### Refund of \$370m demanded

# Pakistan seeks US, Interpol help to extradite HUBCO officials

KARACHI, Oct 13: Pakistan has sought the help of the US authorities and Interpol to get the extradition of several executives of a British-based power company accused of fraud, officials said here, reports AFP.

The move came as the government announced Sunday cancellation of a power purchase agreement with the Hub Power Company (HUBCO) and registered two criminal cases against its executives, they said.

Pakistan had already contacted Interpol and the US administration to achieve the "early extradition" of executives named in the complaint lodged with police, accountability bu-reau chief Saifur Rehman told

reporters. He said a government team would soon leave for Britain and the United States to pursue the case.

The government has also

TOKYO, Oct 13: Japan's up-

per house of parliament en-

acted a first set of crucial bank

reforms Monday to nationalise

collapsed banks and sell off

surged on the passing of the

bills, with investors hoping for

a final end to Japan's banking

"financial revitalisation bills,"

outline how Tokyo will deal

with failed banks and weaken

Another bill which would

prop up weak, but solvent banks

with huge amounts of taxpayers'

money, is providing harder for

the ruling party and opposition

thing," Obuchi told reporters at

parliament after the bills were

"But, because these bills are

The ruling party is planning

twinned with the scheme for

early rehabilitation (of viable

banks). I hope for the passage of

to set up a huge 50 trillion yen

(430 billion dollar) fund to bail

out banks, which comes in ad-

dition to 17 trillion yen fund

already set up to protect deposi-

romou Nonaka said Obuchi was

ready to meet with opposition

leaders if necessary to get a

bill enacted before the end of

Chief Cabinet Secretary Hi-

The ruling party wants the

"It is a very welcoming

the finance ministry's author-

ity over financial affairs.

lawmakers to agree on.

enacted.

the other bill.

Tokyo stocks and the yen

The first set of reforms, eight

their bad loans, reports AFP.

billion rupees (370 million dollars) "wrongfully" received from the staterun Water and Power Development Authority (WAPDA), he said.

Sources at the Federal Investigation Agency (FIA) confirmed the registration of complaints against four senior HUBCO officials.

A former advisor to deposed premier Benazir Bhutto, a former Water and Power ministry officials and an ex-World Bank employee have also named in the complaint.

The government has accused them of illegally raising the tariff rate, officials said.

None of the HUBCO executives are in Pakistan a company spokesman said: "We deny all allegations."

The spokesman said no letter terminating the contract had been received by HUBCO. "Once we receive a termination asked the company to refund 17 letter we will defend in the court

Japan's upper house enacts first

set of banking reforms

the parliamentary session on

tense international pressure to

push ahead with reforms to

an agreement have badly hurt

the country's already fragile

economy. But investors felt a

Monday the finance ministry,

which has dominated post-war

financial policy, will be forced

to share its supervisory powers

over the banking and securities

From January 2000 the fi

nancial revitalisation commit-

tee will be responsible for man-

aging financial crises, deciding

which banks have effectively

collapsed and how to deal with

Failed banks will either be

Once a bank collapses its bad

nationalised, transformed into

loans will be sold off with the

creation of a US-style resolu-

tion trust corp, and private buy-

ers will be sought. These buyers

will be supported with taxpay-

troubled long-term Credit Bank

of Japan Ltd, which will be na-

tionalised and sold off, possibly

proposed a revised version

Monday and suggested a 50 tril-

For the second bill, the LDP

The ruling party hopes to

as early as this month.

ers' money.

lion yen fund.

a bridge bank or liquidated.

industries with a new body.

Under the laws enacted

flush of confidence Monday.

bad bank loans.

clean out its 87.5 trillion yen in

Weeks of delay in coming to

Tokyo has come under in-

of law," he added.

Rehman maintains his anticorruption agency has 'very strong' evidence of corruption. fraud and tampering with sup-ply meters to cheat the power

Prime Minister Nawaz Sharif in his address to nation on Sunday also said his gov-ernment had detected irregularities in HUBCO and other independent power projects.

The 1.6 billion dollars

HUBCO, Producing 1200 megawatt of electricity had agreed with Sharif's previous government in 1992 to sell power at 2.6 US cents per kilowatt hour.

However, during the Bhutto government, ousted on charges of corruption in 1996, the tariff rates were revised and Rehman said the company was now charging 11.5 cents per kilowatt hour.

He accused the former rulers

pass the new bill through the

powerful lower house Kyodo

news agency said citing LDP

personally think that 50 tril-

lion yen is a very good and rea-

sonable number," Ichizo Ohara,

top economic advisor to Prime

Minister Keizo Obuchi, said

banks and capital to asset ra-

tios below the eight per cent re-

quired by the Bank for Interna-

tional settlements or banks op-

amount of reserves for non-per-

forming loans most of the

banks' coverage rate is below

eight per cent of its 175 capital

echoed concerns, but the banks

themselves insist they are still

lic money made available of 10

trillion yen is far below what is

actually needed," Ohara said.

Many economists here have

"The original amount of pub-

Of the 50 trillion yen fund

30 trillion yen will be to prop up

weak banks, with another 20

trillion yen to deal with banks

A further 17 trillion was set

Funds that size match ex-

actly what the opposition

democratic party has de-

manded, although democrats

want the injection of taxpayers

money to be accompanied with

adequacy ratio," he said.

"If you take into account the

He warned most Japanese

"At the bottom of my heart

sources.

Monday.

healthy.

that collapse.

tough conditions.

depositors.

The bills also deal with the aside last February to protect

erating overseas.

of signing + highly expensive + agreements with HUBCO in consideration for + skimming out millions of dollars in commission and kickbacks.

The dispute between the Sharif government and HUBCO began in April when the gov-ernment asked the company to lower the power tariff. The High Court ordered the firm to lower the tariff to 3.5 cents.

Pakistani police in May besieged the power plant for sev-eral days and restricted movement of 35 British nationals.

Last week, HUBCO Chairman Ali Reza, a Saudi Arabian, flew into Islamabad for talks with Pakistani authorities but failed to resolve the dispute.

The largest private sector power project in Pakistan is owned by a group of companies from the United States, Saudi Arabia, Britain, Japan, France, Italy and Malaysia.

#### Pak stocks plunge on govt action against power company

plummeted on panic selling at the Karachi Stock Exchange (KSE) as Pakistan decided to rescind a power purchase agreement with British run Hub power company (Hubco) dealers

Pakistan on Sunday terminated a power purchase agreement with Hubco, accusing company executives of obtaining higher tariff rates by al legedly bribing officials from the previous government.

said the governments move to file criminal charges against Hubco triggered panic selling mostly among foreign investors.

ing in the opposite direction new," he said adding investors were earlier expecting a solution to the ongoing dispute over the power tariff rates.

nose dived as low as 106 points

The KSE Board of Directors has appealed to the government for measures to protect the infalling values recently, with the greenback weakening significantly against most regional denominations. Sachs said the current dol-

British top model Naomi Campbell wears a glossy mauve

shirt over white bra as part of Louis Vuitton 1999

spring/summer ready-to-wear collection presented in Paris

China should devalue

yuan: US expert

lar-yen exchange rate was unjustified since economic fundamentals in both the United States and Japan had deterio-

The dollar shouldn't be weakening against the yen," he said, arguing that a depreciation against European currencies was more appropriate.

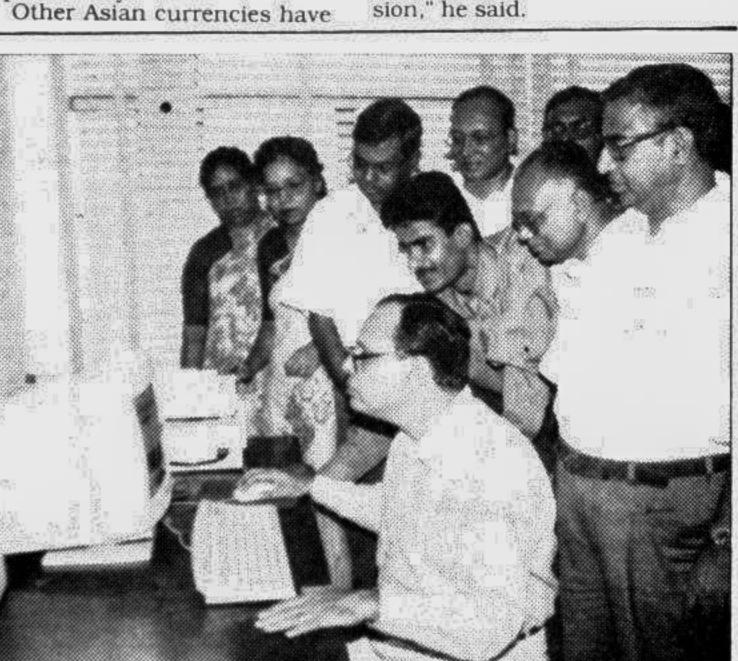
preciation against the US cur-

at 115 yen "is too strong."

Sachs argued that a strong yen, although seen boosting regional currencies, would be counterproductive to Asia's recovery if Japan's economy re-

mained weak. The bigger problem is a Japanese economy in reces-

RM/9



Bangladesh Shilpa Rin Sangstha (BSRS) has started participating in the automated trading on Dhaka Stock Exchange (DSE). Faisal Ahmed Choudhury, Managing Director of BSRS, is seen opening the new trading -BSRS photo system.

# KARACHI, Oct 13: Stocks

Monday.

SINGAPORE, Oct 13: US

economist Jeffrey Sachs said

Monday that China should de-

value its currency next year and

criticised other Asia exchange

Beijing's rate was "fraught

rates as unrealistic, reports AP.

with future trouble," Sachs, di-

rector of the Harvard Institute

of Development, told reporters

at the World Economic Forum's

seventh annual East Asia Eco-

become less competitive than

many of its Asian neighbours,

where currencies have depreci-

ated significantly since the

start of the regional crisis in

dollar, pegged at 7.80 Hong Kong

dollars per US dollar, has also

reduced the territory's competi-

tiveness against its Southeast

Hong Kong currencies at their

rates has been considered cru-

cial to preventing a repeated

outbreak of Asian currency de-

valuations, like those that set

Western and regional leaders

Keeping the Chinese and

Sachs said the Hong Kong

China's huge economy has

nomic Summit.

the summer of 1997.

Asian counterparts.

off the regional crisis.

said, reports AFP.

The KSE 100 index plunged by 89.07 points or 9.46 per cent to close at 852.75 on Monday. It fell by 20 points to close at 941.82 over the weekend

The 1.6 billion dollars power plant of Hubco is run by Britain's national power which operates several power projects worldwide.

Abid Reza, a senior analyst

"Things have started mov-

Investors in just few hours of trading lost more than 21.762 billion rupees (473 million dollars) in market capitalisa tion, Reza said.

At one stage the index had but recovered later, he said.

terests of Hubco shareholders

have urged Beijing to keep its exchange rate, despite falling growth in its giant economy. The Chinese currency has been kept at 8.27 yuan to the dollar.

received some respite from

- AP/UNB photo

rated in the last few months.

He said the yen's rapid ap-

rency could have been caused by hedge funds - squeezed by their creditors unwinding their posi-That suggests that the yen

will depreciate again," he said, adding that a US dollar valued

The dollar, which fell to as low as 111.45 last week, cost 116.72 yen late Monday in

sion," he said.

#### Iraq's oil revenues may hit \$3b BAGHDAD Oct 13: Iraq's oil

revenues for the second half of 1998 could reach 3 billion dollars, 17 per cent higher than forecast, because of a recovery incurred prices, a UN official said yesterday, reports AFP.
The official, who asked not

be named, said the level of Iraqi exports under the UN oil-forfood was unchanged. The UN's previous estimate

of revenues generated by Iraq's exports of between 1.85 million and 1.9 barrels a day - from July to December was 2.8 billion dollars. The oil market made a slight

recovery in September, with prices rising two dollars a barrel, according to the International Energy Agency based in

Iraq, although under UN sanctions since its August 1990 invasion of Kuwait, is authorised under the oil-for-food deal to export crude to finance imports of humanitarian supplies.



Agrani Bank General Manager K M Bodrus Salam distributes agri loans as he visited recently three bank branches in Gopalganj, Tungipara and Kotalipara to see for himself proper implementation of the Tk 300 crore extensive post-flood rehabilitation programme. Among others, the GM was accompanied by A F Mashihur Rahman, General Manager of the bank.

-Agrani Bank photo

#### Tourism earns Myanmar \$30m

YANGON, Oct 13: Foreign tourists visiting Myanmar reached 567,458 in number in 1997-98 fiscal year which ended in March, earning 30 million US dollars of foreign exchange, according to official statistics. says Xinhua.

The number of visitors and the amount of foreign exchange rose by 18 and 2 times respectively compared with those before 1988. Of the tourists who visited

Myanmar, more than 300,000 entered through border points with the majority coming from China and Thailand.

Previously, the capital Yangon was the only gateway for tourists to enter Myanmar. To speed up the development

of the country's tourism, Myanmar has opened six border points with China and four similar points with Thailand. Foreign investment in the

country's hotels and tourism sector had reached 1.1 billion dollars by June this year.



# EU ministers struggle for strategy to contain global turmoil

LUXEMBOURG, Oct 13: European Union finance ministers struggled Monday to produce a strategy for containing the global market crisis and prevent further outbreaks of such highly contagious finan-

cial turmoil reports AP. Britain's Chancellor of the Exchequer Gordon Brown said he was seeking EU support for strengthening international financial institutions.

I am determined that Europe plays its full part in addressing the weaknesses of the international financial system and contributing to growth and stability around the world," Brown told reporters as he arrived for the one-day meeting.

Outlining what he called a "three-point action plan," Brown called for a "crisis prevention mechanism" to ensure greater openness in financial market so potential dangers could be detected early. He also urged reinforcing the International Monetary Fund so it can quickly to tackle emerging crises and suggested enhanced

supervisory regulation of the global finance system. The EU meeting came as

slower growth rates and fears of more gloom spreading from Asia, Russia and South America take some of the shine off preparations for the launch of the euro as the common currency of 11 EU nations on Jan

So far, Europe has avoided the worst of the global crisis, something German Finance Minister Theo Waigel put down to confidence in a strong and stable euro and the strict budget discipline nations must follow to join the euro-bloc.

"In spite of all the problems in the world, the euro-zone is an island of stability," Waigel told reporters. "This is clear proof that this process has been the

right one. The EU's Finance Commissioner Yves-Thaibault de Silguy predicted at the start of the meeting "in 1999 Europe will have the best growth among the industrial powers."

However, ministers face mounting pressure for action to halt any further decline in egrowth, including calls for in-

terest rate cuts to help business. Last week, the Spanish, Irish, Portuguese and British central banks eased rates, but EU central bankers and a number of ministers believe rates are low enough in core European economies such as Germany and France.

"The problem of bringing down rates is not one for Europe," said Irish Finance Minister Charlie McCreevy.

The ministers were likely to reject a proposal for the EU to back loans to Russia by the Union's lending arm, the European Investment Bank. "In the present situation in

Russia ... it would not be serious to give the EU budget guarantee to an EIB intervention in Russia," De Silguy told reporters. The one-day EU meeting was the last for Waigel. Defeat in last month's elections means the Bavarian conservative is

stepping down after almost 10 years at the helm of the EU's biggest economy.

As a parting shot, Waigel knocked home Germany's tough line over plans to overhaul the EU's 100 billion dollar budget from 2000 so the Union can pay for its planned expansion into

eastern Europe. Germany, along with Austria, Sweden and the Netherlands, says it pays too much into EU coffers and gets too little back in return. Waigel insist any reform correct the imbal-

"There is a lack of burden sharing in the budget," he told a news conference. "This is something that cannot continue."

Italian Treasury Minister Carlo Azeglio Ciampi assured other ministers the Friday's government collapse in Rome would not weaken Italy's determination to cut debt and budget deficit. "I have no reason to believe that Italy won't continue to honor its pledges," De Silguy said.

## Gold demand may soar in Asia

SINGAPORE, Oct 13: Gold demand in Asia could soar as countries hit by the region's economic turmoil begin to build stocks and look to the yellow metal as a new financial benchmark, a World Gold Council executive said today, reports Reuters.

"I think there is a significant opportunity for demand to build gold stocks in Asia, Robert Pringle, an executive with the World Gold Council's centre of public policy studies told Reuters.

"More and more, as countries analyse this crisis, they will reassess the role of gold, Pringle said on the fringes of the East Asia economic summit, a conference organised by the Geneva-based World Economic Forum.

"I think there is a search on for a new sort of economic anchor," he said, "at least some thought should be given to how we can use gold in the monetary system" to help solve the crisis.

Gold could be added to the baskets of currencies and assets that some countries use to calculate exchange rates. Others, desperate to rebuild

international reserves depleted by defending their battered currencies, could build stocks to use as collateral for loans and international finance, he said.

"A lot of central banks are reassessing their reserve management policies. Quite a few are coming to the conclusion that there should be an element of gold in there," Pringle said.

"I don't think there are any chances of returning to an international gold standard, but that doesn't mean that people should ignore gold," Pringle He said gold had held its

value despite the crisis. In Thailand, figures from the gold council, which promotes the use of the metal, showed gold's price jumping 32.9 per cent in local currency terms compared to a stock

market fall of 41.9 per cent

since the start of the crisis in

July last year. South Korea had similar statistics with a 40.6 per cent rise in the price of gold compared to a stock market fall of 48.3 per cent.

#### **Exchange Rates**

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients.

urrency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD Sight	Buying TT & OD
ISD	47.3050	46.9100	47.3450	46.7570	46.6850
BP	80.3381	79.1653	80.4060	78.9071	78.7856
EM	28.7656	28.3478	28.7899	28.2554	28.2119
PY	0.4008	0.3938	0.4012	0.3925	0.3919
RF	8.6474	8.3897	8.6548	8.3623	8.3494
SAR '	12.6467	12.4737	12.6574	12.4331	12.4139
MYR	12.4497	*		( <del>*</del> .)	12.2865
ED	12.9153	12.7362	12.9263	12.6947	12.6751
(WD	162,6160	150.8360	162.7535	150.3441	150.1125
AR	13.0317	12.8485	13.0427	12.8066	12.7869
Bill buying n	ates :				

TT Doc 30 Days 60 Days 90 Days 120 Days 180 Days 46.5191 46.1282 45.7373 44.5645 US dollar London Interbank Offered Rate (LIBOR) as of October 13, 1998

Buying Selling Currency 1 Month 3 Months 6 Months 9 Months 12 Months Cash 46.6850 47.3050 USD 5.40625 5.34375 5.15625 50 7.34375 725 7.0625 6.9375 6.8125 TC 46.6850 47.3050 GBP Exchange rates of some Asian currencies against US dollars Pak Rupee Thai Baht Indonesian Malaysian

Wan Rupiah Ringgit 38.21/ 54.15/ 3.7997/ 54.22 3.8004 Amex rates on Tuesday's market

USD/BDT market was active on Monday. Demand for US dollar was up as there was foodgrain L/C payments by nationalise banks. USD/BDT mostly traded within a range of 47.2400-47.2475. Call money market was active. The call rates opened at 11% was within the range of 10.75%-11,25% for most part of the day.

The dollar was higher against the yen in the Tokyo trade on Tuesday on steady bids by Japanese and overseas operators on improved sentiment, as expected passage of key legislation to stabilize Japan's banking system eased risks of a global credit crunch. Speculation that the central bank may cut the official discount rate by 25 basis points or bank's reserve requirements supported the greenback.

At 12.39 pm local time the dollar/yen was at 117.77/87. Later the dollar slipped against the yen in European morning trade on Tuesday, after the Bank of Japan said it was not changing its monetary policy and suppressed some expectations that the central bank might ease credit. By 1.45 pm local time, the dollar fell about 1.5 yen from an earlier high of 119.51 yen. It was at

118.28/38 in late European trade on Monday. Against the German mark the dollar took a softer tone Growing expectations of further US rate cuts against the likely proposed of steady German rates was weighing on dollar/mark and provided support for mark/yen. Mark/yen was firmer at

72.39/42 yen. The British pound gained against the dollar because of large corporate orders to buy pound. This pulled the sterling /mark higher. There was little impact from British retail inflation date which came in line with market expectations, with underlying inflation for September hitting the government's 2.5 per cent target for the second month in a row.

The Indian rupee ended slightly weaker against the dollar at, 42.33/34 against its previous close at 42.31/33 and today's opening at 42.31/33 per dollar. The rupee weekend in the morning trade on corporate forward purchases, but recovered on dollar sales later in the day. At 1800 local time in the international market the USD

traded at 1.6450/53 DEM, 119.69/79 JPY, 5.55153/63 FRF,

## Shipping Intelligence

1.3338/43 CHF, and GBP at 1.6986/99 USD.

CHITTAGONG PORT

Berth position and performance of vessels as on 13.10.98 Berth Name of Vessels Cargo L port Local Date of Leaving agent arrival Salinthip Naree Wheat(P) Adel Litmond 23/9 Banglar Shobha Rice(P)/GI 18/10 Lilac Island 12/10 21/10 R.Seed Swice Seacom ASLL Makron Wheat(P) P.Sayed Seacom Fei Yue Cement 15/10 Malika Naree R.Seed Litmond 20/10 Sord Sibel Deval Seaglory 26/9 Prog 23/9 Wheat(P) Ismat 15/10 J/9 S.Hat Song Lin Xpress Padma Cont Sing 13/10 J/11 Pinar Katainoglu Wheat(P) Txox PSAL 22/9 18/10 CCT/1 Cont Sing Pil(BD) 9/10 16/10 Kota Sing 13/10 CCT/2 Qc Pintail Cont Sing QCSL 9/10 13/10 Banglar Robi Cont Sing RM/14 B.J.Energy Cement P.Kel USTC 23/8 13/10 GSJ. Kallang Litmond R.Sulp B.Abb Seacom Tia Estela Pranedya Pratama Sing 11/10 F.Oil CTPL 21/10 Banglar Kallol BSC Repair Idle Para DDJ/1 Tanary Star

PSAL Al Salamas ASLL 29/8 Repair Visa Banglar Mamata Repair VESSESL DUE AT OUTER ANCHORAGE

22/10

Name of vessels oading Date of L port Local arrival call 13/10 SMSL Ocean-1 Makassar Express 14/10 (Cont) 4/10 Col Baridhi Global Jane Mong 14/9 Lams 14/9 Mong BSC Ballast Banglar Asha Bunga Mas-II EOSL 14/10 Cont F. Kelang Sing Karna P. Cargo Develoing Road 14/10 USTC Lestari Indah 14/10 Cement 15/10 Bdship Jiang Chuan 16/10 Pil(BD) Kota Naga (cont) 4/10 Sing RSL OTBL 15/10 16/10 Sing Turk Sing Manaslu (Cont)(4/10 Cont Killentum Majestic Wheat(P) Kaki Mala MSL 16/10 Rice(P) Kimgdong Medan Express OLM 14/10 Hot Briq Iron Xpress Resolve (Cont) 10 Sing 16/10 Cont Bunga Orkid Satu Wheat(G) Scraping Combi - Dunk Pira RML Marine Kingdom 19/10 Sing 19/10 Overseas Arctic Ancien Wheat(G) Jurong Balsam (Cont(8/1 17/10 Cont 16/10 18/10 Richmond (Cont) 11/10 OCST OCST Cont Col Hibiscus (Cont) 11/10 Cont Sing 18/10 Prog Bdship Corali 18/10 Sing Banga Biraj (Cont) 7/10 Cont Sing 19/10 Qc Teal 7/10 Sing Sing Ocean Blue (roro/24)13/9 19/10 Col Vehi 19/10 Sing RSL JF Cont Sing Da Fa (Cont) 11/10 San Mateo (Roro/24) 19/10 Vehi Col Banglar Shikha 19/10 18/10 BSC QCSL Oil Sing (Cont) 11/10 Sing Cont Prosrich (Cont) 7/10 Sea Pioneer SMSL Rice(G) 20/10 Albatross-II Banga Birol (Cont)/11/10 Kota Cahaya (Cont) 12/10 Bdship 21/10 Sing Sing BSL (BD) 24/10 Sing Cont Prudent Challenger 23/10 Banglar Moni (Cont) 12/10 25/10 Sing BSC Cont TANKER DUE 14/10 Sing Hawaian Express MSTPL Sko/MS

Julie-N 15/10 Sing MSTPL HSD VESSELS AT KUTUBDIA Name of vessels Date of Cargo Last port Local arrival R/A(2/8) Seabulk Command VESELS AT OUTER ANCHORAGE READY ON: Pil(BD) Kota Singa (Cont) Cont Grigoriy Ordzhonikidze 13/10 Cdso Gres 12/10 Litmond VESSELS NOT READY: 4/10 8/10 Zarina-1 Litmond OWSL Eastwood Tampa SSST Alpha Bravery 9/10 Gtsp Tampa 10/10 **PSAL** Indo Cement 12/10 Hesoid Ammonia Ind MBL LSC(P) 13/10 Anangel Eagle Wheat(G) Pilb VESSELS AWAITING INSTRUCTION

R/A(18/9) R/A(9/9) USTC Karya Sentosa Rice(G) OWSL Kaki Rice(G) Rong Jiang MHCSL R/A(26/9) Eka Lestari Rice(G) Para R/A(24/9) Kaki MHCSL Shong Chong Gang Rice(G) Kaki R/A(24/9) Rice(G) Cross R/A(7/7) Delta Star Rice(G) USTC R/A(5/10) Adhiguna Jaya-1 R/A(26/5) Tempest Silver Star R/A(4/10) Banglar Shourbah BSC R/A(11/10) R/A912/12) Banglar Jyoti

VESSELS NOT ENTERING Sea World 26/9 CCNL Damm Izmail Col USTC Col Arl Tug De Ping R/A(7/10 AASS Good Will Iseult Scraping R/A(12/10) Delmure Pavlovo **MOVEMENT OF VESSELS FOR 14.10.98** 

Shifting Outgoing Incoming J/10 Bunga Mas-II The above are today's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.