

Thai bank scandal PM for disclosure of all defaulters' names

BANGKOK, Aug 22: Thai Prime Minister Chuan Leekpai said the names of those involved in a bad loan scandal at a troubled Thai bank should be made public if the law permits, local papers reported Saturday, says AP.

Scandal erupted at the Bangkok Bank of Commerce in 1996 after bank directors revealed the bad debts approaching three billion dollars, and said several politicians had borrowed money on fake collateral and never repaid.

BBC was taken over by the government and will be merged into another bank under the Chuan government's bank restructuring plan. BBC employees have been calling on the central bank governor to reveal the names of the politicians who allegedly looted the bank.

The governor has refused, saying it is a political matter whether or not to reveal the names, and so politicians should decide.

Chuan said politicians should not be singled out because borrowing is a private matter, as well as the refusal to pay, according to the Bangkok Post.

He said it was still unsure that whether the law permits the disclosure of borrowers' names.

Most of the politicians who borrowed from the bank do not come from Chuan's Democrat Party.

Cheap mineral water for flood-hit people

Star Business Report

Bangladesh Mineral and Drinking Water Manufacturers' Association has decided to supply drinking water in flood-affected areas of the country at comparatively lower prices.

The company took the decision at its 4th general meeting held at a city hotel on Thursday, says a press release.

It approved the memorandum of articles and association of the organisation and stressed on producing pure and quality drinking water for the sake of public health.

The meeting also form an eleven member Executive Committee for next three years.

It comprises: M F Kamal (Chairman, Meghan Group of Industries), President, M Nesar Uddin (Managing Director, The Sunbeam International Corp Pte Ltd), Senior Vice-President, Syed Reza Elias, Vice-President, Shaiful Islam Bhuiyan (Managing Director, Everest Drinking and Dairy Pvt Ltd), General Secretary, Md Anwar Hossain Tarafdar, Joint Secretary, Engr Ashraf Alam, Cashier, Ansan Khan Chowdhury Sanil, Siddiqur Rahman, Abdus Sobhan and Nurul Islam members.

Mexico prepares for fiscal belt-tightening

MEXICO CITY, Aug 22: The Mexican government is preparing for some fiscal belt-tightening in the face of global economic turmoil and stagnation in oil prices, reports AP.

The Mexican peso tumbled to an all-time low of almost 10 pesos to the dollar on Friday, while Mexico's stock market dropped to its lowest level since December 1996.

Finance Undersecretary Santiago Levy said the government's 1999 budget draft would be affected.

"Generally, it will be an austere budget, because as we have seen, there has been an important drop in oil prices and we do not expect they will recover aggressively next year," he told reporters.

Falling oil prices have already prompted the government to make three budget cuts so far this year, totalling 3.6 billion dollars, or about eight per cent of planned spending.

Oil sales account for a third of government revenues.

Mexico's central bank has stepped in to try to stabilize the economy.

Over the last weeks, the bank has drastically restricted Mexico's monetary supply in an effort to prompt higher interest rates, which could discourage investors from trading pesos for dollars.

Massive capital flight caused major financial crises during the last three administrations, leading to major devaluations, inflation and higher unemployment.

Levy met with a congressional commission to begin negotiations on the 1999 federal budget draft, which the government must submit to the lower house by November 15.

Since last year's mid-term elections, when the opposition gained control of the lower house of Congress, the administration of President Ernesto Zedillo has repeatedly clashed with opposition parties on a number of economic proposals, including a 65 billion dollars bank bailout plan.

The political fallout of Zedillo's bank bailout proposal, and the prospect of higher inflation and reduced government spending, could hurt the ruling Institutional Revolutionary Party in the 2000 presidential elections.

BIBM research reveals

Asian currency crisis unlikely to affect Bangladesh

Bangladesh is likely to remain largely unaffected because of the East Asian crisis, at least in near future, experts say, reports UNEP.

Examining the effects of the East Asian currency crisis on the Bangladesh economy, the experts say that although it has some adverse effect, there might be potential favourable effects too.

Two faculty members of the Bangladesh Institute of Bank Management (BIBM) in a recent research paper on east and South East Asian Currency Crisis — Its Causes and Impact on Bangladesh Economy — felt that the crisis was rather a big lesson for Bangladesh and other developing countries.

According to Dr Toufiz Ahmad Chowdhury and Dr Ananya Raihan, the direct adverse impact on Bangladesh economy resulting from the East Asian crisis might take the form of slowing down the demand for Bangladeshi products by the affected countries.

"But, fortunately, the exports of Bangladesh to these East Asian economies comprise only 1.63 per cent or 54.6 million US dollars of our total exports."

The other adverse effect will arise out of slowing down of di-

rect foreign investment from the East Asian countries, specially South Korea, and reduction of remittance from Bangladeshi workers, specially employed in Korea and Malaysia. Many Bangladeshi workers have already lost their jobs because of massive lay-off of industries and other institutions.

The estimated remittance from Bangladeshi expatriates in East Asian countries is slightly over 10 per cent of the Bangladesh's total remittance earning.

According to the experts, other than those direct impacts, there are some indirect impacts too.

"Because of the slower global income and export growth, it is likely that the global demand for Bangladeshi products would decline."

Besides, Bangladesh will have to face the loss of some of its export competitiveness in the global market because of large scale depreciation of the East Asian currencies.

Moreover, some of the East Asian countries specially Thailand and Indonesia, are likely to concentrate on expansion of garment products for increasing their export earnings.

Incidentally, this is also the largest export earning sector for Bangladesh and as a result, garment products of Bangladesh are also likely to face severe competition in the world market, the researchers viewed.

However, as Bangladesh would get some advantage in import price because of the East Asian currency depreciation it is estimated that the gain out of import price would easily outweigh the direct and indirect adverse impact on the economy.

The import of Bangladesh from the affected countries comprise more than 13 per cent of its total imports.

'Saudis must make up 5 pc of private sector workforce'

RIVADH, Aug 22: Saudi nationals must make up five per cent of the workforce in private sector companies by October in a bid to boost the local job market, Saudi Employment Minister Mussaed Al-Sinani said, reports AFP.

This figure will be doubled to 10 per cent next year, he said in a statement published in local newspapers.

Technological innovation key to China's success'

HONG KONG, Aug 22: China attaches great importance to technological innovation which is the key to success in the next century, late paramount leader Deng Xiaoping's daughter Deng Nan said here, reports AFP.

Deng, China's Vice-Minister of Science and Technology, delivered a speech entitled "science and technology: the key to success in the 21st century."

She said the Chinese government attached great importance to innovation, which she described as "the soul of a nation and the most critical factor for a country's competitiveness."

Looking into the next century, China will begin to build its own innovation system, in which enterprises constitute the kernel and driving force," she said.

Intermediate agencies and government play supporting roles, Deng told delegates at a workshop organised by Hong Kong Chief Executive Tung Chee-Hwa's Commission on Innovation and Technology.

She said the rapid expansion in the internet accelerated the transfer of knowledge and increased the efficiency of industrial production.

Deng said those economies which had the science and technology capabilities to restructure industries could survive the financial turmoil.

Ji Fusheng, an official from China's Science and Technology ministry, said enormous opportunities it will bring to Hong Kong.

Ten Chan-Lin, the commission's Chairman, expressed hope that Hong Kong can draw experience from other regions in mapping out its own development strategies in technological innovation.

US bombings prompt businesses to shore up security

LOS ANGELES, Aug 22: Pinkerton Global Intelligence Services was swamped Friday with calls from big US corporations looking for ways to protect their overseas employees and property from retaliation by terrorists targeted in US missile strikes, reports AP.

"It's chaos today. Awareness increases with anxiety, which is at the top of the scale," said Frank Johns, a terrorism expert and managing director of Pinkerton Global, a branch of Pinkerton Service Corp.

The cruise missile attacks on suspected terrorist sites in Sudan and Afghanistan, and the August 7 terrorist bombings of US embassies in Kenya and Tanzania have prompted companies to review security measures and, in some cases, halt work.

Unocal Corp. suspended work on a proposal natural gas pipeline that would cross Afghanistan to connect gas fields in Turkmenistan with markets in Pakistan and India.

"It was actually in response to the action Thursday, and there also has been renewed fighting in the country," said Terry Covington, a spokesman in Unocal's Houston office. "I believe the consortium feels it's in a position now that it needs to review the status of the project."

Construction had not begun on the project. Unocal, as leader

of a seven-company consortium building the line, had conducted preliminary talks with the fundamentalist Taliban and the Northern Alliance, two groups battling for control of Afghanistan, she said.

Last weekend, Unocal closed a small office in Pakistan and evacuated four US employees after the State Department issued an advisory warning that Americans could be at risk there, Ms. Covington said.

Atlantic Richfield Co has been in communication with its overseas employees about possible risks, but a spokesman declined to elaborate further about precautions the company has taken.

"In general, yes, we've alerted our people, but I can't say exactly what we're doing," said Al Greenstein, spokesman at the company's Los Angeles headquarters.

Arco has about 600 employees, including 12 American and Canadian workers, at a south-eastern Pakistan oil field that's produces about 25,000 barrels of oil a day. The company has taken "appropriate measures" to protect the workforce there, as well as at smaller operations in Qatar, Dubai and Tunisia, Greenstein said.

Arco operates an oil field in Algeria that always has been under tight security because of a conflict between Muslim insurgents and the government.

Terrorists typically prefer to attack official government installations, such as an embassy, because they offer greater symbolic value, said Ian Lesser, a Rand Corp senior analyst specializing in terrorism. But as embassies and consulates beef up security, businesses could become more attractive targets, he said.

Terrorists will always look for relatively soft targets and to the extent that security at official US installations gets better, businesses should take appropriate measures," he warned.

The difficulty in predicting a terrorist attack means there is a limit to what corporations can do to protect themselves, Johns said.

Companies like Pinkerton can help clients find security weaknesses, create evacuation plans and anticipate situations in which a company might become vulnerable to attack. In one case earlier this week, he advised a client to cancel a planned trip to Pakistan.

Johns declined to identify the company's clients, but said Pinkerton represents more than 80 per cent of the US companies on the Fortune 100 list.

"We try to do for them what the CIA and FBI do for the government," he said, "anticipate and point out what we think are the most important security incidents over next 24 hours," he said.



The fourth general meeting of the Bangladesh Mineral and Drinking Water Manufacturers' Association was held in the city Thursday. —Mineral Water Assoc photo

Russian stocks, rouble continue to float downstream

MOSCOW, Aug 22: Russia's deathly stock market and sickly rouble staggered to the end of a grim week Friday, reeling further from parliament's call for President Boris Yeltsin and his government to resign, says AFP.

Stocks sweated off another 5.5 per cent yesterday to end the week down some 29 per cent, one of the worst five-day performances by the Russian stock market since its institution more than four years ago.

The rouble continued to float downstream following the government's decision Monday to unhook it from the dollar and let it drift to as low as 9.5 to the dollar, a move which touched off five dismal days, even by the standards of this year's financial crisis.

Stocks have now lost more than 80 per cent of their value this year, and the rouble, changing hands at 7,005 to the dollar in interbank trade, has lost more than 10 per cent this week along, but Prime Minister

Sergei Kiriyenko warned that worse is to come.

"We are only at the start of the financial crisis," Kiriyenko told lawmakers in a special State Duma (Lower House) session convened to call the government to account for its financial firefighting. "We will have to take further difficult decisions."

Parliament was unimpressed, calling for President Boris Yeltsin and Kiriyenko to quit for caving in to the pressure to devalue the rouble, the government's image as a dynamic unit of can-do technocrats has been severely tarnished by the abrupt and unsure manner in which it dropped Monday's bombshell.

The apocalyptic scenes in Russia's markets continued to send a chill through other global markets. Wall Street opening sharply weaker as Euro-bourses slumped and the Czech crown and Polish zloty began to quiver.

"The Russian crisis has set

off an ill wind," said Thierry Malleret, economist with the Alfa Capital Investment Bank. "There is a crisis brewing which will go beyond Russia and engulf the global economy."

The central bank also indicated Friday that Russia has yet to bottom out of this year's alarming financial tailspin, saying it no longer had the means to fix the rouble rate, particularly after spending almost two billion dollars defending its currency last week.

It has already admitted that large swathes of the banking sector would go under as a result of the rouble devaluation and the move to freeze the government bonds which make up a substantial portion of bank assets.

As for the markets, traders said all eyes will now be on a government announcement next Monday on how it intends to restructure short-term debt, or GKOs, some 40 billion dollars' worth of which was frozen last Monday.

Teenage Thai accused of bank robbery

BANGKOK, Aug 22: A 14-year-old Thai boy is suspected of attempting to rob a bank Saturday allegedly to obtain money for drugs, Thai television reported, says AP.

After failing to break into an automatic teller machine, the boy, whose name was not released by police, threw a rock through the door of a bank in Bangkok, they said.

Police responded to the bank's alarm and arrested the boy, whom they said appeared to have been sniffing glue.

The boy told independent television that he broke into the bank to search for money and valuables because he was desperate to buy drugs and to pay for his way home.

He said he wanted to return to his family in Phangnga province, 590 kilometres (366 miles) south of Bangkok.

Police said the boy appeared to be a drug addict. He would be sent to a foster home after an investigation, a police officer told ITV.

Dow Jones down 84.71 points

NEW YORK, Aug 22: The Dow Jones industrial average closed down yesterday by 84.71 points, or 0.98 per cent, after recovering from spectacular morning falls of 280 points earlier in the day, says AFP.

Traders said the markets were jittery over the situation in Russia and international tensions following the US missile attacks in Afghanistan and Sudan.

On the bond market, the benchmark 30-year treasury bond was at 5.459 per cent after falling at the beginning of the day to 5.392 per cent.

Bond rates are at historic lows as investors use the instruments for safe refuge in the face of turmoil on Asian and other emerging markets.

Indian share market still in the doldrums

BOMBAY, Aug 22: Indian stocks face another week in the doldrums, amid persisting political uncertainty and concerns over regional currency fluctuations, brokers said today, reports AFP.

The 30-share Bombay Stock Exchange sensitive index closed at 2,922.61 points, Friday, down 46.14 points, or 1.55 per cent, from the previous week.

The 100-shares National Index fell 16.77 points, or 1.26 per cent, to close at 1,308.82 points.

The market will remain subdued next week. The problems of this week continue to persist, and there are no immediate solutions in sight," said broker Ajit Ambani.

Brokers said a major issue next week would be mounting tensions within the country's four-month-old minority coalition government.

The coalition has been

lurching from crisis to crisis, with key partners threatening to withdraw their support over regional disputes.

"Given the present depressed sentiment the index is likely to be up or down between 50 and 100 points over the next week," Ambani said.

Brokers said market sentiment had also been dampened by the central bank's decision Thursday to raise the case reserve ratio of commercial banks as part of measures to shore up the plunging rupee.

"This move will mean less availability of credit to industry and trade, especially when the economy is expected to turn around in a couple of months time," said broker Ashish Kedia.

Tata Engineering moved up 5.2 rupees to 140 rupees and Tata Steel was up 0.6 rupees at 95.10 rupees.

Foundation course for JBC officials begins today in Ctg

A 23-day foundation trading course on life insurance for junior officers and assistant managers of Jiban Bima Corporation will begin at Chittagong Jiban Bima Corporation today, says a press release.

The course is being organised by Bangladesh Insurance Academy.

A total of 27 officials to take part in the course.

K M Mortuza Ali, Director of the academy, will inaugurate the course.

It will conclude on September 14.

The academy will also start a sales and marketing course for development officers of Jiban Bima Corporation at Mymensingh from today. 30 development officers from Jiban Bima Corporation will attend this course.

The course will conclude on September 8.



M H Rahman, Coordinating Director of Human Resources and Training Standing Committee of the DCCI, distributes certificates among the participants of a 5-day training course on export documentation organised by the HRD programme of the DCCI held in the city on Thursday. DCCI Director Khurshed Ali Mollah (4th-L), Convener of Human Resources and Training Standing Committee Mamunur Rahman (6th-L) and former Director of DCCI AY Md Kamal (5th-L) are also seen. —DCCI photo

Commodities rise and fall on fortunes of currency movements

LONDON, Aug 22: The commodities markets rose and fell on the fortunes of currency movements this week, encouraged by the recovery of the Japanese yen but weakened by worries over devaluation of the Russian rouble, reports AFP.

The yen's advance against the dollar stimulated dollar-priced commodities by giving greater purchasing power to the important Japanese and other Asian markets.

The yen's recovery also calmed fears of a new round of economic collapse in Asia and a subsequent fall in demand.

However, sentiment was hit hard by the economic crisis in Russia, where the rouble underwent a de facto devaluation.

There were fears that Russian buying would fall and that producers might increase exports to beef up foreign exchange reserves.

The grain and vegetable oil markets were eyeing the flooding in China amid the possibility of major crop damage, which would put upward pressure on prices.

Oil prices saw a rise following Thursday's US missile attacks against alleged terrorist-bases in Sudan and Afghanistan, but the commodity remains in a deep slump caused by oversupply and low demand.

GOLD: Off. Gold had a tumultuous week, helped by the recovery of the Japanese yen, which gave the key Asian market greater purchasing power, but buffeted by Russia's rouble devaluation.

The precious metal ended the week 1.4 dollars lower on the London bullion market at 284.25 dollars an ounce.

Analysts said they were surprised by the losses in gold, which is traditionally a financial safe haven. Following the US air strikes Thursday against alleged terrorist bases in Afghanistan and Sudan.

Investors worried concerned that Russia might sell substantial amounts of gold in its defence of the hard-pressed rouble.

SILVER: Flat. Like gold, silver was helped by the recovery of the yen, but came under pressure from suspected use of the precious metal in defence of the Russian rouble.

Silver ended the week at 5.16 dollars an ounce, up six cents.

PALLADIUM AND PLATINUM: Flat. The two precious metals, currently depressed by imminent new Russian deliveries to Japanese consumers in August and September, were flat over the week.

Like gold and silver, the two metals gained from the yen's recovery, but also suffered from pressures linked to the rouble devaluation.

COPPER: Shiny. Copper investors took heart from the re-

covery of the Japanese yen, which brought more buying power to Asian investors for dollar-listed commodities, stimulating demand from the region.

Three-month copper closed the week at 1,647.3 dollars a tonne, up 19.3 dollars, despite a big 15,500 tonnes rise in London Metal Exchange warehouse stocks.

Prices were supported by the threat of closure to Japan's Furukawa mine.

LEAD: Heavy. Three-month lead fell 18.75 dollars to 534.25 dollars a tonne.

Prices were hit by a surprise increase in LME stocks, which ended the week at 117.175 tonnes, up 4,375 tonnes.

ZINC: Flat. Three-month zinc was flat, ending the week at 1046.8 dollars a tonne, down 4.2 dollars.

ALUMINIUM: Shine. Aluminium prices rose in the light of a rally for the yen against the dollar and a fall in market reserves.

Three-month prices rose by 15.5 dollars to 1,342.5 dollars a tonne.

LME stocks fell by 1,850 tonnes to 457,975 tonnes.

NICKEL: Rumbled. Nickel prices fell to a five-year low on the London Metal Exchange midweek, amid predictions of widespread sales from Russia.

Three-month prices fell by 17.50 dollars over the week to 4,147.5 dollars a tonne.

TIN: Tumble. Prices fell in

the wake of a modest rise in LME reserves.

Three-month prices fell by 162.5 dollars to 5,517.5 dollars per tonne after a rise of 540 tonnes in market reserves to 6,945 tonnes.

OIL: Thaw. Oil prices made a modest recovery from last week's lows after the US missile attacks on sites in Afghanistan and Sudan, a fall in US stocks, and calls from Kuwait for further production cutbacks.

Crude contracts on the international petroleum exchange recovered from the bout of selling that had driven them close to an all-time low, but continued to be traded at relatively low levels.

Brent North Sea crude for October delivery got back above the 12-dollar mark, to about 12.4 dollars per barrel, 29 cents higher than last week.

Crude gained from forecasts of a possible upturn in tensions in the Gulf, after the United States launched missile strikes on sites allegedly linked to anti-US Muslim groups in Sudan and Afghanistan.

RUBBER: Soft. Rubber prices fell further as Thailand and Malaysia considered pulling out of the International Natural Rubber Organisation to create a new regulatory body for the rubber industry.

On the London market, prices for September and October delivery fell to 455 pounds and 460 pounds per tonne from 462.50 and 467.50 pounds least

week.

RSSE contracts on the Kuala Lumpur market fell 2.64 ringgits per kg from 2.76 ringgits.

COCOA: Tepid. Prices were stable in a clam market as investors waited to see the size of the imminent harvest in Ivory Coast, modest industrial buying failed to light up the market.

Cocoa ended the week at 1,087 pounds a tonne, up seven pounds some analysts are predicting a shortage of good quality beans towards the end of the year and there are no major deliveries expected before November, giving some support to prices.

COFFEE: Cold. Robusta coffee prices for November delivery fell again, ending at 1,573 dollars a tonne, down 13 dollars, amid worries over turmoil on world financial markets.

A potential support for prices evaporated with the end of the dockyard workers eight-day strike in Brazil's Santos Port.

Good weather also kept prices low, although temperatures are to drop soon in Brazil, plantations are expected to remain unscathed.

The 1997-98 harvest is forecast to be a bumper crop, further pressuring prices, although such estimates are often unreliable. The first quarter harvest reached 3.74 million sacks, up from 1.96 million sacks during the same period last year.

TEA: Weak. Demand fell at

ideal for soya plants at this time of year.

GRAINS: Split. Grain prices were torn between the prospect of a drastic fall in Chinese production because of serious flooding there and a plentiful harvest in the United States.

Wheat prices on the CBOT rose by three cents to 2.56 dollars per bushel (of 27.2 kg, for delivery in October).

Maize prices rose by two cents to 2.08 dollars per bushel (of 25.4 kg for delivery in September).

Wheat contracts on the London futures market rose by 65 pence to 71.65 pounds per tonne.

COTTON: Shrink. Cotton prices shrank after a speculative rally inspired by flooding in China and predictions of the damage that flood waters are likely to have inflicted on Cotton plantations there.

While traders were watching events closely, opinions were divided as to what the likely effects of the flooding would be.

Profit-taking set in amid low demand after an initial surge in prices.

WOOL: Warm. Wool prices rose on Chinese and Japanese buying on the Australian market. The Australian Wool Exchange (AWEX) index rose by eight cents to 5.76 Australian dollars per kg.

Britain's market in Bradford was far quieter and the wool tops index remained unchanged.