

**\$37m embezzlement
Ex-Kia chief
gets 7 years
in prison**

SEOUL, Oct 21: A former head of bankrupt Kia Motors Co was sentenced to seven years in prison Wednesday for embezzling \$37 million won (\$37 million) in company funds, reports AP.

Kim Sun-hong, 66, who headed Kia until last October, was found guilty of using the money to bribe government officials, politicians and bankers to get preferential bank loans to keep his company afloat.

Kim also was convicted of illegally arranging for Kia to lend 1.1 trillion won (\$814 million) to several trouble subsidiaries and guaranteeing 2.8 trillion won (\$2 billion) in debt incurred by other units.

Prosecutors had sought a 12-year sentence for Kim.

Two other former Kia executives were given prison terms of up to 3 1/2 years for their part in the scandal. Two more were given suspended terms.

"The defendants... deceived stockholders and weekend financial institutions," judge Sohn Ji-yeol of the Seoul Criminal Court said.

Kia collapsed under 11.7 trillion won (\$8.4 billion) in debt in the summer of last year. Its failure eroded foreign investor confidence, fueling a flight of foreign capital.

South Korea was forced to accept \$58 billion from the International Monetary Fund in December to bail out its faltering economy.

Kia, once the nation's second largest automaker, was sold to industry leader Hyundai Motors Co in an auction on Monday.

**Al Baraka Bank
Board meet
held**

The 30th meeting of the Board of Directors of Al Baraka Bank Bangladesh Limited was held on Saturday in the board room of the bank's head office, says a press statement of the bank issued yesterday.

The meeting was presided over by Abdul Matin Khan, Joint Secretary of the Ministry of Establishment and Vice Chairman of the bank's Board of Director. F M Rafiqul Islam, Chairman of the Executive Committee, Momodu Munu, Director representing the Islamic Development Bank (IDB), Directors M A Khaleque, S S Nasim Afaz Chowdhury, Md. Ashraf Ali, Barrister M. Moniruzzaman Khan, Humayun Kabir, Md. Musharraf Hossain, Md. Azizul Hoque, Md. Shahjahan Miah and Shamim Akhter.

Ansaruddin Ahmed, General Manager of Bangladesh Bank, Anwar Ahmed, Executive President, and Anwaruddin Khan, Secretary, also attended the meeting.

The meeting approved the bank's annual accounts for the year 1997 and also took some important decisions relating to its operation.

**Major Japanese
bank to apply
for public
funds**

TOKYO, Oct 21: The head of a major Japanese bank encouraged other lenders to join his bank in accepting public funds under a government rescue plan to prevent Japan's economic problems from triggering a worldwide financial meltdown, a newspaper reported Wednesday, says AP.

Industrial Bank of Japan Ltd. President Masao Nishimura told the Nihon Keizai Shinbun newspaper that his bank plans to apply for the public funds, making it the first major bank to publicly indicate its readiness to accept a capital infusion from the government.

Earlier this month Japan's Parliament passed laws allowing the government to take over foundering banks to fix them or shut them down and to pump up to 60 trillion yen (\$515 billion) in taxpayer money into the cash-strapped financial system.

Nishimura said that banks should think beyond their own interests and consider the impact on the global economy, noting that governments around the world have urged Japan to use public funds to bail out its banks.

**IBM profits up
10 per cent**

NEW YORK, Oct 21: International Business Corp on Tuesday reported a 10 per cent rise in its third-quarter profit, beating Wall Street expectations, as strong demand for computer services, hardware and software helped offset a slump in the memory chip business, reports AP.

IBM, the world's largest computer company, earned \$1.49 billion, or \$1.56 per share on a diluted basis, in the three months ended Sept. 30. That was up from a profit of \$1.36 billion, or \$1.35 a diluted share, in the year-ago quarter.

Revenue grew 8 per cent to \$20.1 billion from \$18.61 billion.

The results beat expectations of analysts surveyed by First Call, who predicted a profit of \$1.53 diluted share. IBM released its report after the close of stock trading. Its share fell \$1.50 a share at \$137 1/2 on the New York Stock Exchange.

IBM cited stronger demand for its range of products and computer services, which offset a drop in the company's computer chip business amid a worldwide slump in semiconductor prices.

**Int'l confce pledges to halve
African poverty by 2015**

TOKYO, Oct 21: Nations attending a conference on African development adopted a resolution Wednesday promising to try to halve the number of Africans living in poverty by 2015 through increased foreign investment, better education and democratic governments, reports AP.

The Tokyo Agenda for Action was passed on the closing day of the three-day conference here, which gathered 82 countries and 40 organisations. UN Secretary-General Kofi Annan and Japanese Prime Minister Keizo Obuchi were among the participants.

"Democracy and good governance, as well as peace and security, are essential to socio-economic development in Africa," the agreement said. "Violent conflicts in a number of countries constitute a major obstacle to sustainable development in Africa."

The Agenda for Action also stressed a commitment to integrating Africa into the global economy and encouraging market-driven economics there.

It reaffirmed the need for development in Africa, whose share of world trade totals less than 2 per cent. Africa only gets 2 per cent of the total foreign direct investment to developing countries.

Those taking part in the conference agreed that African nations should increase spending on education, so that by 2005, at least 80 per cent of children

complete primary education. Better health care is also needed, with "the burden of disease" heavy from malaria, polio and AIDS, the agreement said. Of the 31 million adults and children living with HIV or AIDS worldwide, 21 million live in Africa, it said.

The conference, which follows one held five years ago in Tokyo, also discussed the need for agricultural development, regional cooperation and equality for African women.

At the opening of the conference Monday, Obuchi promised continued aid to Africa, despite Japan's lagging economy.

The 82 nations and 40 organisations at the 2nd Tokyo International Conference on African Development also adopted a resolution Wednesday promising to try to halve the number of Africans living in poverty by 2015 through increased foreign investment, better education and democratic governments.

"Democracy and good governance, as well as peace and security, are essential to socio-economic development in Africa," said the Tokyo Agenda for Action. "Violent conflicts in a number of countries constitute a major obstacle to sustainable development in Africa."

The Agenda for Action reaffirmed the need for economic development in Africa, whose share of world trade totals less than two per cent. Africa gets only two per cent of total foreign direct investment in developing countries.

The ultimate objective of developing is to improve living conditions for every human being," Japanese Foreign Minister Masahiko Komura said in announcing the aid that will span the next five years.

Komura said the assistance will allow two million African children to study in new schools and provide better medical services and cleaner water to improve the lives of more than 15 million people.

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**Thailand will start growing
again in '99: BOT chief**

BANGKOK, Oct 21: Thailand's central bank chief said Wednesday he expects inflation and interest rates to fall by year's end, and that the economy will start growing again next year, reports AP.

Chatu Mongkol Sonakul, governor of the Bank of Thailand, also said he expects gross domestic product to show a positive growth of 1 per cent in 1999.

That prediction, however, is at odds with most analysts, who say Thailand's recession-ravaged economy will contract by about 7 per cent this year.

Inflation will be 8 per cent for 1998, lower than International Monetary Fund estimates of 9.2 per cent, Chatu Mongkol told a press conference.

He added that it won't exceed 5 per cent in 1999, which would mark a return to levels common before an economic crisis hit the country in 1997.

Unlike some previous central bank governors who routinely made overly-optimistic economic forecasts for political reasons, Chatu Mongkol is regarded as the country's most skilled technocrats.

The IMF is overseeing a 17.2 billion dollars bailout of the Thai economy. As part of its assistance, the IMF has demanded economic reforms and set targets on spending, inflation and other indicators for the country's planners.

Chatu Mongkol cited the declining purchasing power of Thai consumers, and the stability of the country's currency, the baht, as the reasons for improved inflation figures.

The stable baht will also help bring down interest rates at banks to 12-13 per cent, he said.

The governor also said the Bank of Thailand has not participated in the foreign exchange market this week as there has been no unusual movement in the market.

The central bank had bought dollars in recent weeks to settle its forward foreign currency contracts, but not to prevent the rise of the Thai currency, Chatu Mongkol said.

The baht is at an 11-month high against the dollar, trading at 37.85 to the dollar early Wednesday.

That exports could be hurt if the value of the baht rises too fast against other foreign currencies, Thai government officials have said.

"I see no sudden surge of inflow of foreign capital so there is no need for us to get into the market," Chatu Mongkol said. "The exchange rate of the baht is now quite stable."

Bangkok-based foreign exchange dealers have attributed the recent rally of the baht to foreign capital inflows to buy Thai assets. The State Financial Sector Restructuring Authority will auction some property projects belonging to 56 shut-down finance companies next month. On December 2, the FRA will auction 400 billion baht (US\$ 10.5 billion) worth of loan portfolios from those companies.

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Exchange Rates

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

Currency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD Sight	Buying TT & OD
USD	48.7050	48.3100	48.7450	48.1570	48.0850
GBP	83.4706	82.2768	83.5392	82.0162	81.8936
DEM	29.8255	29.3856	29.8500	29.2926	29.2488
JPY	0.4208	0.4134	0.4211	0.4121	0.4115
FRF	8.9688	8.7022	8.9762	8.6746	8.6616
SAR	13.0217	—	—	—	12.7965
MYR	12.8174	—	—	—	12.6543
AED	13.2972	—	—	—	13.0549
KWD	167.5439	—	—	—	154.5148
QAR	13.4181	—	—	—	13.1711
SFR	36.4695	35.8649	36.4994	35.7513	35.6978
CAD	31.9440	30.9535	31.9702	30.9552	30.9089
ITL	0.0321	0.0281	0.0323	0.0280	0.0280
AUD	31.3417	30.0730	31.3674	29.9777	29.9329