

US corporate failures, scandals worry Pakistani exporters

AFP, Karachi

The after shocks of spectacular corporate failures in the United States are being felt in far away Pakistan, where exporters are bracing for a severe drop in trade.

The President of the Karachi Chamber of Commerce and Industry (KCCI), Haroon Bari, said Pakistan's exports would fall because of the erosion of business confidence in the United States following the accounting scandals.

KCCI, the largest trade body in the country, is gearing to meet a shortfall in sales to the United States, which is one of Pakistan's biggest markets.

"We are consulting with our members and considering visiting the US," Bari said. "We hope we can avert the losses."

Industry analysts here said the US corporate failures had weakened interna-

tional stock markets and contributed to the fall of the dollar, taking away the price advantage countries such as Pakistan.

Trade Minister Abdul Razak Dawood said last week the fall of the dollar was causing concern, but expressed the hope that the exchange rate would soon become stable. The rupee gained by nearly half a point last week.

"I am fairly confident that the rupee will stabilise within a narrow band we have seen before," Dawood said.

The loss of confidence in the United States has come at a bad time for Pakistan, which unveiled a new trade policy last week that aims to raise exports by 13.4 per cent to 10.4 billion dollars in the financial year ending June 2003.

However, there is a more optimistic school of thought in Pakistan that includes Bari's predecessor as KCCI predecessor, Zubair Motwala.

"We will remain unharmed as most of the US corporate failures belong to the IT or energy sectors and we do not have much business and growth in these two sectors," Motwala said.

He said the country's primary exports to the United States were clothing worth about 1.9 billion dollars, a very small fraction of total US imports.

Pakistani Finance Minister Shaukat Aziz is also upbeat that the country has been spared any fall out from the accounting scandals.

Aziz believes that reforms introduced by the military regime of General Pervez Musharraf, who seized power in a bloodless coup in October 1999, are beginning to pay dividends.

"We excessively worked for improving accounting standards and corporate governance and there was some resistance (initially) because people said you

are being too tough," Aziz told AFP.

"But, it turns out that Pakistan's stringent corporate regulations were on the right track."

A code of corporate governance promulgated in December 2001 made it mandatory for listed companies to publish their financial results quarterly instead of once in six months or a year.

Pakistani auditing firms have also been banned from acting as "corporate consultants" for their clients.

"It is fair to say that Pakistan is in the leading edge of countries where governance and accounting reforms have... taken (place) well before the current (US) crisis," Aziz said.

However, he stressed the need to build a global system of corporate and accounting standards.

"I think this is the area where the whole world has to work together," he said.

Qwest scrambles to limit damage from fresh accounting blow

AFP, New York

Qwest Communications International scrambled Monday to limit the potential fallout from its explosive revelation it would have to restate results for the past three years because of accounting errors.

The troubled telecoms group disclosed late Sunday threatens to further damage the reputation of the company, which is already under federal and securities exchange investigations.

"The company has determined that it has in some cases applied its accounting policies incorrectly with respect to certain optical capacity asset sale transactions in 1999, 2000 and 2001," the Denver, Colorado-based company said in a statement.

It added it would also withdraw its previously

reduced financial projections for 2002.

"Certain adjustments may be required to correct the period in which the revenue was recognized with respect to some transactions, and other adjustments may be required to reverse the recognition of revenue with respect to other transactions," the statement said.

Qwest chairman and chief financial officer Dick Notebaert and company vice chairman Oren Shaffer Company have scheduled a news teleconference at 9:00 am Monday (1300 GMT) to discuss the company's accounting practices.

The move is intended to shore up the company's damaged reputation, after being targeted for probes by both securities regulators and US prosecutors.

Sunday's revelation is the latest in a string of setbacks for the once-vaunted telecoms giant Qwest.

Earlier this month, Qwest acknowledged in a statement that the US Attorney's office in Denver had informed the firm "that it had begun a criminal investigation of Qwest."

(euros) in revenue for 2000 and 2001 in lump sums, instead of over time.

It also overstated expenses in 2001 by 113 million dollars, but overstated them by 15 million dollars in 2000, the press release said.

The company did not say how soon the restatement would be made public.

Qwest's restatement is dwarfed by the record-breaking four-billion-dollar restatement by WorldCom that wiped out all of last year's reported profit. A number of investigations have descended on WorldCom investigating those revelations.

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"The US attorney's office did not disclose the subject matter of the investigation," Qwest said in that statement, saying it planned "to fully cooperate" with the investigation.

Formed in 1995 as a fiber-optic company, Qwest joined the ranks of the telecom giants in 2000 with the 35-billion-dollar acquisition of the much-larger regional telephone group US West.

But the merger came at the height of the telecom boom, which led to massive construction of telecom capacity for demand that never materialized, causing the collapse of many firms.

A possible issue for Qwest is whether it properly recorded revenue, as the company was one of the most aggressive users of "swap" transactions.

Last month, Richard Notebaert took over as Qwest's chief executive after his predecessor, Joseph Nacchio, resigned under pressure.



PHOTO: JANATA BANK

Finance and Planning Minister M Saifur Rahman cuts tape to open One Stop Service at Janata Bank's Foreign Exchange Corporate Branch in Sylhet on Saturday. Managing Director of the bank Murshid Kuli Khan, Deputy General Manager Juned Ahmed, clients and local elite were also present on the occasion.



PHOTO: ROMASK LTD

A new showroom of Rangs-Toshiba was inaugurated at Narayanganj Club Market on Saturday. Mian Mostaque Ahmed, deputy commissioner of Narayanganj, opened the showroom, which displays world famous electronics and electric products of Toshiba, Canon, BPL and Mitsubishi. Among others, general managers of Rangs-Toshiba Ltd Mokhlesur Rahman, Nurul Quader Chowdhury and Altaf Hossain were present on the occasion.

CURRENCY

Following is yesterday's foreign exchange rate statement by Standard Chartered Bank.

Selling	Currency			Buying		
	TT/OD	BC	TT Clean	OD Sight Doc	OD Transfer	
58.5500	58.5800	USD	57.6000	57.4308	57.3621	
58.6027	58.6327	EUR	55.9066	55.7423	55.6756	
92.5968	92.6443	GBP	89.3088	89.0465	88.9399	
31.8512	31.8675	AUD	30.3840	30.2948	30.2585	
0.4943	0.4945	JPY	0.4799	0.4785	0.4779	
40.2544	40.2750	CHF	38.8140	38.7000	38.6537	
6.2607	6.2639	SEK	6.0606	6.0428	6.0356	
37.1016	37.1206	CAD	36.1106	36.0045	35.9614	
7.5140	7.5179	HKD	7.3788	7.3572	7.3484	
33.2860	33.3030	SGD	32.4690	32.3736	32.3349	
16.0724	16.0806	AGD	15.5566	15.5109	15.4924	
15.7376	15.7456	SAR	15.2377	15.1929	15.1748	

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Norwegian	NZ dollar	AUD
48.665	59.52	96.17	42.320	7.6943	0.4647	0.53575

The local interbank foreign exchange market was active on Monday. Demand for dollar was steady. Demand for BDT for overnight borrowing at call was high and the call rate shot up to 6.5 to 9.5 per cent for the day. The main reason for the volatility was liquidity crisis resulting from the one day mismatch between the T-bill payment and maturity date. The second Repo auction was also held where many commercial banks participated and it helped to stabilise the market.



PHOTO: NCC BANK

Mahbul Alam Tara, chairman of NCC Bank Ltd, inaugurates the new premises of the bank's Chowhatta branch at Sayed Complex in Ambarkhana in Sylhet Saturday. Obaidus Sobhan, director, Anwar Ahmed, managing director, clients, renowned businessmen and senior executives of the bank were present on the occasion.

NCC Bank branch relocated

The Chowhatta branch of Sylhet National Credit and Commerce Bank Ltd has been shifted to Sayed complex at Ambarkhana of the city.

Mahbul Alam Tara, chairman of the bank, opened the functioning at the new premises as chief guest on Saturday, says a press release.

Obaidus Sobhan, director, Anwar Ahmed, managing director, clients, elites, businessmen and senior executives of the bank were also present on the occasion.

The Managing Director of the bank said already the bank has introduced shared ATM and within a short time, it will introduce online banking and issue credit card.

SHIPPING

Chittagong port

Berth position and performance of vessels as on 29.7.2002

Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/1	Xuan Cheng	Sugar (P)	Bank	MSA	15/7	29/7	1248
J/2	An Shun Jiang (Liner)	GI	Sing	BDShip	24/7	29/7	2283
J/3	Mercs Kirinda	Sugar (P)	Col	RSA	9/7	31/7	758
J/5	A A Venture	GI (St C/Ash)	Ind	CLA	24/7	30/7	930
J/6	Xpress Renown	Cont	Col	Everbest	2/7	31/7	67/X
J/7	Win Song	GI (BIT)	B Abb	RKShip	5/7	29/7	163
J/8	Nand Srihiti	C Clink	Sikka	BSL	6/7	29/7	1250
J/9	Orient Queen	C Clink	Sing	Unique	25/6	30/7	X
J/10	Kota Berjaya	Cont	Sing	Pil (BD)	22/7	31/7	22/X
J/11	Mardios	Cont	P Kel	RSL	22/7	30/7	13/X
J/12	Banga Barta	Cont	P Kel	BDShip	24/7	30/7	57/X
J/13	Xpress Resolve	Cont	Col	Everbest	25/7	31/7	137/11
CCT/1	Banga Bonik	Cont	Col	Baridhi	26/7	31/7	76/X
CCT/2	Jurong Bauhinia	Cont	Sing	Nol	22/7	30/7	150/41
CCT/3	QC Honour	Cont	P Kel	QC SL	24/7	31/7	27/X

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Florence	29/7	Krabir	Angelic	C Clink	-
Phumy (Cont) 20/7	30/7	Sing	PSSL	Cont	Sing
Deep Sea-03	29/7	-	SRL	Fishing Trawler	-
Hartford-10	29/7	-	SRL	Fishing Trawler	-
Banga Lanka (Cont) 8/7	31/7	Sing	Baridhi	Cont	Col
Pearl of Baharin	30/7	-	Uniship	C Clink	-
Ocean Pride	31/7	-	PSAL	GI (R Log)	-
Bang Biraj (Cont) 21/7	31/7	-	BDShip	Cont	Sing
Alice (48) 23/7	1/8	Yang	H&S	GI (Hr Coil)	-
Walter	1/8	Sing	OTBL	-	-
QC Dignity (Cont) 21/07	2/8	P Kel	QC SL	Cont	Sing
Jaanmi (Cont) 25/07	2/8	-	Everbest	Cont	Col
QC Lark (Cont) 23/7	2/8	P Kel	QC SL	Cont	P Kel
Amalia	2/8	Avon	RSA	St Scrap	-

Tanker due

Sabine Eagle	27/7	Darb	H&H	CDSO	-
Dai Long	30/7	Sing	MSTPL	Sko/JP-1	-
Gaz Millennium	30/7	Hald	MBL	-	-

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Dea Chancellor	-	-	Arafeen	R/A(2/7)

Vessels at Kutubdia

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

Ready on				
Asimont (Cont)	Cont	P Kel	Seaborne	25/7
Kuo Hsiung (Cont)	Cont	P Kel	QC SL	27/7
Banglar Moni (Cont)	Cont	Sing	BSC	28/7
Kota Naga (Cont)	Cont	Sing	Pil (BD)	28/7
Banga Borat (Cont)	Cont	Sing	BDShip	28/7
Orient Freedom (Cont)	Ballast	Sing	PSSL	29/7
Dea Captain	Ballast	Sing	Arafeen	29/7

Vessels not ready

Pacific Emerald	GI (Copro)	Sing	Allseas	24/7
Feng	GI (Y Pe)	Rouen	Mutual	26/7
Banglar Doot	sugar (P)	Tuti	BSC	28/7

Vessels awaiting instruction

Banglar Shourabh	-	-	BSC	R/A(2/7)
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Vessels not entering

C Harmony	Gr Slac	Sing	-	14/7
Festivity	C Clink	Sing	BSL	15/7
Sea Lantern	C Clink	Sing	NFD	17/7
Chennai Polivu	C Clink	Krabi	SSA	24/7

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

STOCK