not only money but support service," he

Dr Muninul Islam, Director General of BIBM, said that to save our poverty-stricken rural poor institutional credit facilities should get priority.
Both the sessions were fol-

lowed by fruitful discussions. Prof Muzaffer Ahmad, Prof Wahid Uddin Mahmud, Prof Durgadas Bhattacharya, Dr M Sohrab Uddin, A B M Mahbubul Amin Khan, Soheb Ahmed, Dr Saleh Uddin, S A Chowdhury, M Taheruddin, A H M Nurul Islam Choudhuri were the designated discussants in the semi-

Indonesia reverses decision to sell off cement company

JAKARTA, Aug 21: Faced with public pressure. Indonesia's cash-strapped government said Friday it will maintain control over the country's largest cement maker PT Semen Gresik, reversing its earlier decision to sell it to foreign investors, says AP.

Sofyan Djalil, deputy stateowned enterprises minister said the government will only sell 14 per cent of Semen Gresik and will retain the 51 per cent majority stake.

Because the pressure from the society ... we think it's better for the government to keep the controlling stake," Sofyan said. The proposed sell-off of the cement company had been part

of a wider privatisation plan aimed at helping fix Indonesia's ailing economy.

However, the government backed off from the plan to sell a controlling stake to foreigners after demonstrations in the western part of the island of Sumatra.

West Sumatrans don't want foreigners to control PT Semen Padang, a wholly owned subsidiary of Semen Gresik, fearing that there may be massive

job losses. Mexico's Cemex SA won the first round of bidding for 35 per cent of Semen Gresik last month by offering 287 million dollars, or 1,38 dollar per

Security Council extends its trade sanctions on Iraq

UNITED NATIONS, Aug 21: The Security Council has exconcern about Baghdad's concooperate with arms inspec-

Some members of the council have also suggested suspend-ing future reviews altogether if Iraq doesn't rescind its Aug. 5 decision to halt cooperation, council sources said Thursday, speaking on condition of

critical six-month review scheduled for October, when Iraq and its backers on the council were expected to push for easing the measures.

Discussions were expected to

MOSCOW, Aug 21: Russia's

government said yesterday it

vestment banks to help it out of

its debt mess by advising on

how it can best restructure some

50 billion dollars worth of

frozen government bonds, re-

ment said that investment

bank Warburg Dillon Read and

a division of Swiss Bank UBS

would advise on financial as-

and JP Morgan will serve as

general advisors on the debt

swap, which market partici-

pants originally feared could

penalise foreigners in favour of

domestic investors, as the gov-

ernment seeks a fall guy for its

collapsed borrowing pro-

sulting firms will ensure for-

eign interests are represented

when it comes to restructuring

the 373 billion roubles (53 bil-

lion dollars) of government

bonds due to mature before De-

cember 31, 1999, all of which

were frozen on Monday in a

coincided with a de facto rouble

devaluation in which the au-

thorities agreed to let the Rus-

9.5 to the dollar this year.

sian currency slide to as low as

number of Russian banks will

be unable to meet their obliga-

tions to foreign creditors and

are in danger of defaulting on

their debts, central bank deputy

HONG KONG, Aug 21: Asian

stock markets ended mixed yes-

Another report adds: A large

The debt market suspension

technical debt default.

The presence of foreign con-

gramme.

In addition, Deutsche Bank

pects of the debt recalibration.

Iraq announced two weeks ago that it was breaking off cooperation with the United Nations because the chief weapons inspector. Richard Butler, refused to certify that Baghdad had destroyed its banned

The Security Council will continue the sanctions, imposed in 1990 after Iraq invaded Kuwait, until it is convinced that Iraq no longer has long-range missiles and chemical, biological and nuclear

The sanctions bar air travel to and from the country and regular exports of oil, Iraq's

Council members "view with extreme concern the continued refusal by the government of

There was widespread con-sensus before Thursday's meeting that the council wouldn't make any move toward lifting

the measures because of the cur rent standoff over inspections On Thursday, Aziz rejected a written request by Butler to re-

The council's decision, however, was nevertheless a blow to Iraq, which has pushed to have the sanctions lifted because it claims it has complied with resolutions that it destroy its banned weapons.

Thursday's decision is "an important step in saying to Iraq that because of your actions. your violation of Security Council resolutions, your repudiating the secretary-general's agreement with you, that sanctions are going to remain," said America's UN ambassador, Bill Richardson.

Zillur tells AGM Steps taken to set up 10 more Milk Vita plants

LGRD and Cooperatives Minister Zillur Rahman yesterday said the government has taken up necessary measures for setting up 10 more new factories for expanding the activi-ties of Milk-Vita throughout the country, reports BSS.

"The government recently set up two new Milk-Vita factories in Rangpur and Srinagar in Munshiganj and production of the newly-constructed instant powder milk plant at Baghabari in Pabna will start soon," he said while addressing the 21st Annual General Meeting of the Milk Producer Cooperatives Union Limited at Mirpur in city

vesterday. Presided over by the Chairman of Milk-Vita Hasib Khan, the meeting was addressed. among others, by State Minister for LGRD and Cooperatives Mofazzal Hossain Chowdhury Maya, Deputy Minister for Industry Hasibur Rahman Swapan, Kamal Ahmed Majumder MP, Abdul Latif Mirza MP, Cooperatives Secretary Ahbab Ahmed and leaders of the

Zillur Rahman said the BNP government had destroyed hundreds of cooperative industries during their five years

He said BNP had hampered the public health seriously by importing contaminated milkpowder from foreign countries and destroyed the milk process ing industries run by coopera tives union by misappropriating public money.

The government has increased the activities of Milk-Vita during the last two years and the import of milk powder in foreign exchange has been reduced to Tk 150 crore from about Tk 500 to 600 crore, the minister told the AGM.

Mexican peso hits new low

Dollar up against mark on Russian troubles

lar gained against the German mark Thursday on worries that Russia's attempts to renegotiate its foreign debt will be painful to Germany, its major banking partner, reports AP.

the next country to devalue its currency meantime upset Latin American markets and set Mexico's peso tumbling to a new low against the dollar, Government officials in Caracas, Venezuela, denied a report that the bolivar would be devalued by as much as 10 per cent.

in currency markets to defend

head of the international bureau at the Ministry of Finance. warned that Japan would inter-

Afghanistan and Sudan linked to the recent bombings of US embassies in Africa.

NEW YORK, Aug 21: The dolcoming back from an eight-year low, as a Japanese official yet again warned that the government was prepared to intervene

Fears that Venezuela will be

The dollar lost ground against the yen, which has been In Japan, Haruhiko Kuroda,

vene to support the yen as necessary. There was no major impact on the dollar from President Bill Clinton's announcement of attacks on targets in

standing at 18 billion and 25

Devaluation of rouble PM faces hostile Duma

MOSCOW, Aug 21: Prime Minister Sergei Kiriyenko on Friday defended devaluation of the rouble before a hostile parliament, dominated by Communists and other hardliners who reiterated their call for the government's ouster, reports

"We can't afford the luxury of being a popular government." Kiriyenko said in a 10-minute speech before the parliament's lower house, the State Duma, which convened an emergency session to discuss the crisis.

Kiriyenko accused the Duma of dragging its feet on approving a series of government-proposed steps to boost revenues and said the lawmakers' indecision precipitated the latest financial crisis.

"Let's honestly recognize that there is no political force in the country that is ready to undertake political responsibility for the economy in crisis," he said, drawing angry shouts from the Communists and their allies.

Communist leader Gennady Zyuganov, who took the floor shortly afterward, assailed the government, saying it had "put the country on the verge of a precipice.

"Russia has devalued itself to the point where a single multibillionaire can buy it," he said "This is the full collapse of the course carried out in the past seven years.

Zyuganov repeated his longtime call for Yeltsin to step down and proposed a vote of noconfidence in Kiriyenko's cabi-Even the pro-government

Our Home Is Russia faction joined attacks against the government. Its leader, Alexander Shokhin, said the government's latest moves proved its course was wrong and also called on Kiriyenko to step down. The

premier greeted the call with a dismissive smile. The government has long

asked the Duma to meet and consider a package of austerity measures aimed at boosting

revenues, but lawmakers have resisted. They convened Friday's emergency session in response to the government's announcement Monday of a devaluation of the rouble of up to 34 per cent against the US dol-Kiriyenko described the de-

valuation and suspension of the debt owed on treasury bills as the only way to pay monthslong wage and pension debts to millions of Russians nation-

"We had the choice whom to pay - banks. investors or state workers, and the decision was obvious: we should pay wages and pensions first," Kiriyenko

He dismissed accusations that the government had failed to warn the nation about the devaluation. "Only a fool or provocateur

can shout 'fire' when he sees a smoke on a ship filled with people," Kiriyenko said. "Fire must be extinguished in silence. otherwise there will be panic that would make things worse for everyone."

He reiterated the call for parliament to approve the government's austerity steps, saying they are needed to stabilize the economy. "Investments won't come to a country where branches of government are constantly in discord," he said.

Lawmakers weren't expected to tackle any of the government bills on Friday. Instead, hardliners suggested the Duma vote for a non-binding resolution calling on Yeltsin to resign.

CARACAS, Aug 21: Fears of a an easing of concerns about

> gorically denied a rumour Wednesday that the bolivar currency would be devalued by 17-20 per cent, but financial markets remained weary as investors dumped their Venezuelan stocks and began selling bolivars.

> The Venezuelan rumors appear to be undermining investor confidence in emerging markets, already battered by this week's devaluation in Rus-

In Mexico, the peso hit a record low Thursday of 9.3450 per dollar. Stock markets in much of Latin America were also down Thursday - in Venezuela by 9.5 per cent, in Argentina by 4.7 per cent, in

To cover their losses in Rustions in Latin America.

panic," said Venezuelan economist Robert Bottome. Economists caution that

Venezuela will not likely devalue its bloated currency before December's presidential election, and the government still has about 15 billion dollars in international reserves it can use to prop up the bolivar.

In addition, a possible

Asian stock markets end mixed "After all, foreign investors

terday as profit-taking set in to cut short this week's strong regional rally powered by a firmer yen, says AFP. million US). Hong Kong's stock market The index had been up 258 points in morning trading, but pulled back as investors began

closed up 1.6 per cent. Tokyo and Singapore ended barely lower. Sydney gained 0.9 per cent and Kuala Lumpur rose 2.2 per cent. Seoul was the star performer with a 4.9 per cent

Manila was up 1.9 per cent, but Bangkok, Jakarta and

Taipei ended lower. Dealers said the rally lost steam as investors locked in profits on this week's strong gains amid a resurfacing of concerns over regional economies.

Hong Kong chief executive Tung Chee-Hwa confirmed that the territory was in recession. with data due out next week expected to show a second successive quarterly contraction.

And in Kuala Lumpur, Malaysian Prime Minister Mahathir Mohamad warned that the government was contemplating drastic steps to prevent businesses from falling into foreign hands, sparking a

quickly bout of profit-taking. In Hong Kong, share prices ended a firmer on continued government buying and investor covering of short posi-

tions, dealers said. The key Hang Seng Index ended up 119.95 points at 7,742.53 on turnover of 7.3 bil-

lion Hong Kong dollars (943

chairman Sergei Alexashenko said vesterday A large number of commer-

Lutfar Rahman Sarkar (4th-L), Governor of Bangladesh Bank, presides over the first

session of a seminar on "Micro Finance Programmes of Commercial Banks" organised by

had invited leading western incial banks, but not all, will be unable to meet their foreign obligations." Alexashenko told a news conference, adding that he could not be more specific about the number of banks in-In a statement the governvolved

"A significant number of commercial banks could end up in a default situation," he

- BIBM photo

It was the first direct admission by the central bank that large parts of the banking sector face bankruptcy since the government devalued the rouble on Monday and announced a

Deepening crisis pushes stocks 3pc down

'Large part of banking sector face bankruptcy'

Russia invites top western banks

to help it out of debt mess

MOSCOW, Aug 21: Russia's listing stock market tilted further yesterday in the thinnest volume for two years, as the deepening financial crisis paralysed trading amid an acute liquidity crunch, dealers

said, reports AFP. Shares gave up more than three per cent to set a fresh 28month low. While the rouble's recent slide was only stopped by heavy central bank intervention. The downwardly-mobile Russian currency change hands at 6.995 to the dollar in interbank trade from 6.99.

Despite its decision to cut the rouble loose from its dollar peg on Monday, the central bank has still had to intervene to protect its currency, traders said. Bank hard currency and gold reserves dwindled by another two billion dollars last week, however, standing at 15.1 billion dollar on August 14. As for equities, the leading Russian Trading System (RTS)

to take profits after recent

prices closed 0.1 per cent lower

on profit-taking after two days

off their lows from mid-after-

noon by the yen's rally past 143

to the dollar, which blocked

profit-taking from accelerating

average of the Tokyo stock ex-

change fell 14.93 points to end

The 225-issue Nikkei stock

Selling sentiment domi-

nated the market in mid-after-

noon, but prices recovered mod-

erately in late trading on the

to a high of 142.55 yen to the

dollar at one point in mid-af-

ternoon trading following a re-

port that Haruhiko Kuroda, in-

ternational finance bureau

chief of the finance ministry.

indicated Japan might inter-

vene to group up the weak yen,

chips remained under pressure

from overseas investors, re-

flecting underlying concerns

about earnings prospects, bro-

Selected international blue-

The Japanese currency rose

yen's rally, brokers said.

of rallies, brokers said.

further, brokers said.

TOKYO: Japanese share

But share prices were pulled

sharp gains.

at 15,391.41.

dealers said.

kers said.

Index stood at 87.01, down 3.52 per cent from Wednesday's close of 90.19. The broader RTS-Interfax Index, which includes gas giant Gazprom, stood at 22.87. down 5.09 per cent on the day.

markets.

there's no real conviction.

have no interest in buying into

Japanese equities in a way

which will give a strong boost to

the broader market," one broker

are also feeling that the chance

of a further rebound is growing,

turning active sellers.

nomic slowdown.

Grenfell, said.

which is preventing them from

stock prices ended barely lower

amid profit-taking on earlier

gains and concerns about losses

incurred by local property com-

panies during the regional eco-

key property companies it caus-

ing concern to the market de-

spite an upturn of the regional

bourses," Chandra Mahawar,

dealer with Deutsche Morgan

Times industrial index of the

stock exchange of Singapore

fell 0:18 point to end at 922.86,

off a high of 943.64, while the

broader all-Singapore index

a's key stock index rose 2.2 per

cent in heavy trade on a stable

markets but closed off its highs

the stable ringgit and firmer re-

gional stock markets," an insti-

"The bourse was ridding on

ringgit and firmer regional

due to profit-taking.

KUALA LUMPUR: Malaysi-

fell by 1.32 points to 278.23.

The benchmark Strait

"Poor financial results of

"But, on the other hand, they

SINGAPORE: Singapore

The index was launched at

100 points on January 1, giving a clear measure of how low stocks have slumped in a wretched years for Russia's "It's more of the same really.

There are a few forced sellers, but mostly people are waiting until Monday to see what the government decides to do with the debt market," he added.

Another trade with a Western brokerage who did not want to be named said: 'There is no real market. Literally there's no activity, clients are staying on the sidelines, and most are shell-shocked. A lot of people have lost a lot of money in this

dollar hedge positions and their massive exposure to the bond market. The government said earlier this week it could create a pool of 12 strong Lanks to help support the central bank and each

> other through the financial cri-On Thursday, central bank chairman Sergei Dubinin called on all banks to set up a system of mutually guarantee ing deposits so as to calm savers across the country nervous of

their economy and currency are Alexashenko said Dubinin had also sent a letter to counterparts in G7 nations and in Switzerland to explain the moratorium and the rouble devaluation and to seek their sup-

the precarious situation which

He added that 3.5-4 billion dollars left the country in socalled 'capital flight' between May and August.

tutional dealer with a local brokerage said.

"Sentiment has been good

with a lot of punters coming into the bourse," she added. The Kuala Lumpur stock exchange's 100-share weighted composite index rose 7.57 points to end at 351.04 while the second board index added 2.55 points, or 3.2 per cent, to

The gains were trimmed by profit-taking after the composite index had leapt 7.3 per cent or 25.09 points to 368.56 points at mid-session.

It was the second straight day of gains on the bourse, which shot up 8.8 per cent Wednesday after Prime Minister Mahathir Mohamad said the government may buy shares to boost the ailing market. SYDNEY: Australian share

prices gained 0.9 per cent, buoyed by positive sentiment from Japan and a strong performance on the Hong Kong bourse. "The yen was quite reasonable against the US dollar and Hong Kong was up from the

start," said Reynolds and Co broker Peter Struk. The Australian stock exchange's main indicator, the all ordinaries index, gained 22.4 points to 2,658.5.

Elsewhere in the region : BANGKOK: Thai shares

slipped 0.2 per cent at the close as investors took profits after recent gains in leading bank and finance issues, analysts Analysts said the market

was unmoved by domestic developments other than Wednesday's sharp gains in banking stocks which gave some nervous investors a chance to cash out of the volatile sector. JAKARTA: Indonesian shares closed 1.6 per cent lower

following poor results announced by most state-owned firms, dealers said. The Jakarta stock exchange composite index was 6.560 points lower at 399.330. Turn over totalled 235.9 million

shares worth 287.942 billion

rupiah (24.5 million dollars), Dealers also said the government's announcement to sell only 14 per cent of its stake in state-cement firm Semen Gresik instead of an expected 35 per cent worsened market sen-

MANILA: Philippines share

prices closed 1.9 per cent higher due to a technical rally, analysts said. The Philippine stock exchange composite index rose 26.34 points to close at

1,390.93. SEOUL: South Korean shares surged 4.9 per cent. helped by gains in the yen and

external factors, dealers said. "The strong yen fuelled the market's rally, with an additional boost coming from reports that the Hyundai labor dispute might be resolved in a peaceful way," a dealer at Tongyang Securities said.

The Korea stock exchange index closed up 14.69 points at 316.59, off a high of 317.64.

TAIPEI: Taiwan share prices closed 0.3 per cent lower in thin trading as sidelined investors awaited government measures to stabilise the stock market and August corporate results, dealers said. The Taiwan stock exchange

weighted price index dropped 22.56 points to 7,270.84, following a 1.6 per cent rise in the previous session. SHANGHAI: Shanghai's B shares, nominally reserved for foreign investors, fell 3.4 per

cent on profit-taking, analysts said. "Investors hesitated as B shares were under pressure to correct after rising for two consecutive days. Foreign investors renewed their selling," a China securities analyst said.

AUCKLAND: New Zealand stocks closed up 3.2 per cent on lower money-market interest rates after the central bank allowed an easing of monetary conditions.

"Basically the story of the day was the reserve bank's monetary policy statement. Duncan Rutherford at ABN Amro said.

Asian crisis eats into Dutch trade surplus

THE HAGUE, Aug 21: The economic crisis in South-East Asia and Japan took its toll on the Dutch trade surplus in May as exports to the region plum-meted by 23 per cent and imports from the area rose by 25 per cent, provisional data re-

leased yesterday showed, reports AFP. The Netherlands' trade surplus in May stood at 2.3 billion guilders (1.15 billion dollars), a drop of 4.1 per cent compared to 2.4 billion guilders registered in

May last year, the Central Bureau of Statistics (CBS) said. For the first five months of 1998, the trade surplus amounted to 10.8 billion guilders (5.4 billion dollars), a drop of 12.9

per cent in comparison with January to May in 1997. Total exports in May were worth 32.1 billion guilders, the lowest figure in nine months and 2.43 per cent lower than April, even though the figure represented a rise of 5.2 per cent

compared to May last year. The Asian economic crisis was in large part responsible for the drop, the CBS said.

Exports to east Asia were 23 per cent lower in May, compared to the same month last year, while exports to Japan plunged 13 per cent on a year on-year comparison.

Inversely, imports from east Asia in May were up 25 per cent and up 17 per cent from Japan. In total, imports amounted

to 29.8 billion guilders (14.9 billion dollars), an increase of six per cent compared to May last year but a decrease of 4.2 per cent compared to April 1998. The European Union remained the most important

trading partner for the Netherlands, representing 77 per cent of Dutch exports and 60 per cent of imports. Both imports and exports to EU countries grew six per cent compared to May last year,

billion guilders respectively. Trade with Russia was less stable as exports to the country began to tail off from 27 per cent growth in the first quarter to a 12 per cent increase in May. the CBS added.

BOT refuses to name loan defaulting politicians

BANGKOK, Aug 21: Thailand's central bank governor has refused to divulge the names of politicians involved in a bad loan scandal at a commercial bank, local papers reported Friday, reports AP.

Chatu Mongkei Bonakul has come under increasing pressure in recent days to disclose the names of politicians who borrowed huge sums of money from the Bangkok Bank of Commerce and failed to repay. leaving it bad debts of ap-

proaching 3 billion. The government was forced to take over the bank in 1996. Under the financial reform package unveiled last week by Finance Minister Tarrin Nimmanahaeminda, BBC will be merged with another bank, causing hundreds of employees

to lose their jobs. About 500 employees have been staging a protest in front of parliament.

not the central bank's job or responsibility to disclose the names, while saying the bank would pursue legal action against those involved in the

Chatu Mongkok said it was

Devaluation fear Caracas stock market hits 28-month low

devaluation Thursday sent the Caracas stock market to a 28month low, depressed the value of Venezuela's debt bonds. forced the government to prop up the currency through dollar sales, and stirred worries of a domino effect in Latin America, reports AP. Government officials cate-

Brazil by about 4 per cent.

sia and Asia, many investors have begun to sell their posi-"What we're seeing here is

On Thursday, the Central Bank sold about 100 million dollars to do just that. Venezuelan devaluation would

not likely have the same impact as Russia devaluation.

tended punishing trade sanctions on Iraq and expressed its tinued defiance in refusing to

tions, reports AP.

anonymity. Such a move would scuttle a continue next week, after the UN chief's envoy Prakash Shah, briefs the council on his recent failed talks with Iraq's Deputy Prime Minister Tariq

INCE PROGRAMS OF COMMERCIAL BANKS

SHINSTITUTE OF BANK WANAGENEY

Bangladesh Institute of Bank Management (BIBM) on Thursday.

ORGANIZED BY

Aziz, the sources said.

weapons.

economic mainstay.

Calling Iraq's actions "totally unacceptable." the council decided Thursday that a regular review of sanctions "showed that the necessary conditions do not exist for the modification of the regime," said council president Danilo Turk of

Iraq to rescind the decision,"

sume cooperation.

Fake banknotes

seized in raids

near London

counterfeiting team seized a to-

tal of four million pounds (6.3

million dollars) in fake ban-

knotes during two distinct raids

near London and on the Isle

Wight, police said yesterday po-

lice arrested two men and seized

one million pounds (1.6 million

dollars) of "the most deceptive"

forged 20-pound notes yet seen,

in Enfield, north of London,

Last weekend, police had al-

The operations came at the

ready intercepted three million

pounds in fake banknotes on

close of a four-year intelligence

operation carried out by the na-

tional criminal intelligence

90-day moratorium on some

foreign commercial debt to buy

the hugely indebted banking

sian bank owed foreign credi-

tors some 19.2 billion dollars

as of July 1 this year, of which 16.4 billion was due to mature

within a year. Of all foreign

banks. German banks are the

most heavily exposed to the

Zadornov said in June that

barely 30 banks out of a total of

1,500 would survive a rouble

devaluation, given frightening

Finance Minister Mikhail

shipwrecked Russian sector.

Alexashenko said that Rus-

sector some breathing space.

says AFP.

service.

the Isle of Wight.

LONDON, Aug 21: A special