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DHAKA, SUNDAY, NOVEMBER 15, 1998

Fraud unearthed in EU accounts

LONDON, Nov 14: EU finance watchdogs have uncovered a five billion dollar catalogue of fraud, mismanagement and shoddy control, according to an internal report quoted widely in the British press today, reports AFP.

The annual report from the EU Court of auditors highlights such extensive misuses in spending last year's budget of 108 billion dollars that the court refused to grant official approval to EU accounts.

Several British papers, all quoting from a leaked copy of the report, said it pointed in particular to widespread misuse of grants to farmers and in the allocation of funds to boost economic development in poorer member states.

The Court's President, Bernhard Friendmann, said it showed "an unacceptable incidence of substantive errors," according to The Daily Telephone.

Some of the misuses highlighted by the report were:

— Aid payments to fishermen whose boats had long since sunk.

— Payments to encourage fishermen to operate outside EU waters, when they were already doing so.

— Over-payment of subsidies to Italian farmers who exaggerated the amount of land in use by 20 per cent.

— Payments of excessive grants to banana farmers.

— Payment of grants to olive oil growers, despite no records of the trees actually existing.

— Serious breaches of regulations in running the EU research budget.

One third of the money is said to have gone missing from the budget of the common agricultural policy, although that was less than in previous years.

The report is sharply critical of the 15 EU member states for claiming too much in structural aid payments for their own poorer regions.

It does, however, give them the benefit of the doubt, suggesting that the excessive claims often result from ignorance of the rules rather than planned deceptions.

Indian fiscal deficit set to widen

NEW DELHI, Nov 14: India's fiscal deficit is set to widen due to a huge shortfall in government revenues, a top bureaucrat in the Revenue Department said, reports AFP.

Revenues accruing to the government from customs duties increased by a meagre one per cent to 5.3 billion dollars during the seven-month period following a fall in oil imports.

The government was still hopeful of meeting its excise revenue target of 13.6 billion dollars, said the official.

"There will be more inflow of taxes in the second half. We certainly have to work hard to meet the targets. We have adequate mechanism in the department and we expect to make it up through administrative measures," he said.

India's economic growth dropped two percentage points to five per cent in the fiscal year to March 1998 after average growth of 7.5 per cent during the previous three years.

Sugar producers threaten output stoppage in Thailand

BANGKOK, Nov 14: For the second time this year, sugar planters and millers are demanding that the government raise the controlled price of the commodity, a local newspaper reported Saturday, reports AP.

The growers and millers are threatening to stop all sugar production from the beginning of next month if their demands are not met, the Bangkok Post said.

The move could force Thailand to make large-scale imports of sugar for the first time in decades and raise the price of sugar for consumers from the current level of 11-15 baht a kilogram (0.14-0.19 a pound) to as much as 20 baht a kilogram (\$ 0.25 a pound), the newspaper reported.

Growers and millers are seeking a price of 785 baht (\$21.22) per ton for sugar, with growers taking a government-mandated 70 per cent share and millers 30 per cent, said the report.

The sugar producers claim a hike is necessitated by rising production costs, said the paper, quoting an unnamed source who estimated they would be at least 710 baht (\$19.19) per ton for the 1998-99 season.

In April, the government rejected demands by sugarcane planters to raise domestic sugar prices, a politically sensitive issue during the current recession.

The Commerce Ministry ruled out a request for a price hike of 3 baht (8 cents) per kilogram, following talks with 10 planters.

The rejection came after the producers called off a threatened mass demonstration the capital after the government had tentatively worked out a compromise on the price hikes.

Speaking at a seminar sponsored by the House committee on agriculture Friday, an industry official recalled the failed deal.

Special prosecutors' refusal to handle share scam cases

Ministry seeks SEC's advice on next move

By M Shamsur Rahman

Following lawyers' rejection to deal with the 1996 share scam cases at the Government prescribed fees, the Finance Ministry is now counting on SEC for a way to avail of their services.

The Finance Ministry on Thursday sought SEC suggestions about what legal steps could be taken following rejection by lawyers.

The ministry in its letter to SEC said that the government was committed to effectively handling the cases and resolving the crisis evolving out of the refusal.

In a letter to the Finance Ministry, the SEC had earlier said, "the share manipulation cases are very sensitive and are matters of public interest. These need to be handled by efficient and experienced lawyers for which the SEC had suggested

names." "The companies and individuals accused in the manipulation cases would hire the best corporate lawyers and they would be paid at regular rates. The government appointed renowned Special PPs have already rejected their appointments on the ground of petty fees."

"The SEC feels that these sensitive cases having public interest cannot be dealt with in effective manners without experienced lawyers. This would throw SEC and the government in an embarrassing situation," the SEC said in its letter.

The Law Ministry recently named four Special Public Prosecutors - Dr M Zahir, Dr AKM Ali, Syed Haider Ali and Syed Rezaur Rahman - to deal with 15 share scam cases and said they would receive fees at

government rates. The trial is expected to begin this month after almost two years of delay.

Sources said at least three of the lawyers has expressed their unwillingness to take up the cases because of low fees.

An SEC official said that the beginning of the trial in these cases and proper adjudication would help restore confidence of the hapless investors.

Thousands of small investors lost their savings in the late 1996 stock market crash. The authorities later formed an inquiry committee, which submitted a report on March 27, 1997. On the basis of the report, the SEC filed 15 cases on April 4 last year.

On July 1 last year, three accused companies challenged merits of the cases filed with the Chief Metropolitan Magis-

trate. **Beximco Pharma**, **Shinepukur Holdings** and **Doha Securities** filed three revision petitions with the district judge, who referred them to the High Court for "quashment".

The High Court on December 9 last year rejected the districts judge's suggestion, prompting the three to appeal to the Supreme Court.

A single bench appeal judge granted a stay on the operation of the High Court verdict. The issue then went to the full bench of the Appellate Division, which on May 13 this year rejected the leave petition filed by the three companies.

Even with the removal of legal barriers to the proceedings of the cases, the confidence-shattered investors are yet to see the beginning of the trial against the "accused."



Foreign visitors look at Lotus Elise NGV, a brand new model of the Lotus Elise 1.8 liter, as it makes first public showing at the APEC International Trade Fair in Kuala Lumpur Friday. The sports car, with 4-cylinder, 4-stroke high volume produced engine, was a joint venture product of PROTON and the British auto maker. — AP/UNB photo

'IMF bailout of Brazil to help stabilise region'

KUALA LUMPUR, Nov 14: Peru's foreign minister Saturday praised the \$41.5 billion bailout of Brazil organised by the International Monetary Fund, saying it would help restore stability to Latin America's biggest economy, reports AP.

"This is something we have been waiting for," Fernando de Trazegnies told Dow Jones Newswires in an interview. "It is very important for Latin America."

He spoke on the sidelines of a meeting of the Asia-Pacific Economic Cooperation forum, which Peru formally joined Saturday.

Brazil, which accounts for 40 per cent of Latin American economic output, is the latest country to be stricken by the global contagion that began in Thailand in 1997.

De Trazegnies said the bailout package, which includes contributions from the US and other countries, would help entrench economic reform introduced recently by Brazilian President Fernando Henrique Cardoso.

EBL earns Tk 343m pre-tax profit

Star Business Report
Eastern Bank Limited (EBL) has earned a Tk 343 million pre-tax profit last year, as against Tk 223 million in 1996, showing an increase of 53.81 per cent.

This was revealed by the Chairman of the Board of Directors of the bank, Nurul Husain Khan, while presiding over its 6th Annual General Meeting held at a city hotel on Thursday, says a press release.

Among others, M Aminuzzaman, member of the board of directors, and M Khairul Alam, Managing Director, spoke on the occasion.

Speaking on the occasion, the chairman highlighted the growth of the bank in respect of profits, deposits and business.

The meeting approved the Annual Accounts and Balance Sheet of the Bank for the year 1997 along with the Directors' Report.

Six years back, EBL started its journey with 4 branches only. Now it has 21 branches in important business centres of the country. All the branches of the bank have been computerised and equipped with other modern facilities to give personalised customer services.

From the very inception, the bank started functioning shouldering Tk 313.9 million BCCI loss. It kept on profiting every year despite the fact that in December 1992, EBL had to incur a loss of Tk 2.00 crore in its early four and a half months of operation.



CCCI President R Maksud Khan speaks at a joint seminar organised by the Chamber, Export Promotion Bureau (EPB) and German Federation of Small Business and Skilled Crafts (ZDH) on "How to Prepare for Participation in International Fair" on Saturday at the CCCI auditorium. —CCCI photo

Japan offers visa-free visits to Australian tourists

CANBERRA, Nov 14: Australian tourists will not require a visa to visit Japan from next month, the government announced Thursday, reports AP.

The announcement is the latest to flow from the introduction of electronic visas in Australia to replace passport visa stamps.

Until recently, Australia's insisted that all visitors have a visa, leading to reciprocal demands from most other countries.

But adoption of the Electronic Travel Authority system, which can deliver travel documents in seconds through travel agents, has prompted a number of countries to lift visa requirements for Australian visitors.

Thursday's announcement, during a visit by Japanese Foreign Minister Masahiko Komura, follows the lifting of similar restrictions by the United States, Canada, France and Spain.

Immigration Minister Philip Ruddock said the move

was an important milestone in the development of Australia-Japan relations.

"The number of Australians travelling to Japan has increased over recent years, with more than 56,000 Australians travelling to Japan in 1997," Ruddock said.

"Under the new visa free arrangements, people holding valid Australian passports will be able to enter Japan without a visa for a period of up to 90 days effective from December 1, 1998."

"Visa free travel will apply to Australian tourists and short-term business visitors to Japan, on the condition that they do not undertake any form of paid work, service or activity in Japan."

Since being "introduced" to Singapore in 1996 the electronic visa service has been extended to the United States, Japan, most of Europe, Malaysia and beat Woh and Lee Cheng for allegedly renegeing on a promise to award them the tender. Details of the corrup-

tion then emerged.

A third army official, commanding officer Lt Gen Liu Hsueh-ta, was sentenced to two years and six months for lesser involvement in the case.

Another officer, Maj Lee Chun-lin, was acquitted.

The convicted men's families said they would appeal the sentences.

The scandal dealt a body blow to the military's reputation just as it was beginning to recover after the still unsolved murder of a navy captain in 1993 that opened up revelations of greed and graft in military procurement.

Defence Ministry spokesman Kung Fan-ding said the prison sentences in the latest corruption case, exemplified the military's determination to root out corruption.

"You will notice that this case was open to the public through its entirety, showing that we will prosecute corruption cases to the full extent of the law," Kung told a news conference.

Experts suggest co-generation of energy for South Asia

International energy experts yesterday opined that simultaneous production of thermal and electrical energy or thermal and mechanical energy from a single primary source is the most environmentally benign and cost-effective technology for South Asian countries, reports BSS.

The use of such co-generation has many economic and environmental advantages. It means lower primary energy consumption, reduced energy bill, lower transmission and distribution losses and lesser burden on national governments for centralised power generation, they observed.

The experts were addressing the opening session of a two-day discourse on co-generation titled "South Asia Sub-Regional Seminar on Promotion of Energy Efficiency and Pollution Control through Co-generation" organised by the Centre for Energy Studies of Bangladesh University of Engineering and Technology (BUET) at the Council Bhaban of BUET with assistance from the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

State Minister for Science, Technology and Planning Dr Mohiuddin Khan Alamgir, Vice-Chancellor of BUET Prof

Dr Nooruddin Ahmed, Director of the Centre for Energy Studies Dr M A Rashid Sarkar, Chief of ESCAP Energy Resources Division P C Saha and team leader of Bangladesh study Prof Dr Imtiaz Hossain, among others, took part in the discourse.

The state minister said the government supports the idea of regional and sub-regional cooperation and it is always ready to share technologies in this field to enhance cooperation.

"Unfortunately in the past, we had always confined our searches for primary energy sources within our territorial boundary," Dr Alamgir said.

He said, "we had no idea about how regional and sub-regional cooperation could assist our planners who are struggling to cope with increasing demands for power."

He said the government would speedily accept the recommendations of the discourse on co-generation.

The state minister said the developing nations should march forward collectively and they should also ensure optimum and effective use of natural resources for generation of power which is one of the prime catalysts of social progress.

Vice-Chancellor of BUET Prof Nooruddin Ahmed said co-generation is simultaneous

production of heat and power in a single thermodynamic process and different studies have shown that the efficiency of energy use in co-generation is very high and could be as high as 70 to 80 per cent.

He said the co-generation concept can be applied to small engines as well as the big industries or larger systems.

"It is quite interesting to note that in spite of many merits, co-generation really didn't pick up mainly due to regulatory barriers and proper incentives," Prof Ahmed observed.

He said pre-feasibility study of BUET team in some industrial and commercial sectors show that in many cases power-heat ratio is very much appropriate for co-generation system and this system is a promising choice for many industries and commercial houses in Bangladesh.

Chief of ESCAP Energy Resources Division P C Saha presented ESCAP Executive Secretary Adrianus Mooy's written message on co-generation.

He said co-generation can be used in food processing, textiles, steel factories, cement, glass and ceramic industries, refineries, pulp and paper production and also in pharmaceuticals industries.

Commodity: Weekly Roundup

No wave in oil market despite US move against Iraq

LONDON, Nov 14: The growing spectre of US-led air raids against Iraq to punish the oil-rich country for non-cooperation with UN inspectors failed to make waves in the global oil market this week, reports AFP.

Both the London and New York markets saw prices dip.

Peter Glanoux, head of the petrol desk at Salomon Smith Barney Trading House said "as long as there is oil flowing through the Iraqi pipelines, the market will remain sceptical and prices stuck."

The United Nations spokesman in Baghdad said on Friday that exports permitted to Iraq to finance humanitarian supplies for its impoverished population would continue as normal, despite current tensions.

Traders say that even an attack will not likely affect the price of oil since Iraq is used to

taking measures to preserve its vital industry's infrastructure at times of threatened attacks from the US military.

However, if Iraqi oil is stopped from flowing out, prices could rocket, Glanoux said.

COCOA: Chilled. Cocoa prices fell as fresh cocoa beans began to arrive in vast volumes at ports in Cote D'Ivoire.

Contracts for March delivery fell by 26 pounds to 1,008 pounds per tonne.

A total of 46,469 tonnes of beans arrived on the coast of the world's dominant producer country this week, on top of 36,966 tonnes have arrived in ports, compared with 155,000 tonnes at the same time last year.

Brazilian exporters said that shipments in October rose by 52 per cent compared to the same month last year to 2,014 million sacks.

They predicted that total deliveries from Brazil would exceed two million sacks in November and December combined.

Colombia also shipped large volumes of beans, compensating for damage caused to plantations in Central America by hurricane Mitch.

SUGAR: Sweet. A shortage of high-grade supplies promoted speculative trades that took prices higher this week.

On the London market, March contracts rose by 11.7 dollars to 244.70 dollars a tonne.

American cane fields and rainfall in Australia added to the market concern.

TEA: Weak. Tea prices fell despite healthy demand in the Bombay auction houses, the tea brokers' association said.

The price of high-grade BPI leaves and medium quality brews fell PFI prices by five to 20 cents a kg.

VEGETABLE OILS: Hot. US says prices rose sharply after the authorities reduced their forecasts for production in 1998/99.

Soya prices on the Chicago Board of Trade (CBOT) rose by 21 cents to 5.80 dollars a bushel (of 27.2 kg for November delivery).

The US Agriculture Department revised its forecast for the 1998/99 harvest down to 75.19 million tonnes from 75.36 million delivery.

GRAINS: Toasty. US wheat prices rose slightly in reaction to US and European deals to deliver millions of tonnes of food aid to Russia ahead of the country's bitter winter.

Europe was highly competitive. France won a tender for 80,000 tonnes of wheat from Morocco in December, while Tunisia bought 100,000 tonnes of European and Turkish wheat.

Maize prices rose after the US Department of Agriculture (USDA) gave a downward revision of production levels to 249.85 million tonnes from last month's figure of 247.49 million tonnes.

COTTON: Frayed. Cotton prices fell amid disappointment among investors over higher than expected production estimates for the United States.

The USDA said that production in 1998-99 will rise to

13.23 million bales from 13.29 million in the last estimate in October, analysts had expected production to come in at about 13 million bales, propping up prices.

Prices are also edging down due to improved weather in Texas, which is drying the crops after strong rainfalls the previous week and allowing harvesting to pick back up.

WOOL: Warm. The British wool market had a good week, especially for quality Cheviot wool, the committee of London wool brokers said, almost 90 per cent of the 2.722 million kilos on offer were sold.

The woolslop index was unchanged at 296 pence a kilo. In Australia, demand was good, with 95.6 per cent of 68,415 bales on offer sold, the Australian Council of Wool Exporters said.

S'pore to boost fund industry

SINGAPORE, Nov 14: In a move to jump start its fledgling mutual fund industry, Singapore said Saturday it will release another 10 billion Singapore dollars (US 6 billion) to private fund managers over the next three years, reports AP.

The Monetary Authority of Singapore, the island state's de facto central bank, said in a statement that the move will help "build Singapore into a world-class financial centre."

The sum is in addition to 25 billion Singapore dollars (US 15 billion) earmarked earlier this year for placement with private managers, also over the next three years, National Development Minister Lim Hng Kiang said late Friday.

These funds will act as seed money to encourage existing fund management companies to continue to grow in their operations as well as attract other fund management companies to set up offices in Singapore.