

## US for North America-EU free trade zone

MADRID, June 2: The Clinton administration is unveiling a free trade zone proposal to link the United States with Europe in a prosperous economic alliance of 770 million people and more than half the world's wealth, reports AP.

In what was billed as a major foreign policy speech, Secretary of State Warren Christopher on Friday is outlining a partnership designed to align the 15 European Union countries with the United States, Canada and Mexico.

It could alleviate the impact of restrictive trade practices of Japan and other Asian but also raise concerns in that part of the world that an economic

bloc against them was in prospect. Christopher is making the speech at Madrid's Casa de America, a cultural center devoted to celebrating the cultural accomplishments of North America and Latin America. US officials disclosed the theme in advance.

A trans-Atlantic trade zone could be a channel to emerging markets in Eastern and Central Europe, and to Latin America, as well. It is designed also to buttress the growing political and military ties between the West and East.

The North Atlantic Treaty Organization, formed initially as a military bloc against the

Soviet Union and its allies, quickly is being transformed into a political body. Russia opposes its expansion eastward, but this week in what Christopher called a historic step, aligned itself partly with NATO through the Partnership for Peace programme.

Asia, on the other hand, may be inclined to view the new trading alliance as a threat, promoting more trans Atlantic business at the expense of Asia. For American firms there would be new opportunities in Europe. Christopher long has called the Clinton administration the most friendly in recent times to American corporations.

## Iraq seeks Arab help in lifting UN embargo

BAGHDAD, June 2: Iraq appealed Thursday for Arab help in lifting the five-year-old UN embargo as it lashed out at "traitors" Kuwait and Saudi Arabia, reports AP.

Arab governments should release frozen Iraqi assets, resume air links with Baghdad and revive cooperation, Vice President Taha Yassin Ramadan told 300 Arab nationalists at the opening of a solidarity conference.

"There is no longer any legal, political or moral justification to maintain the embargo imposed on our people," by the United Nations after Iraq sent troops into Kuwait in August 1990, Ramadan said.

The UN Security Council must honour its commitments. He faulted Arab leaders for not supporting Iraq's stance which has met the requirements of the United Nations imposed by the US administration.

Ramadan attacked Rolf Ekeus, the head of the UN Special Commission on disarming Iraq who ended a four-day mission here today, as well as the Arab League, Kuwait and Saudi Arabia.

Ekeus was "beating about the bush to cover the plot fomented by the United States for hostile political ends."

The disarmament chief said his team had made progress over Iraq's chemical weapons programme but had not allayed concerns about the crucial issue of its germ warfare capability.

Iraq argues it has complied with UN Gulf War resolutions requiring Baghdad to dismantle its weapons of mass destruction in return for a lifting of the oil embargo.

## Moscow suspending grants to agri sector

MOSCOW, June 2: Russian Agriculture and Food Minister Alexander Nazartshuk said the state was suspending grants to the agriculture sector in order to streamline federal finances, IAR-Tass reported today, says AFP.

Collective and state farms would have to apply for loans to the commercial banks from now on, Nazartshuk told the agency.

The minister said the practice of giving the agriculture sector credits it was not eager to repay threatened budgetary stability.

## US farm exports may reach record high of \$ 51.5 b this fiscal yr

WASHINGTON, June 2: Agricultural exports are projected to reach record high of \$15.5 billion dollars this fiscal year, thanks largely to higher prices for cotton, wheat, coarse grains and oilseeds, reports AP.

The revised Agriculture Department forecast is 3 billion dollar higher than the last forecast in February for the 12-month period that ends Sept. 30. If realised, it would be an 8 billion dollars increase over the 43.5 billion dollars in exports in 1994.

"All categories of US agricultural products are recording large gains at the same time," said Agriculture Secretary Dan Glickman.

While overseas sales of consumer foods and semi-processed products continue to grow impressively, the new export numbers also reflect a continued surge in our exports of bulk commodities as well," he said.

Cotton export prices are at their highest since the Civil War, and are expected to boost exports by 600 million dollars more than previously forecast. Cotton exports are expected to reach 4 billion dollars, compared with 2.3 billion dollars in the 1994 fiscal year.

Wheat corn and soybean exports were revised upward by 700 million dollars in the new forecast.

Export prospects for livestock, poultry and horticultural products were raised 1 billion dollars since the February forecast.

## US dollar lower in Tokyo

TOKYO, June 2: The US dollar was lower against the Japanese yen late Friday morning in Tokyo, as prices on the Tokyo Stock Exchange rebounded in light trading, reports AP.

The dollar remained in a narrow range as traders awaited the release of US employment figures for May, due out later Friday. If the May employment report shows an economic slowdown, that is a negative factor for the dollar.

Since a flurry of recent data that showed the US economy was slowing faster than money traders had anticipated, the upcoming employment report is considered an important indicator of whether the Federal Reserve Board may cut interest rates.

On Thursday, a survey by the US National Association of Purchasing Management showed its index fell to 46.1 per cent in May, down from 52 per cent in April. The reading marked the first time in 20 months that US manufacturing hasn't expanded.

A series of weak economic data in the last month has sent fears into the market that the Fed would lower interest rates when its policy-making committee meets in July.

In late morning in Tokyo, the dollar was traded at 84.94 yen, down 0.24 yen from late Thursday but above its late overnight New York trading at 84.82 yen.

## Asian stock markets close higher

HONG KONG, June 2: Asian stock markets closed generally higher with share prices rising in Tokyo for the second day, reports AP.

Tokyo's 225-issue Nikkei Stock Average rose 254.56 points, or 1.63 per cent, closing the week at 15,849.13. On Thursday, the average had gained 157.78 points, or 1.02 per cent.

The Tokyo Stock Price Index of all issues listed on the first section rose 17.39 points, or 1.38 per cent, to 1,277.99. The TOPIX rose 6.49 points, or 0.52 per cent, the day before.

Traders attributed the rise to a Japanese government plan to cope with massive bad loans held by Japan's financial institutions.

Sydney's All Ordinaries index fell 14.3 points to 2,006.7. Markets were closed in Hong Kong and Taiwan for the Dragon Boat Festival.

Wellington: New Zealand share prices closed higher ahead of a number of important local economic statistics to be released next week. The NZSE-40 Capital Index rose 12.25 points to 2,123.06 from Thursday's close of 2,110.81.

Manila: Share prices closed higher for the fourth straight day, boosted by news that the Philippines posted 5.2 per cent economic growth in the first quarter of the year. The Philippines' unified composite index of 43 selected issues rose 21.95 points to 2,824.67.

Seoul: Share prices closed higher in decreased

trading. The Korea Composite Stock Price Index rose 2.81 points to 894.24.

Kuala Lumpur: Malaysian share prices closed mixed, but the key index rose to another high for the year on the back of blue chip buying. The KLSE Composite Index rose 7.26 points to 1,078.08.

Singapore: Share prices closed mixed in moderate trading. The 30 share Straits Times Industrial Index rose 3.48 points to 2,208.51 points.

Bangkok: Thai shares closed higher in moderate trading. The Stock Exchange of Thailand index rose 5.28 points to 1,406.88.

Jakarta: The stock exchange's Composite Index rose 7.641 points, closing at 493.422.

## Lanka's external trade deficit decreases

COLOMBO, June 2: Sri Lanka's external trade deficit decreased sharply in the first two months of 1995 with exports climbing by 33 per cent compared to the same period last year, a report by the state Central Bank said Friday, reports AP.

The decline of 14 per cent, from 223 million dollars to 192 million dollars was due mainly to export earnings of 544 million dollars. Imports rose by 17 per cent to 736 million dollars.

Industrial products increased by 34 per cent from 293 million dollars to 394 million dollars mainly due to increases in exports of textiles and garment products (43 per cent).

## Malaysian PM launches anti-inflation drive

KUALA LUMPUR, June 2: Malaysian Prime Minister Mahathir Mohamad today launched the country's consumer day and anti-inflation drive with a speech aimed at the Malaysian consumer, reports Reuter.

In his much-awaited speech, Mahathir made no mention of monetary or fiscal policy measures to cool the country's robust economy and rising inflation.

Instead, he devoted his half-hour address to stressing the role of Malaysian consumers and traders in the fight against inflation as the country moves towards its eighth year of over eight per cent growth.

Mahathir did not mention interest rate policy or any upcoming curbs on housing or car loans as many economists and analysts had earlier expected.

The prominently-displayed slogan for Malaysia's anti-inflation drive this year is "zero inflation — our target". Malaysia's inflation as measured by the key consumer price index was 3.2 per cent for the first quarter of 1995 against 3.7 per cent for all of 1994.

Mahathir said in his speech zero inflation meant keeping the cost of living at the 'basic' level steady. He said the Malaysian government would increase the type and number of controlled goods if necessary to keep inflation under control.

"Because we are all consumers, the control of inflation

is our shared responsibility," he said in his speech, adding that the campaign will not succeed unless the country's traders also realised that they too were consumers.

Malaysian leaders have recently expressed concern about price spirals in the country, and, prior to the launch of the anti-inflation drive, Malaysian Deputy Prime Minister Anwar Ibrahim announced several measures to keep the price of essential items stable.

## Monthly inflation falls in Russia

MOSCOW, June 2: Monthly inflation dropped slightly in May to 7.9 per cent, down from 8.5 per cent in April, according to Russian government figures published Friday by the IAR-Tass news agency.

Service prices led the rise, with an 11.1 per cent increase over the month, according to the State Statistics Committee. Food followed at 8.8 per cent, with non-food goods at 5.6 per cent.

Initial forecasts had put the likely overall figure for May as low as five per cent, but price growth has consistently exceeded official expectations this year.

In March, the monthly inflation rate was 8.9 per cent, down from 11 per cent in February and 18 per cent in January.

## Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on 1st & 2nd June.

Currency	TT & OD	Selling			Buying		
		TT	OD	BC	TT	OD	OD
		Clean	Sight	Transfer			
US Dollar	1=Tk	40.2650	40.3150	39.9490	39.7970	39.7030	
GBP	1=Tk	64.2079	64.2876	62.7137	62.4782	62.3275	
DM	1=Tk	28.7343	28.7700	27.9344	27.8295	27.7624	
FR Franc	1=Tk	8.1800	8.1901	7.9503	7.9204	7.9013	
C. Doll	1=Tk	29.6584	29.6953	28.8220	28.7137	28.6445	
CHF	1=Tk	34.8331	34.8704	33.8464	33.7193	33.6380	
Jap Yen	1=Tk	0.4822	0.4828	0.4638	0.4620	0.4609	
IRS	1=Tk	1.2871	1.2967	1.2654	1.2644	---	
PRS	1=Tk	1.3026	1.3124	1.2606	1.2614	---	
Iranian Ryal	1=Tk	0.0232	0.0234	0.0227	0.0224	---	

A) T. T. (DO) US Dollar Spot Buying Tk 39.8740

B) Usance Rate:

30 Days	60 Days	90 Days	120 Days	180 Days
39.6000	39.3170	39.0341	38.7511	38.1851

C) US Dollar sight export bill 3 months forward purchase: To be deducted Tk 0.20 from O.D. sight export Bill buying rate.

D) US Dollar 3 months forward sale: Add Cushion of Tk 0.20 with BC Selling.

Currency	Selling	Indicative Rates	
		T.T. & O.D.	Buying O.D. Transfer
S Riyal	Tk 10.7359		Tk 10.5852
UAE Dirham	Tk 10.9639		Tk 10.8094
Kuwaiti Dinar	Tk 135.9845		Tk 133.8604
D Guilders	Tk 25.8939		Tk 25.5161
S Krona	Tk 5.5591		Tk 5.4739
Malaysian Ringgit	Tk 16.3406		Tk 16.1060
Singapore Dollar	Tk 28.8773		Tk 28.4599

## Shipping Intelligence

### CHITTAGONG PORT

Berth position and performance of vessels as on 1.6.1995									
Berth No	Name of vessels	Cargo	Last port call	Local agent	Date of arrival	Leaving			
J/1	Losing (48)	GI	Sing	ANCL	28/5	1/6			
J/2	Boyd Bird	Rice (P)	Kara	Cross	5/5	1/6			
J/3	Ocean Envoy	Rice (P)	Kara	Karna	19/5	2/6			
J/4	State of Haryana	Rice (G)	Mad	SSL	14/5	1/6			
J/5	Pu Tuo Ling	Cement	Yang	BML	24/5	3/6			
J/6	Jaipur	Rice (P)	Hald	BML	24/5	5/6			
J/7	Eastern Mars	GI	Busa	Prog	25/5	3/6			
J/8	Jiang Cheng	GI	Shim	BDShip	21/5	3/6			
J/9	Al Tajwar	Wheat (G)	K.Dia	KSL	26/5	6/6			
J/11	Veer Savarkar	Rice (G)	Kad	SSL	R/A	8/6/2/5			
J/12	Lewant	Rice (P)	Kati	CLA	22/5	4/6			
J/13	Meng Kint	Cont	Sing	AML	24/5	3/6			
MPB/1	Fong Shin	Cont	Sing	BDShip	22/5	2/6			
MPB/2	Optima	Cont	Sing	SSL	26/5	3/6			
MPB/3	Imke Wehr	Cont	Sing	AML (B)	29/5	3/6			
CCJ	Kapitan Kadeckij	C. Clink		PSAL	R/A	4/6			
GSJ	Banglar Sumpad	Wheat (G)	K.Dia	Lams	R/A	2/6			
RM/3	Cielo di Salerno	CDISO		Seacom	23/5	1/6			
RM/4	Medafra Link	Cement	Sing	PSAL	25/5	2/6			
RM/5	Hae Woe No	Cement/GI	Lars	RML	30/5	3/6			
DOJ	Golden Keis	Cement	Sing	SBS	22/5	2/6			
DD	Najib	Repair	Kara	MSA	18/5	4/6			
DOJ/1	Tug Daya Kencana			CT	R/A	1/6			
DOJ/2	A. Goncharov			KSL	R/A	3/6			
RM/8	Dora	Repair	Sing	PSAL	13/5	1/6			
RM/9	Norbuk Nakir	Cement	Sing	PSAL	13/5	1/6			
BB	Matsu Maru		Puke	Jaycee	23/1				
BB	Amenna		Japa	BBW	26/5				

VESSELS DUE AT OUTER ANCHORAGE									
Name of vessels	Date of arrival	Last port call	Local agent	Cargo	Leaving				
Safar	1/6	Viza	ASLL	Rice (P)					
Tanary Star	1/6	Viza	PSAL	Rice (P)					
Young II	1/6	Mad	OWSL	Rice (P)					
Lanka Mahapala	1/6	Col	Baridhi	Cont					
Vishva Vikram	3/6	Mad	SSL	Rice (G)					
Paradise	2/6	Yang	CLA	Rice (G)					
Vishva Kaumudi	2/6	Col	SSL	GI (Steel Coil)					
Ocean Crest	3/6	Bang	OWSL	Rice (G)					
Severn	3/6	Bang	RSL	Cont					
Al Karim	4/6	Bang	AML	Rice (G)					
Banglar Robi	4/6	Sing	BSC	Cont					
Kota Bintang	4/6	Sing	CTS	Cont					
Asian Cosmos	4/6	Sing	EBPL	GI					
Zi Yun Shan	4/6	Sing	MTA	Bitumen					
Hisaon	6/6	Kara	BDShip	Cont					
Fong Yun	6/6	Sing	Prog	GI					
Blue Shark	7/6		Prog	GI					
Rex	8/6		RSL	Cont					
Irti	8/6	CEO	Baridhi	Cont					
Mikhail Stenko	8/6	Sing	CTS	Cont					
Sintra	8/6	Sing	CTS	Cont					
Dae Jin	9/6	Sing	BDShip	Cont					
Meig Lee	11/6	Sing	AML	Cont					
Astro Mercury	13/6		JP	Vehicles					

TANKER DUE			
Wavasan Setta	3/6	Sing	MSPL HSD

VESSELS AT KUTUBDIA				
Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Chestnut Hill	Wheat (G)	P.Land	Lams	22
Flint	Wheat(G)	Viza	Lams	8