

Asia vulnerable to US-style accounting fiascos: Experts

AFP, Singapore

The slew of scandals rocking corporate America should prompt Asia to review its own accounting and auditing standards, regional analysts say, cautioning against gloating at the apparent reversal of fortunes.

As Asia emerges stronger after its 1997-98 financial crisis, it sits in the box seat as the United States takes stock of the debacles jarring among its most revered companies.

"What a difference five years does make," said Thomas Dawson, chief spokesman of the International Monetary Fund (IMF), whose painful medicine during the Asian crisis sparked much criticism.

"It's now the US and the industrialised countries that are going through a time of soul-searching and adjustment while East Asia appears to be back on track," he told a recent forum in Singapore.

Economists, however, warn that despite Asia implementing urgently

needed reforms following the 1997 meltdown, it remained vulnerable to problems similar to those which brought down US energy giant Enron Corp. and telecom company WorldCom, among others.

Enron collapsed and WorldCom is fighting bankruptcy after irregularities in their books involving billions of dollars were exposed, raising questions over the quality of US auditing and accounting standards.

The irony is not lost on some commentators who say the US has lost the moral high ground to lecture Asia on business ethics.

But Srinivasa Madhur, an economist with the Asian Development Bank (ADB), said corporate America's woes should prompt Asia to take a closer look at its own vulnerabilities.

"If a mature economy like the US, with all the regulatory framework in place, could face this sudden corporate governance issues I would be very concerned. We do not know what we will unearth in this part of the world," he told AFP.

"I have no reason to rejoice ... This is a time when we should look at our own house in a much more introspective manner."

Economist Michael Backman, who has written extensively on the stranglehold of families on Asian businesses, said an Asian-style Enron debacle could be in the wings.

"We had one Enron in the United States, but how many potential Enrons are here in East Asia? Maybe 5,000 ... 10,000?" he told AFP.

While the Enron issue exposed holes in accounting standards in the United States, they "are even worse" in Asia, Backman said.

And even though many international accounting firms have partnered with local concerns, operational control remained with the domestic firms.

"Accounting leaves a lot to be desired in Asia and that's just one of the many things that has to be reformed. And the overhaul has to be more substantial than just the

fine tuning in the United States," Backman said.

Tunku Abdul Aziz, a former Malaysian central banker and now vice chairman of the global anti-corruption group Transparency International, said Asia must get a grip on the problem with sound accounting standards that are rigidly enforced.

"The main challenge for Asian companies is really to make sure that they are up to internationally accepted standards because in a globalised economy, they will just have put their houses in order," he said.

Jemal-ud-din Kassum, World Bank vice president for East Asia and the Pacific region, said the Enron debacle showed that poor business ethics was not an issue only for developing countries.

"In fact it remains a big issue in all market economies," he told an anti-corruption forum in Singapore.



PHOTO: UCBL

Muhammad Sajid-ul Haq, managing director of United Commercial Bank Ltd (UCBL), speaks as chief guest at the inaugural ceremony of a course on credit management held in the city on Saturday. Additional Managing Director of the bank Hamidul Huq and Principal of the bank's training institute AHM Nurul Islam Choudhuri are also seen in the picture.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank.

Selling	Currency	Buying			
		TT Clean	OD Sight Doc	OD Transfer	
58.5500	58.5800	USD	57.4000	57.2314	57.1629
58.8667	58.9536	EUR	56.2134	56.0300	55.9534
91.8108	91.8528	GBP	88.4760	88.2095	88.1549
33.6027	33.6272	AUD	31.4142	31.3217	31.2416
0.5043	0.5045	JPY	0.4870	0.4868	0.4858
39.7976	39.8221	CHF	38.4177	38.3231	38.2386
6.3479	6.3530	SEK	6.1093	6.0917	6.0757
38.3844	38.4089	CAD	37.2133	37.1196	37.0364
7.5143	7.5156	HKD	7.3541	7.3364	7.3190
33.686	33.7070	SGD	32.7347	32.6909	32.5762
16.0710	16.0886	AED	15.4925	15.4706	15.4521
15.7373	15.7557	SAR	15.1905	15.1538	15.1356

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Norwegian	NZ dollar	AUD
48.75	60.15	96.15	41.075	7.4046	0.48485	0.5598

The local interbank foreign exchange market was steady on Sunday. Demand for dollar was steady. Demand for BDT for overnight borrowing at call was steady and the call rate ranged between 2.5 and 3.0 per cent for the day. Bangladesh Bank Treasury Bill auction has been held on Sunday.

International market was closed for the weekend. At the closing of New York on Friday, euro traded at 0.9914/18 against dollar, pound sterling at 1.5532/38 and yen traded at 116.79/85 against US dollar.

Bush, Democrats in air war over corporate governance

AFP, Washington

US President George W. Bush and congressional Democrats took to the airwaves Saturday, each to present the solutions to corporate scandals that will likely define a partisan showdown in Congress.

Bush, in the face of falling popularity and questions about his own conduct as an entrepreneur, used his weekly radio address to argue for higher penalties under the laws already on the books, while Representative David Phelps of Illinois presented the Democrats' response of tighter regulations.

Each promised his plan would ensure prosperity.

"Perhaps the greatest need for our economy at this moment is restoring confidence in the integrity of the American business leaders,"

Bush said.

"I support the creation of a strong, independent board that will provide effective oversight of the accounting profession," Bush said.

"This week, I announced new steps my administration is taking to crack down on corporate fraud. I proposed doubling jail time for financial fraud. I am creating a new task force at the Justice Department to aggressively investigate corporate crime," Bush said.

He asked Congress to increase spending for the Securities and Exchange Commission by 100 million dollars.

Ahead of the summer recess in August, Bush, who was spending the weekend at the Camp David presidential retreat in Maryland, said Congress has "a lot of work ahead of them."

Bush found new urgency to the problem after his speech Tuesday on the matter garnered a lukewarm reception. The dollar dropped and the Dow Jones industrial average fell throughout the week and remained below 9,000 as Democrats grabbed the initiative.

"This is a debate between those who are opposed to real reform and those who believe that strong initiatives are the appropriate response to the current crisis," said Phelps, reprising the Democrats' theme, "Wall Street versus Main Street."

"There are a lot of small businesses and small companies in Southern Illinois that play by the rules, treat their employees fairly and work to promote the best interest of the company, not the CEOs," Phelps said.

"Why should large corporations

and corporate officers not have to live by the same rules of honesty as the small businessman?"

Bush's overall approval rating slipped to 68 per cent from 70 per cent amid the corporate scandals in an opinion poll Newsweek magazine made public Saturday.

While 51 per cent approved of the way the president has responded to recent business scandals, 32 per cent disapproved.

Vice President Dick Cheney may also be called to testify in court after being named in a lawsuit filed by a government watchdog group, Judicial Watch.

Bush's proposal would ban corporate loans to officers. Democrats wasted no time pointing out that he had received such a loan as director of Harken Energy Corporation.

SHIPPING

Chittagong port

Berth position and performance of vessels as on 14-7-2002.

Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Imprt disc
J/1	Supreme	GI (Log)	Yang	Uniship	6/7	18/7	1110
J/2	Hang Cheung	GI (Y Ma)	Sing	USL	22/6	16/7	1813
J/3	Gali-2	GI/Rice(P)	Kaki	Rainbow	27/6	14/7	260
J/4	Togo Charm	C Clink	Cla	OLM	20/6	15/7	1432
J/5	Le Tai	GI(Peas)	Rouen	Angelic	23/6	17/7	1325
J/7	Win Song	GI (Bit)	B Abb	Rkship	5/7	18/7	891
J/8	Taraman Bibi	Rice(P)	Mumb	Mutual	21/6	16/7	915
J/9	Suisen	C Clink	Krabi	OLM	3/7	20/7	2050
J/10	Bremfit Wisdom	GI (Maize)	Sing	Rainbow	25/6	15/7	1375
J/11	Xpress Resolve	Cont	Para	Everbest	11/7	15/7	196X
J/12	Asimont	Cont	P Kel	Seaborne	10/7	15/7	105/1
J/13	Kuo Hsiung	Cont	P Kel	QCSL	8/7	16/7	158X
CCT/1	Banga Bonik	Cont	Col	Baridhi	13/7	16/7	216/24
CCT/2	Kota Naga	Cont	Sing	Pii(BD)	11/7	17/7	366/29
CCT/3	Banga Borat	Cont	P Kel	Bdship	10/7	15/7	205/28
RM/14	Khaleda	Idle	Sant	AMBL	18/6	18/7	-
RM/5	Mercs Kandy	Sugar (P)	Col	RSA	22/6	15/7	-
CCJ	CS Valiant	C Clink	Tarj	BSL	6/7	20/7	-
RM/4	Stardrop	CDSO	Darb	Rainbow	10/7	16/7	-
DOJ	Han Star	C Clink	Sing	ASLL	25/6	15/7	-
DD	Banglar Kallol	Repair	Yang	BSC	13/6	25/7	-
DDJ/1	Banglar Mamata	Repair	-	BSC	RIA	17/7	-
RM/9	Banglar Gaurab	C Clink	Clink	OWSL	22/5	20/7	-
RM/10	Banglar Jyoti	Repair	-	BSC	RIA	15/7	-
K(U)	Kyriakos-M	Urea	Sing	MBL	12/7	17/7	-
BB	Pai Hai Jun No. 2	Ballast	Taiw	Transglobal	6/7	-	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Kota Singa (Cont)29/6	14/7	Sing	Pii(BD)	Cont	Sing
Orient Freedom (Cont)4/7	14/7	-	PSSL	Cont	Sing
Banglar Robi (Cont)9/7	14/7	Sing	BSC	Cont	Sing
Fastivity	15/7	Tanj	BSL	C Clink	Sing
QC Pintail (Cont) 30/6	15/7	P Kel	QCSL	Cont	Sing
Xuang Cheng	15/7	-	MSA	Sugar(P)	-
J Lucky	14/7	Bang	Mutual	Sugar(P)	-
QC Dignity (Cont)4/7	16/7	P Kel	QCSL	Cont	Sing
Banga Biraj (Cont)6/7	16/7	P Kel	BdShip	Cont	Sing
Min Jiang (Liner)	17/7	Tanj	BdShip	GI	-
Jaya Mars (Cont)11/7	17/7	-	Everbest	Cont	Sing
Iligan (72)13/7	17/7	Yang	H&S	GI(Hr,Col)	-
Banga Biroi (Cont)6/7	17/7	-	BdShip	Cont	Sing
Consistence (Cont)6/7	19/7	Sing	PSSL	Cont	Sing
Kota Cahaya(Cont)	18/7	Sing	Pii(BD)	Cont	Sing
QC Lark (Cont)8/7	17/7	P Kel	QCSL	Cont	P Kel
Xpress Manaslu (Cont) 7/7	17/7	-	RSL	cont	Sing
Banga Bijon (Cont)9/7	18/7	-	Baridhi	Cont	Col
Baltic Leader (Roro)24/9/7	20/7	Sing	JF	Cont	Sing
Banga Lanka (Cont)8/7	20/7	-	Baridhi	Cont	Col
Jaami (Con)10/7	19/7	-	Everbest	Cont	Col
Shun Cheng (Liner)	19/7	-	Everest	GI (St C)	-

Tanker due

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Danat Qatar	14/7	Jebe	USS	Crude Oil	-
Falcon	14/7	P Kel	Rainbow	Cop	-
Dai Long	15/7	Sing	MSTPL	SKO/JP-1	-

Vessels at Kutubdia

Dea Chancellor	-	-	-	Arafeen	R/A(2/7)
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Vessels at outer anchorage Ready on

Sara Star	GI (Coil)	Goa	Royal	7/7
Nand Srishti	C Clink	Sikka	BSL	6/7
Elmwood	GI/GL	Pipa	RML	11/7
Phumi (Cont)	Cont	P Kel	PSSL	12/7
Qc Teal (Cont)	Cont	P Kel	QCSL	13/7

The above are shipping position and performance of vessels at Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

STOCK