kickbacks on tractor deal

LAHORE (Pakistan), Nov 11: A court here yesterday charged former Pakistani Premier Benazir Bhutto, her husband and three others with receiving kickbacks on a tractor import deal, court officials said, reports AFP.

The accused denied the charges they were paid commissions worth 2.3 million dollars by a private company on a tractor import contract during

Bhutto's rule. Her husband Asif Ali Zardari refused to receive the chargesheet at the Lahore High Court accountability bench.

comprising two judges.

Counsel Latif Khan Khosa, receiving the chargesheet on behalf of Bhutto, said the former premier was being politically victimised by the govern-

The other accused, former Federal Minister Yousaf Talpur and two ex-officials, also refused to receive the chargesheets and contended they were not included in the investigation and were not heard by competent authorities. The court fixed the next hearing in the case filed by the

government for November 16. Zardari has been in jail since November 1996 when he was arrested after Bhutto was sacked by the then President Farooq Ahmed Leghari for alleged misrule and corruption.

Anti-Corruption Bureau of the

FDI increasing in Thailand

BANGKOK, Nov 11: Foreign direct investment in Thailand has been increasing in 1998 despite the influence of the financial crisis, said the World Investment Report 1998 which is available here today, reports Xinhua.

Thailand is likely to get 5.9 billion US dollars this year compared with 3.6 billion last year, the report said.

Mergers and acquisitions would likely account for almost two billion dollars, or one third of the direct investment, compared with 1.5 billion dollars last year.

However, an official from the Thai foreign ministry said that if had yet to be decided whether the increase in foreign direct investment in Thailand this year was new or capital from parent companies to help local ailing subsidiaries.

Increase in foreign direct investment this year are most likely to be in developed countries, as well as Latin America and central and eastern Europe, and also involve international mergers and acquisitions among companies, said the re-

Last year, Asia accounted for 58 per cent of the foreign direct investment in developing countries, but this year the United Nations Conference on Trade and Development expects a slight drop.

Possible accord with PAL pushes Cathay Pacific shares up

HONG KONG, Nov 11: Shares of Hong Kong's flag carrier Cathay Pacific Airways jumped nearly 8 per cent Wednesday on news it is close to a deal that would bail out ailing Philippine Airlines, presumably placing Cathay in control of PAL, reports AP.

Analysts were puzzled by the rally, saying too many questions remained unanswered. The deal is by no means

done. And even if it works, it remains unclear how much Cathay was planning to invest. what size stake it would get and what would happen to PAL's US \$2.1 billion in unpaid debts.

"The big question is what happens to the debt," said Raymond Chong of Yamaichi International (Hong Kong) Ltd.

Investors seemed untroubled by any such questions. They pushed Cathay Pacific up by 7.69 per cent to 7.70 Hong Kong dollars (US \$1) per share.

PAL stopped flying on Sept 23 in a labour dispute but resumed operations last month.

Philippine Finance Minister Edgardo Espiritu said early Wednesday that Cathay would have to pump in 4 billion pesos (\$98 million) of the estimated 6 billion pesos (\$147 million) necessary to revive PAL.

PAL management "may have to raise the remaining 2 billion pesos (\$49 million)." Espiritu said in an interview on Philip-

pine radio. Cathay Pacific would not confirm the Philippine government figures, saying it needed to conduct a careful review of the situation at PAL, which might take several weeks, before a detailed pro-

posal could be made. The Philippine government has repeatedly said it was ready to give up its stake in PAL and will not infuse any additional capital if a new investor comes

Although taking over the debt-ridden airline would unlikely boost Cathav's shortterm income, the deal could "help Cathay expand its business in Asia." said Patrick Yiu

of Kingsway Securities. Late Tuesday, Cathay Pacific announced that PAL management — with whom Cathav was negotiating directly - had accepted a conditional offer, though specific terms of the deal haven't been finalised.

Pakistan resumes talks with IMF for \$5b rescue package

ISLAMABAD, Nov 11: Poor Bill Clinton to waive some sanctions, imposed after last Pakistan, scrambling to raise funds to pay off its huge debt, resumed stalled talks Wednesday with the International Monetary Fund, an IMF official said, reports AP.

"An IMF team has arrived Islamabad and will resume the talks with Pakistan today," said Ahsan Mansur, the IMF resident director. But Mansur refused to say

Pakistan is seeking a bailout package worth \$5 billion from global donor agencies to avoid a default on the repayment of a whopping \$32 billion debt.
Pakistan is optimistic of a

breakthrough following a decision last week by US President

May's underground nuclear tests, as well as his offer of onetime support to Pakistan for this bail out package.
Without it Pakistan will be

forced to default on its debt, its imports would dry up and the country would be ruined economically.

Already Pakistan is behind \$1.4 billion and is currently on a 30 day grace period after which time the bill has to be paid or a default declared.

The IMF package is said to include \$2 billion of debt rescheduling and \$3 billion in

Talks with the IMF and World Bank stalled last month over a dispute between the Pakistan government and privately run power companies.

The government is accusing some of the country's biggest power companies of brokering deals with former prime minister Benazir Bhutto to charge inflated power rates. Prime Minister Nawaz Sharif accused the companies, many owned and financed by foreign companies and guaranteed by the World Bank, of paying massive kick-backs to Ms Bhutto's govern-

Both Ms Bhutto and the power companies deny the

A government decision to slash power rates by 30 per cent also caused the talks to stall.

According to several sources the IMF wants Pakistan to end its feud with the power companies, revamp its ailing state power utility which means increasing, not decreasing rates.

Last week Sharif changed his economic team, appointing Ishaq Dar as Finance Minister and ousting technocrat Hafeez Pasha from the post of financial advisor.

But finance ministry officials, who didn't want to be identified, said the changes won't effect negotiations.

"The main outlines of the programming have already been chalked out. We hope to wrap up talks in the coming few days," he said.

Commerzbank to raise credit risk provisions

FRANKFURT, Nov 11: Following the lead of other big German banks, Commerzbank AG said Wednesday it will raise its 1998 credit risk provisions to 1.6 billion marks (\$1 billion) "to account for ongoing problems in Asia and Russia," reports AP.

Commerzbank forecast however, that full-year earnings would still top 1997 levels. "The economic difficulties in many newly industrialising countries and the global financial crisis have affected Com-

merzbank group's earnings in

the third quarter," the bank

said a statement. For the first nine months, the bank increased its credit risk provision to 1.2 billion marks (750 million). Commerzbank didn't provide any comparative figures. In 1997, i took a total of 2 billion marks

in risk provisions. The bank's nine-month net income of 1.37 billion marks (\$856 million), up from 1.3 billion in the year-earlier period came in at the higher end of analysts' expectations.

Nine-month trading profit dropped 19 per cent to 504 million marks (\$315 million), the bank said. Analysts had forecast a steeper drop in ninemonth trading profit to between 420 million to 450 million marks.

Brent falls below \$12 a barrel

LONDON, Nov 11: Brent North Sea crude was being traded below 12 dollars a barrel yesterday, as demand on the London market remained extremely low, dealers said, reports AFP.

in December were being traded at 11.96 dollars a barrel in early trading on the International Petroleum Exchange. Prices had closed at 11.90 dollars on Monday, the lowest closing price since October

Prices have fallen by a dollar over the past week. A trader at Credit Lyonnais

rouse Trading House, Tony Machacek, said: "If we haven't touched the bottom yet, we should certainly do so in the next two days."

Overall developed countries

The United States remained

Japan mired in recession

Latin America and the

garnered 149 billion dollars of

FDIs last year accounting for 37

per cent of the total tally, up

unsurpassed receiving 91 bil-

lion dollars in FDI and invest-

saw a record three billion dol-

lars of inward investment and

spent 26 billion dollars abroad.

Caribbean was the star per-

former of the developing world

in 1997 attracting 56 billion

dollars, Brazil netted the single

biggest slice at 16.3 billion dol-

The volume for Africa, ex-

cluding South Africa, was a tiny

4.7 billion dollars just three per

cent of total FDI flows to devel-

oping countries, but "there are

signs of rising levels for the fu-

ture," UNCTAD said.

ing 115 billion dollars abroad.

from 17 per cent in 1990.

Dhaka, Tokyo sign investment accord

Dhaka and Tokyo have signed an investment Promotion and Protection Agreement to boost prospect of Japanese investment in Bangladesh, reports UNB.

Foreign Minister Abdus Samad Azad and his Japanese counterpart Masahiko Komura signed the agreement on behalf of the two countries before holding official talks in Tokyo on Tuesday, said a message received here yesterday.

An exchange of notes was also signed for providing yen 256 million for EPI Project in Bangladesh by the Bangladesh.

During the talks. Bangladesh and Japan agreed to work for further strengthening the bond of friendship and widening existing areas of cooperation.

The Bangladesh Foreign

Minister sought Japanese assis-tance for post-flood rehabilita-tion and long term flood control measures.

He urged his Japanese counterpart to expedite the construction of two vital projects — Rupsha Bridge and Dhaka eastern bypass and embankment.

The Japanese Foreign Minister said Japanese government would do everything possible to implement these projects at the earliest.

An expert team is expected to visit Bangladesh in connection with further study for the bypass and embankment project.

The Japanese minister agreed to consider implementation of Ganges Barrage Project Padma Bridge and dredging of major rivers in Bangladesh, according to the message.

India unveils share buy-back rules

BOMBAY, Nov 11: India's market watchdog outlined new regulations for companies seeking to buy back their shares under a new measures aimed at revitalising local bourses, reports

Devendra Mehta, Chairman of the Securities and Exchange Board of India (SEBI), told a press conference here that the regulations would come into effect early next week

"The regulations that we have approved are very liberal and at the same time they make adequate provisions to protect the interest of investors." Mehta said. "The regulations currently

cover listed securities and permit companies to buy their shares through the open market route or through a tender offer. "This enables the companies to get the shares at the lowest

Mehta also said "an elaborate certification procedure' had been put in place to prevent

any abuse of the buy-back facility by company founders. He said SEBI would not be involved in fixing price levels and warned that negotiated deals were not permitted

Final approval of the buy back scheme came in a special ordinance issued October 31 by Indian President K R Narayanan.

Several leading firms including India's largest truckmaker, the Tata Engineering and Locomotive Co Ltd textiles and petrochemicals giant Reliance Industries Ltd and the largest private steel maker, Tata Iron and Steel Co Ltd. have announced plans to buy back

The SEBI chief said the transactions would be timebound.

"We have also prescribed time limits for the whole process to be completed and have insisted that merchant bankers should certify the processes in the buy-back deal," he said.

OPEC summit this month

shares.

Qatar wants prices to hit \$18 a barrel

DOHA, Nov 11: Qatar's oil minister said here he wants crude prices to rise to 18 dollars a barrel and that "all options" are still open to achieve this "I will go at 18 dollars a bar-

rel. It is a very reasonable price for consumers and producers," the Gulf Emirate's Energy and Brent contracts for delivery | Industry Minister Abdulla Ibn Hamad Al-Attival, told AFP. His comment came two

weeks ahead of the Organisation of Petroleum Exporting Countries (OPEC) summit in Vienna, where the 11-member cartel including Qatar will discuss measures to battle critically low oil prices.

"All options will be discussed - to cut (production), to extend cuts - all of them at the November meeting. All options are open discussion," the minister said in an interview at his

Attiyah said Qatar would support any measure to lift oil prices from 10-year lows: "whatever the idea, we'll support it, whatever decisions to increase the oil price."

Informal discussions wil

continue between OPEC ministers until the Vienna meeting on November 25, but not formal face-to-face encounters, he said. Saudi Arabia, the world's leading oil exporter, has

warned it is losing patience with producers which fail to stick to their pledged output cuts. Kuwait, meanwhile, has been seeking fresh cuts. Qatar OPEC's smallest producer, in June joined other

members in cutting oil output by a cumulative total of 2.6 million barrels per day (BPD) from production levels in February in response to plummetting crude prices.

'Japan needs more female corporate executives'

TOKYO, Nov 11: Female executives are vastly underrepresented in corporate boardrooms in Japan, the world's secondlargest economic power, an international women's group said Wednesday, reports AP. Only 0.2 per cent of corpo-

rate directors in Japan are women, compared to 11.1 per cent in the United States and five per cent in Britain, according to Women Board Directors International, a Washingtonbased non-profit organisation. "These are all pathetic num-

bers," Irene Natividad, co-president of the group, told a press briefing ahead of a meeting with 16 Japanese women executives later in the day. But Japan, which ranks last

among industrialised economies in the number of women executives, looks particularly bad considering its global

strength, Natividad said. At most, the majority of Japanese companies give only one board seat to women, she said, citing the group's latest report which will be sent to all 2,396 Japanese companies listed on stock exchanges throughout the nation.

The group is here to expand their global networks and discuss ways to bring more women into executive positions, especially at Japanese companies operating internationally. Multinational automobile.

electronics and computer, companies, which represent Japan's primacy in the global market, are completely male dominated, while those that have opened up board seafs for women tend to be medium-sized concerns, she said.

"Companies with major international presence, or namebrand companies, do not have women on their boards." Japanese women are con-

spicuously absent from most areas of society traditionally dominated by men. For example, they account for only eight per cent of legislators in Parliament And although women ac-

count for nearly half of the nation's workforce only a small number are on the career track, with the majority confined to part-time jobs offering little challenge.

US-Japan showdown at APEC summit underway man of the Thai Foreign parently an attempt to push hathir Mohamad would at-

KUALA LUMPUR, Nov 11: The anticipated showdown between Japan and the United States at next week's Pacific Rim summit already appears underway, with Washington accusing Tokyo of offering money to other Asian nations to weaken a proposed free-trade

GENEVA. Nov 11: Global

foreign direct investment is set

to hit a record this year despite

the Asian financial crisis and

slower world economic growth,

a new UN Conference on Trade

and Development (UNCTAD)

Inward foreign direct in-

vestment (FDI) - such as facto-

ries and equipment built by

multinational firms - jumped

19 per cent to 400 billion dol-

lars in 1997, the latest UNCTAD

world investment report issued

440 billion dollars in 1998

chiefly because foreign direct

investment in companies and

projects is long-term and not

affected by the same mentality

that sends speculative short-

term capital rapidly in and out

of market, UNCTAD Secretary

General Rubens Ricuero told a

press conference in Lon,

The total could reach 430

report said, reports AFP.

on Tuesday said.

pact, reports AP. Japan, according to a major Japanese daily on Wednesday. will donate \$204 million to Asian nations to help develop their fishing and forestry in-

dustries. The aid, promised for the next five years, will be announced at a meeting Saturday of representatives in the Malaysia capital ahead of the Asia-Pacific Economic Cooperation summit next Tuesday and Wednesday, according to the Asahi

The United States, Australia and Canada will be pushing the 21-member trade forum to agree to a plan to cut tariffs in nine sectors covering \$1.5 trillion in global trade by 2020.

Famous top model Naomi Campbell displays a creation designed by Greek fashion designer

France, to launch the report

The only thing that could

affect this scenario would be an

aggravations of the crisis in the

world economy and a drying up

of liquidity, leaving firms un-

able to find credit to fund for-

eign investment, Ricupero said.

come have faded, however, with

recent rate cuts in the United

states and Europe and adoption

of a bank reform plan in Japan,

rise is likely to be focused in in-

dustrialised countries. Latin

American and eastern and cen-

Pacific may at best remain the

same as in 1997, which would

be the first time they have not

risen in the start of the 1980s.

economies plunged in recession

Asia, many of whose

tral Europe, the report said.

the report said.

Most of the projected FDI

"FDI flows into Asia and the

he said

Prospects of such an out-

New UNCTAD report says

Global FDI set to hit record in

'98 despite financial crises

Celia Kritharioti during a fashion show in Athens on Tuesday.

The industries would be chemicals, forest products. medical equipment, energy, telecommunications equipment, environmental goods and services, gems and jewelry. fisheries and toys.

But Japan, its economy in the worst recession since World War II, insists it can't accept a fixed schedule for opening its forestry and fishing industries to outsiders because of domestic politics.

APEC's aim is free trade among the developed member nations by 2010 and developing countries by 2020. The Japanese aid offer is ap-

Japan's position that technical assistance to develop industries is more crucial than tariff reductions to wrest the region out of its current economic crisis. US Trade Representative

- AP/UNB photo

last year, nevertheless posted

and eight per cent rise in FDI to

and all-time high of 87 billion

dollars in the 12 month period.

world's strongest investment

magnet, should see a tail off in

FDI growth in 1998 due chiefly

to economic frailty in its prime

capital providers such as Hong

which have shot up for the past

six years, amounted to 45.3 bil-

higher than the previous year

but low when compared with

the average of 147 per cent jump

suffering a contraction in gross

domestic product — Thailand,

South Korea, Indonesia,

Malaysia and the Philippines —

saw inward investment fall

slightly last year to 16.3 billion

dollars from about 17 billion.

The five Asian economies

between 1992 and 1993.

lion dollars in 1997. 11 per cent

Foreign flows into China

Kong, Japan and South Korea.

China, the developing

Charlene Barshefsky accused Japan of trying to derail the proposed free-trade pact, known as early voluntary sectoral liberalisation. She said it would fall apart unless Japan, the world's second-largest economy, signs on to all nine sectors.

"Japan is going around the region promising overseas development assistance to countries that don't participate," in the pact, she said. "It's completely outrageous." She said forestry and fisheries were two sectors that could

make a significant contribu-

tion to the trade package as a "We have press Japan hard

on this," Barshefsky said in Washington on Tuesday. "Other nations have as well, and we wait to see whether Japan will become a constructive force in APEC, or whether it will continue on a destructive path that it has thus far set for itself."

Malaysia, the host country for the sixth annual summit, on Tuesday indicated that other Asian nations may line up behind Japan on its stand against fisheries and forestry. Malaysian trade minister

Rafidah Aziz said Japan shouldn't be pressured into signing on to the pact and that it could still move forward without those two sectors. Rafidah also indicated Malaysian Prime Minister Ma-

tempt to steer summit debate toward regulatory controls on currency speculators. Malaysia in September im-

posed sweeping capital controls to curb flows of speculative money and peg the Malaysian currency to 3.80 ringgit to the dollar. Mahathir has long held that

the Asian currency and stock market turmoil was brought about by speculative attacks by currency traders and in no way reflected weaknesses of the battered economies.

During the summit, Thai Prime Minister Chuan Leekpai is expected to urge Mahathir to ease his currency controls to facilitate border trade, the Nation newspaper reported dnesday.

Kobsak Chutikul, spices-

Ministry, was quoted by The Nation as saying that Chuan hopes "Malaysia will treat the issue in the light of close neighborly ties.

Thai officials have said the currency controls have hurt Thai-Malaysian border trade and tourism. Malaysians are the biggest foreign tourists in Thailand, most of them crossing the border to visit the southern part of the county.

APEC comprises Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand. Papua New Guinea, the Indippines, Singapore, Taiwan, Thailand and the United States.

Russia. Peru and Vietnam will join APEC during this summit.

Piaggio to make India a major production centre

by Sanjay Suri PALERMO (Sicily), Nov 11: Piaggio, the Italian auto giant, plans to turn India into a major production and export centre for three-wheeler autorick-

Piaggio, which has majority shares in the new joint venture company Piaggio Greaves wi Greaves India Ltd as its India partner, plans to begin prodition at a plant in Baramat.

Maharashtra next year. "Our policy is to consider India the second hub of production," Enrico Dell'Artino, Vice-President of the light transportation wing of Piaggio, told visiting Indian journalists at a function in this Italian city to celebrate the 50th anniversary of the launch of the Piaggio three-wheeler that came to be known in India as the autorick

"The new designed vehicles will not be just for the Indian market but for export to Asia," Dell'Artino said. "The Indian market is of course interesting in itself, but we see a future in the three-wheeler transportation market in Asia."

Piaggio plans to produce up to 20,000 vehicles next year. and push production to about 50,000 a year within three years, Dell'Artino said. Piaggio estimates the three-wheeler market in India to be around 200,000 a year.

Piaggio plans to produce the three-seater passenger vehicle.
a cargo vehicle and a pick-up -all three-wheelers. Some of these will be diesel-engined specially designed to suit agri-cultural areas. Dell'Artino said.

The first line of production will be for the three-seater taxi. For now "the market is mainly that," said Dell'Artino. But the three-wheeler is likely to develop rapidly as a goods trans-portation vehicle, he said. The new three-wheeler for

India, which has not yet been named, is expected to give strong competition to Bajaj, with whom Piaggio was earlier in partnership to produce autorickshaws. Bajaj is now a major autorickshaw manufacturer. The original Piaggio threewheeler, called APE (pro-

nounced 'Aapay') sold about 1.7 million in Europe and two million more outside.
—India Abroad News Service Dollar firm

against yen

in London LONDON, Nov 11: The dollar held firm against the yen as Wall Street continued to enjoy relative calm; despite some profit-taking overnight, and as dealers awaited a meeting between US President Bill Clinton and Japanese Prime Minister Keizo Obuchi next week, reports

AFP. The dollar rose to 123.15 yen from 122.05 but fell slightly to 1.6870 marks from 1.6911. Traders bought dollars as

calm returned to the US stock The chief economist at DKB International Gerard Lyons, said: "the financial markets have stabilised, the trend was already evident over the past

from it." Lyons added that the US currency had risen before next week's meeting between the US and Japanese leaders.

few days and the American cur-

rency is clearly benefitting

"It seems as though the Japanese are ready to accept a dollar/yen stability at around 121/125 yen to the dollar," the

economist said. The pound sterling rose against the yen on the coat tails of the dollar, Lyons said. The dollar was being traded

at 1.6870 marks (1.6911). 23.151 yen (122.05), 1.3944 Swiss francs (1.3985) and 95.6575 French francs (5.6690) The mark was being traded at 73.02 yen (72.06), 0.8264 Swiss francs (0.8278), 939.08 lire (989.17), 3.351 French

francs (3.3527) and 85.01 pesetas (85.07). The pound sterling was being traded at 1.6597 dollars (unchanged), 2.8003 marks (2.8050), 204.42 yen (202.12), 2.3144 Swiss francs (2.3211) and 9.3931 French francs

(9.4067).Gold was being traded at 292.20 dollars per ounce from 292.35 dollars on the London bullion market.

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 11th Nov '98. Buying

Name of TT Clean OD Sight OD

US Dir 48.3500 48.1600 48.0600

Export Bills Transfer

| Pound | 79 6 | 6432 | 79 | 3302 | 79.165: |
|-------------------|-------------------------|---|-------|--------|----------|
| Mark | Riversia (No. 1944) and | 916 | 28 4 | 4793 | 28.420 |
| Franc | | 5291 | | 1956 | 8.4779 |
| Dir' | | 683 | 31.0 | 0458 | 30.981. |
| Franc | | 776 | | 5413 | 34,4690 |
| Yen | | 1927 | | 1911 | 0.390. |
| | Headens. | Sell | ling | | |
| Name of | 6+00 UNI | T.T.8 | 0.D | | B.C. |
| S Dollar | | 48 | 709 | 5 | 48.7490 |
| B Poun | | | 874 | | 80.9399 |
| Mark | 33 | | .102 | | 29.1259 |
| Franc | | | .680 | | 8.687 |
| Dollar | | | .736 | Q250 | 31,7619 |
| Franc | | 250000000000000000000000000000000000000 | 299 | | 35.3279 |
| Yen | | | .403 | | 0.404 |
|) TT (k.48.25 | 50 | | Dolla | ır Spo | et Buyin |
| Usance | 60 | 00 | 1 | 120 | 180 |

47.8531 47.4502 Selling Currency Saudi Riyal UAE Dir Kuw Din D Guilder

47.0472 46.6443 45.8385 Buying 12.9878 12.8139 13.2622 13.0840 160.7999 158.6034 25,6096 25,2549 6.1154 6.0301 \$ Krona 12.8193 12.6464 Malay Ringgi 29.5173 29.1061 Sing Dollar