

Japan rejects US warning of imposing trade sanctions

TOKYO, Aug 1: Japan on Monday rejected a US warning that it would impose trade sanctions if the two sides fail to break the deadlock in current trade talks within 60 days, reports AP.

"This is a one-sided act by America," a senior Foreign Ministry official said. "It does not change the fact that we have our own principles in trade negotiations that we cannot compromise."

He was reacting to formal notice by US Trade Representative Mickey Kantor Sunday that the United States will bring to bear its "Super 301" law requiring sanctions on trade partners found to discriminate against US products.

The most recent round of talks, on telecommunications and medical equipment, ended without agreement Saturday. It was intended to avert a US-imposed deadline to formally

accuse Japan of trade discrimination, setting in motion a process that could result in sanctions if agreement is not reached in 60 days.

US telecommunications companies say unfair maneuvering by the largely government-owned Nippon Telephone and Telegraph has cheated them out of a share in the \$10 billion Japanese market.

But Japanese officials say they have already done much to open their markets.

"It is unfortunate that the recent talks did not reach agreement, but we are proud of what we have done so far," the official said, referring to various market-opening and deregulation measures offered in past negotiations, which also ended without agreement.

"We intend to go on negotiating as honestly and sincerely as we have been, but we cannot

accept the pressure of sanctions," said the official, who spoke on condition of anonymity.

US officials have kept the content of the recent telecommunications and medical equipment round of talks secret, but for more than a year the overall dispute has revolved around whether numerical reference points should be used to measure Japanese market-opening progress.

Washington says such benchmarks are the only way to honestly measure whether Japan is keeping its promises to allow free trade. But Japanese negotiators say benchmarks will end up being misused as compulsory targets they will have to meet by interfering with free trade.

Because of the impasse, the United States and Japan have already failed to reach market-opening agreements on autos

and auto parts, insurance and financial services under the framework talks, intended to reduce its \$59 billion trade deficit with Japan.

Another Japanese official said Sunday that Tokyo aims to settle the dispute by Sept. 30 when Washington plans to announce a "priority" list of countries designated as unfair traders under the so-called Super 301 provision of US trade law, which requires sanctions under certain circumstances.

Both sources requested anonymity.

The next round of the economic framework talks, which began in July 1993, will be set later through diplomatic channels. Vice Foreign Minister Sadayuki Hayashi, in Washington for the talks, returns to Tokyo with most of his delegation this week.

Indian bond scam Parliament adjourned for fourth day

NEW DELHI, Aug 1: The Indian Parliament adjourned in a noisy uproar for a fourth day today as a relentless opposition demanded the government withdraw a controversial report denying its responsibility for a 1.3-billion-dollar bank scandal, reports AFP.

The opposition said it will block proceedings until the Congress (I) Party government withdraws a report it unveiled a week ago. Both Parliament Houses broke up without any business being done.

The document, published by Prime Minister P V Narasimha Rao's government in response to the critical findings of a bipartisan parliamentary committee, has been criticised as an attempt to cover up corruption in high places.

Called the "action taken report" the document disowned government responsibility for

the giant bank fraud which surfaced in 1992, blaming it on inherent weaknesses in the financial system.

Opposition members rose to their feet as soon as the legislature met after the weekend recess, and demanded the immediate scrapping of the report.

"Stop corruption, punish the guilty," the MPs chanted. Parliamentary presiding officers called off the day's sitting after failing to restore order.

"If you don't want to do any work in the House, I don't want to prolong the agony," said Lower House Speaker Shivraj Patil, ordering an adjournment until tomorrow.

The Rao government described criticism of its handling of the scam by the Parliamentary "unwarranted and unfair."

Dhaka Stock Prices

At the close of trading on August 1, 1994

Trading declines

Star Report

The trading on the floor of the Dhaka Stock Exchange (DSE) declined significantly on Monday.

A total of 28,999 shares were traded at Taka 46,08,793.50 as against Sunday's 37,404 shares valued at Taka 67,28,230.50.

The changes showed 22.471 per cent and 31.501 per cent decreases in the total volume and the value respectively.

The DSE All Share Price Index also fell, it dropped from 693.455 to 692.64932, registering a decline of 0.1162 per cent.

The market capital fell slightly. It was Taka 3,151,06,14,341.46 as against previous day's 3,154,72,73,701.27.

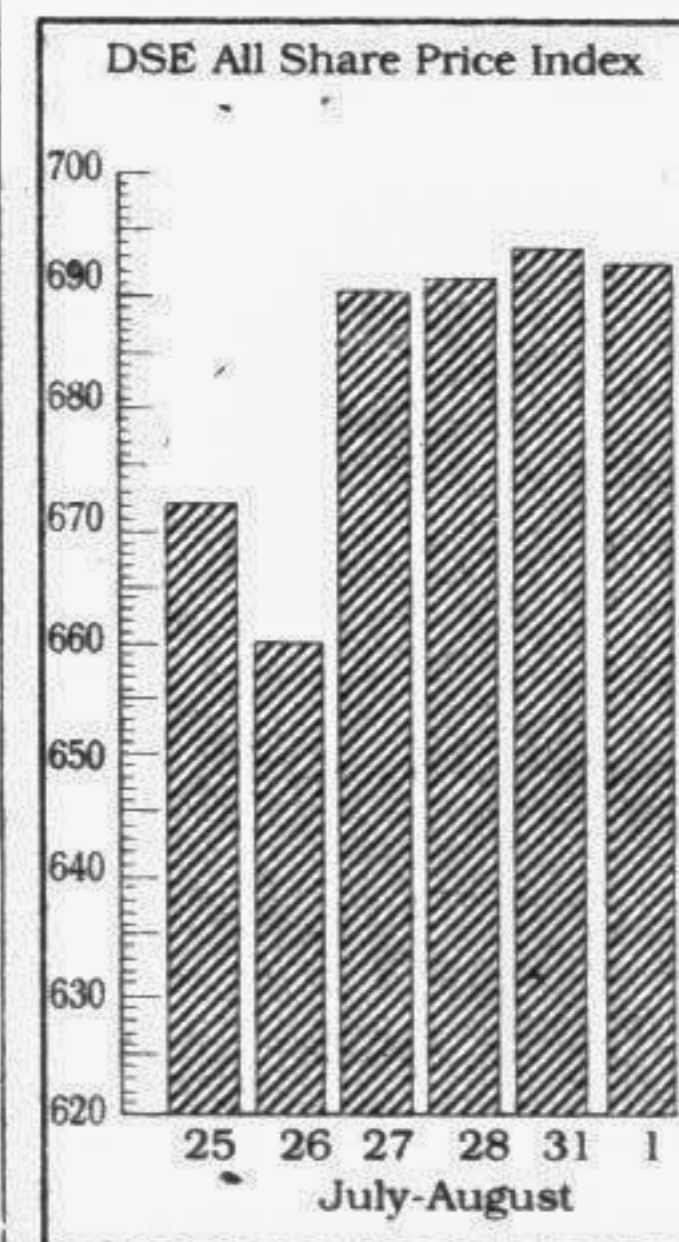
The number of issues traded decreased from 60 to 57. Of them 25 incurred losses. 24 gained and the share prices of eight other issues remained unchanged.

The day's volume leaders were: 6th ICB M Fund (120), Dhaka Vegetable Oil Industries Ltd (2475), Zeal Bangla Sugar Mills Ltd (3200), Beximco Fisheries Ltd (1700), Beximco Synthetic Ltd (2760), Bata Shoe Co. (Bangladesh) Ltd (1980), Beximco Ltd (3900) and Eastern Insurance Co Ltd (1740).

Trading at a glance

DSE All Share Price Index	692.64932
Market Capitalisation	Tk 3,151,06,14,341.46
Turnover in Volume	28,999
Turnover in Value	46,08,793.50
Company's name	Number of Shares

Arab Bangladesh Bank Ltd.	114.00
Eastern Bank Bangladesh Ltd.	4.00
National Bank Ltd.	100.00
Uttara Bank Ltd.	10.00
United Leasing Company Ltd.	560.00
2nd ICB Mutual Fund	35.00
3rd ICB Mutual Fund	10.00
4th ICB Mutual Fund	80.00
5th ICB Mutual Fund	30.00
6th ICB Mutual Fund	1120.00
Altab Automobiles Ltd.	125.00
Aziz pipes Ltd.	35.00
Bengal Carbide Limited	661.00
Eastern Cables Ltd.	605.00
Morno Jute Staffers Ltd.	10.00
Atlas Bangladesh Ltd.	20.00
Quasem Drycells Ltd.	450.00
Howlader PVC	10.00
Bangladesh Text Aluminium 970	90.00
Alpha Tobacco Manufacturing Co. Ltd.	50.00
Bengal Food Limited	215.00
Dhaka Vegetable Oil Industries Ltd	2475.00
Zeal Bangla Sugar Mills Ltd.	3200.00
Beximco Fisheries Ltd	1700.00
Bangladesh Oxygen Ltd	475.00
Shine Pukur Jute Spinners Ltd	102.00
Ashraf Textile Mills Ltd.	200.00
Sulham Textile Mills Ltd.	416.00
Modern Dyeing & Screen Printing	25.00
Tallu Spinning Mills Ltd.	90.00
Padma Textile Mills Ltd.	200.00
Apex Spinning & Knitting Mills	540.00
Amber Pharmaceutical Ltd.	50.00
ACI Limited	50.00
Petro Synthetic Products Ltd.	400.00
Pharmaco International Ltd.	10.00
Reckitt and Colman (BD) Ltd.	100.00
Therapeutics (Bangladesh) Ltd.	10.00
Kohinoor Chemical Company (BD) Ltd.	455.00
Rahman Chemicals Ltd.	790.00
Beximco Infusion Ltd.	100.00
Beximco Synthetic Ltd.	2760.00
Libra Pharmaceuticals Ltd.	480.00
Apex Tannery Ltd.	170.00
Bata Shoe Company (BD) Ltd.	1980.00
GG Ball Pen Industries Ltd.	600.00
Umanis Glass Sheet Factory Ltd.	70.00
Beximco Ltd.	3900.00
Apex Footwear	310.00
B General Insurance Co Ltd (BSIC)	50.00
Green Delta Insurance Co. Ltd.	100.00
United Insurance Co. Ltd.	100.00
Eastern Insurance Co. Ltd.	1740.00
Beximco Fisheries Limited (Deba)	95.00
Bangladesh Chemical Inds Deb.	36.00
Beximco Infusion Deb.	6.00
Beximco Synthetic Deb.	6.00



Benazir's policy to privatise power generation gets wide response

ISLAMABAD, Aug 1: Energy deficient Pakistan says it is overwhelmed by private proposals for new power generation projects and will be more choosy in accepting new ones, reports Reuters.

Prime Minister Benazir Bhutto's ambitious policy to privatise power generation has drawn "an overwhelming response from international and domestic investors," a government statement said on Sunday night.

Applications have been received so far for a total capacity of more than 19,000 megawatts in addition to the world's biggest private power project being set up at hub near Karachi with 1,900-megawatt capacity, the statement said.

But, it added, the economic coordination committee of Bhutto's cabinet had decided new capacity needed from the private sector until June 30, 1998 should be only 5,000 megawatts.



Industries Minister A M Zahiruddin Khan inaugurating the opening ceremony of the Japan-Bangladesh joint venture company Ishiyya Dry Cleaning Co (Bd) Ltd at Azampur, Uttara in the city yesterday. — Star photo

China's foreign debt to total \$17b in '94

BEIJING, Aug 1: China said on Sunday its foreign debt would rise nearly 17 billion dollars this year to 100 billion dollars and that it had borrowed too quickly, reports Reuters.

The Xinhua news agency quoted the People's Bank of China as saying the debt will reach 100 billion dollars by the end of this year, up from 83.5 billion dollars at the end of 1993, which was 20.6 per cent higher than a year earlier.

It quoted official estimates as saying China must pay 20 billion dollars in debt and interest this year, two billion dollars more than last year.

"The foreign debt has expanded a bit too fast in recent years and China has become one of the world's biggest debtors," it said.

"It is time China limited foreign borrowing and use as much direct overseas investment as possible," the news agency quoted an economist as saying.

US economy grows at strong pace

WASHINGTON, Aug 1: The US economy grew at a moderately strong pace from April through June, and the Clinton administration's chief economist expressed confidence that the expansion would continue with low inflation, says a USIS press release.

Gross domestic product (GDP) grew at an inflation-adjusted annual rate of 3.7 per cent in the second quarter of 1994, according to preliminary and incomplete data, the Commerce Department reported July 29.

"So far, everything we've seen in 1994 confirms our forecast of a sustainable investment-led expansion with low inflation," Laura Tyson, chair of the White House Council of Economic Advisers, said at a news conference as GDP figures were released.

In reply to a question, she said that the administration's forecast of 3 per cent growth for all of 1994 was always a conservative estimate, and was now particularly conservative given the good performance of the second quarter. She refused, however, to change the 3-per cent forecast.

Growth in the first quarter of 1994 was at a rate of 3.3 per cent, down from the unusually sharp pace of 6.3 per cent in the final three months of 1993.

Administration and private economists did not expect the strong growth of the final quarter of last year to continue. However, harsh winter weather lowered the first quarter's growth more than expected.

Inflation, measured by the fixed weights price index for gross domestic purchases, was at an annual rate of 3.2 per cent from April through June. This index includes the prices of imports but excludes the prices of exports.

In the first quarter of the year, the index showed inflation at 2.5 per cent. The acceleration in the second quarter was due largely to advances in consumer goods prices.

Real consumer spending, roughly two-thirds of GDP, rose 1.2 per cent at an annual rate in the second quarter following 4.7 per cent gain in the first quarter.

Lewis Alexander, chief economist of the Commerce

Department, said at another news conference that consumer spending often slows after making big gains. The slowdown in spending was widespread among products and services but the level of sales for cars and trucks, although below first quarter results, was still relatively high.

One of the major reasons for the solid growth in GDP in the second quarter was an almost doubling of business inventories. The real increase in business inventories was 28,600 million dollar in the second quarter, compared to 14,600 million dollar in the first three months.

Martin Regalia, chief economist for the US Chamber of Commerce, asserted in a statement that goods are being produced faster than people want to buy and that is not good for the future.

"Either demand must pick up or production must slow in the quarters ahead to correct the imbalance. Our forecast is clearly betting on the latter," he stated.

Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on August 1. (Figures in Taka)

Currency	Selling		Buying	
	TT & OD	EC	TT Clean	OD Sight Transfer
US Dollar	40.3710	40.3995	40.1000	40.0250
Pound Sterling	62.7865	62.8308	61.0845	60.9702
DM	25.8723	25.8905	25.1817	25.1346
F Franc	7.5726	7.5779	7.3701	7.3563
C Dollar	30.8899	30.9118	30.0522	29.9960
S Franc	30.5314	30.5530	29.7037	29.6481
Jap Yen	0.4145	0.4148	0.3994	0.3986
Indian Rupee (AMU)	1.2904	1.2967	1.2750	1.2590
Pak Rupee (AMU)	1.3204	1.3270	1.3046	1.2883
Iranian Ryal (AMU)	0.0230	0.0231	0.0227	0.0224

Currency	Selling		Buying	
	T.T. & O.D.	O.D. Transfer	O.D. Transfer	O.D. Transfer
S Riyal	10.7664	10.6370	10.9614	10.8514
UAE Dirham	135.6231	133.6740	26.3943	22.3752
Singapore Dollar	29.7296	26.3943	5.0996	15.3886
D Gulders	22.6508	22.3752	15.3886	
S Kroner	5.1636	5.0996		
Malaysian Ringgit	15.5798	15.3886		

Note: AMU—Asian Monetary Unit

Shipping Intelligence

CHITTAGONG PORT						
Berth position and performance of vessels as on 1/8/1994						
Berth No.	Name of vessels	Cargo	L-port	Local agent	Date of arrival	Leaving
J/1	Tiger News	GI	Thal	Prog	29/7	2/8
J/2	Kutuzovo	GI	KOCC	Seacom	31/7	5/8
J/3	Golden Rose	Cement	Sing	PSAL	14/7	2/8
J/4	Young-II	GI	Sing	BML	28/7	2/8
J/5	Fu Shan	M/S Coal	Mad	MSL	31/7	3/8
J/6	Kransnoyarski					
J/7	Komsomolets	GI	Sing	Seacom	26/7	5/8
J/8	Banglar Kallol	GI	Pena	EEC	23/7	5/8
J/9	Nikoula	GI	Sing	Prog	22/7	3/8
J/10	Jiang Cheng	GI	S.Hai	BDShip	25/7	2/8
J/11	Dolores	Idle	—	Seacom	R/A	10/8
J/12	Alam Temang	Sugar(P)	Bang	Seacom	17/7	10/8
J/13	Yamburenko	Cont	Sing	CT	31/7	4/8
J/14	Petr Starostin	Cont	Sing	CT	30/7	4/8
MPB/1	Fong Yuan	Cont	Sing	BDShip	29/7	3/8
MPB/2	Optima	Cont	Sing	RSL	30/7	3/8
GSJ	Banglar Asha	Wheat(G)	—	EEC	R/A	5/8
RM/4	Prudent Venturer	Cement	Sing	PSAL	17/7	2/8
RM/5	Team Trinta	HSD/MS	Sing	MSPL	10/7	4/8
DDJ	Global Trader	Cement	Sing	AEKA	14/7	3/8
DDJ	Banglar Maya	Repair	Cal	EEC	1/8	10/8
DDJ/1	Pearl One	Repair	Yang	ENCL	15/6	3/8
RM/9	Banglar Jyoti	Repair	—	EEC	R/A	6/8

VESSELS DUE AT OUTER ANCHORAGE:						
Name of vessels	Date of arrival	Last port	Local agent	Cargo agent	Loading port	
Safir	2.8.94	Sing	ASLL	Sugar (P)	—	—
URTU Secutes	2.8.94	Braz	USTC	P.Irion	—	—
Fong Shin	2.8.94	Sing	BDShip	Cont	—	Sing.
Pan Trader	2.8.94	Sacr	OWSL	Wheat (P)	—	—
Mikhail Stenko	2.8.94	Col	BTSA	Cont	—	Col.
Al Reza	1.8.94	—	BSL	Lentils	—	—
Java Supply-1	1.8.94	—	Novo	P.Equipment	—	—
Dona Ourania	4.8.94	Kapt	JF	Scraping	—	—
Couper	4.8.94	—	CEL	—	—	—
Banglar Moni	10.8.94	Mong	EEC	Cont	Sing	Sing
Andrian Goncharov	5.8.94	—	CT	Cont	Sing	Sing
Banglar Robi	10.8.94	Sing	EEC	Cont	Sing	Sing
Ultima	6.8.94	Mong	Baridhi	Cont	Sing	Col.
Lhotse	6.8.94	Sing	RSL	Cont	Sing	Sing
Meng Kiat	6.8.94	Sing	AML	Cont	Sing	Sing
Esterugga	6.8.94	—	APL (B)	Cont	Sing	Sing
Pelopidas	6.8.94	—	Litmond	Wheat(P)	—	—
State of Nagaland	7.8.94	Mong	SSL	CL	UK	Cont
Somudra Raj	7.8.94	Kara	SSL	Rice/1885GI	—	—
Kota Bantang	9.8.94	Sing	CTS	Cont	Sing	Sing.

VESSELS AT KUTUBDIA						
Name of vessels	Cargo	Last port	Local agent	Local agent	Date of arrival	
Arktis Sun	GI	Sing	BSL	Prog	31/7	
Dubai Glory	GI	Sing	Prog	Prog	1/8	

VESSELS NOT READY:						
Name of vessels	Cargo	Last port	Local agent	Local agent	Date of arrival	
Clipper Aquamarine	D.Poss/Wheat	Sing	MSA	SEA	31/7	
Altodor	Cement	Sing	AEKA	SEA	21/7	
Catrina	Sugar (P)	Kaan	Seacom	R/A	(29/7)	
Kharotum	SSP (P)	SAFA	Cosmo	SEA	30/7	
APJ Priti	Cement	Sing	USTC	SEA	31/7	

VESSELS AWAITING INSTRUCTION:						
Name of vessels	Cargo	Last port	Local agent	Local agent	Date of arrival	
Banglar Shourabh	—	—	EEC	R/A	(31/7)	