

US dollar falls against most major units in NY

NEW YORK, June 1: The dollar was sharply lower against the other major currencies Friday except the yen amid a slump in the US bond market, reports AFP.

Gold was up 40 cents an ounce to \$390.90 dollars compared to its closing Thursday.

The dollar was trading Friday at 1.5235 German marks compared to 1.5353 Thursday, 108.12 yen compared to 107.65, 5.1590 French francs compared to 5.1910, 1.2487 Swiss francs compared to 1.2600, and 0.6447 British pound compared to 0.6519.

A treat of capital from the US bond market sent the dollar tumbling. The interest rate on bell weather 30-year treasury bonds was up Friday to 7 per cent compared to 6.93 per cent Thursday.

Traders are apt to be cautious next week as they wait for Friday's release of monthly US employment statistics. Analysts expect creation of 150,000 to 250,000 jobs in May and an unchanged unemployment rate of 5.4 per cent.

HK's GDP may grow by 5 pc this year

HONG KONG, June 1: Hong Kong's gross domestic product (GDP) is forecast to grow by five per cent this year, unchanged from a previous forecast made in March, the government said yesterday, reports AFP.

"Gradual recovery in consumer demand, revival in private sector building activity and continued heavy investment in infrastructural projects are expected to render a stronger growth momentum in the domestic sector," the government said in a statement.

The statement said growth in exports of services was expected to be strong, which should help offset more moderate growth in exports of goods.

The government forecasted that the consumer price index's main a measure, which tracks the 50 per cent of Hong Kong households spending between 2,500 and 9,999 Hong Kong dollars (320 and 1,290 US dollars) per month, would rise 7.5 per cent in 1996, unchanged from its forecast in March.

The possibilities of moderation of inflation in the latter part of 1996 will "probably be smaller" due to an expected "tight pick up in economic activity over the course of the year and a rebound in the prices of some key commodities," it said.

The government expects total export growth in 1996 of 9.8 per cent against a previous forecast of 10.0 per cent. Imports growth is now seen at 7.6 per cent, down from a previous estimate of 7.8 per cent.

French economy experiences mini boom in three months

PARIS, June 1: The French economy experienced a mini-boom in the first quarter of the year, driven by a surge of consumer spending compensating for a slump caused by strikes in November and December, reports AFP.

February had 29 days this year, a leap year, and the extra working day was also a factor pushing growth to 1.2 per cent from the figure in the last quarter of last year when output had fallen by 0.4 per cent.

The national statistical institute Insee, which published the data, said that overall in the first quarter, the way in which working days had fallen in the first quarter of this year

had contributed about half a percentage point to growth.

Consumers had compensated for shopping which they had not been able to do during a wave of strike in the public sector at the end of last year, Insee said, but it did not put a figure on the effects of this.

The winter had been severe and this had resulted in an increase of output by the energy sector.

Insee said that growth in the first quarter now meant that if gross domestic product remained static for the rest of the year, output for the whole year would increase by 0.9 per cent.

Household consumption had risen by 2.4 per cent on average during the first quarter from a decline of 0.3 per cent in the last quarter of last year.

By comparison with data for the first quarter of last year, household consumption had risen by about 3.5 per cent.

In the first quarter, purchases of cars had risen by 19.7 per cent from a decline of 0.3 per cent in the previous quarter, but all sectors of consumption of manufactured products showed an increase.

Investment by companies had risen by 3.1 per cent in the first quarter from a decline of 0.8 per cent in the last quarter of last year, and by 2.0 per cent on a 12-month comparison.

Investment by public administrations had fallen by 6.5 per cent but overall investment by companies, households and administrations had risen by 0.1 per cent in the first quarter.

Myanmar's currency falls by 10 pc against dollar

YANGON, June 1: Myanmar's kyat currency has fallen nearly 10 per cent against the dollar in recent weeks, and traders and analysts on Friday blamed everything from good border trade and a higher money supply to telephone bills, reports Reuter.

Economists and currency traders could not agree on a single factor for the currency's fall to about 136 kyats to the dollar on Friday from about 125 kyats in the first week of May.

"Nobody really knows exactly why it's dropped," said one foreign analyst. "There are probably a variety of reasons."

He and other economists said that is not unusual in a country with an immature money market that has only let the currency move freely for a short while.

The government, which has set the official exchange rate at 5.8 kyat to the dollar, in December legalised the exchange of foreign exchange certificates (FECs) for kyats.

Previously the FECs, which were introduced as a parallel currency in 1993 mainly so foreign tourists would not have

to deal at the overvalue official rate, could only be exchanged for dollars.

Now, 10 exchange counters swap kyats for FECs at roughly the dollar-FEC rate.

The dollar rate has been pretty stable for the past year or so at about 125," said Thein Tun, a member of the board of Tun Foundation Bank. "But all of a sudden it's gone down."

That Tun attributes the drop to an increased money supply, noting the government recently added to the already-large amount of kyats in circulation with a programme to make about 20 billion kyat in loans to public sector employees.

"So the injection of all this money is responsible for the fall," he said.

Others said it was the growing demand for dollars and FECs that caused the kyat to fall.

"The dollar's value depends on border trade," said one currency trader, speaking anonymously. "When things are normal and peaceful and trade is very good, dollars are in higher demand as goods come in."

Ships also are clogging Yan-

gon's port now, waiting to unload what industry sources say are construction supplies for various buildings and infrastructure projects.

But the most popular answer for why the kyat has dropped was the recent wave of telephone installations and, consequently, the need of more people to pay monthly phone bills.

The government began installing more telephones about two months ago to meet a demand that is about double the supply.

Residents pay 1,500 dollars in FECs to have a telephone installed. Monthly bills also are paid in FECs since Myanmar people are not supposed to have dollars.

FECs also have lucrative bargaining power, traders said. FECs can be used to buy an unlimited amount of normally-rationed gasoline and give people priority in buying airline tickets and other goods.

Whatever the reason, traders and analysts say the kyat will continue to drop against the dollar as the economy grows, hitting about 150 to the dollar within a few weeks.



Cyclists ride past a bus station decorated with Coca-Cola advertising board in Ho Chi Minh city May 29. The American soft drink giant has been launching massive advertising campaigns across Vietnam in particular in the bigger cities like Ho Chi Minh with its population of some five million people.

— AFP/UNB photo

9 electronic cos convicted of rigging bids in Tokyo

TOKYO, June 1: Nine electronics manufacturers, including industry leaders Hitachi Ltd and Toshiba Corp, were convicted Friday of rigging bids on a government contract, reports AP.

The Tokyo High Court imposed a total of 460 million yen (4.3 million dollars) in fines on the nine companies for "dango," a business practice where companies agree to their bid prices, and thus the contract winner, among themselves before the bidding takes place.

The informal agreement system is illegal, though a common practice in public works projects. Foreigners claim it is a major impediment to penetration of the Japanese construction market.

The agency, an affiliate of the Construction Ministry, conducts bidding on behalf of local governments carrying out sewage projects.

Tadaharu Kanda, presiding judge of the Tokyo High Court, accepted the prosecution's account of the case and told the court that the bid-riddling was a "vicious crime."

Ningxia is inhabited by 1.7 million Muslim Hui people, 65 per cent of whom still live below the poverty line.

\$30m Kuwaiti loan to China's Ningxia region

BEIJING, June 1: A delegation led by Kuwait's ambassador to China and the head of the Kuwaiti Arabian Foundation has agreed to provide a 30 million dollars loan to the impoverished Ningxia region, Xinhua reported yesterday, according to AFP.

The loan will contribute to 400 million dollars project to irrigate 133,000 hectares of land in northern Ningxia, which will benefit at least 200,000 people, it said.

The Kuwaiti delegation, headed by foundation President Bader Al-Humaidhi and Ambassador Abdulmohsen Nasir Al-Gean, which recently returned from Ningxia, also pledged a further 110 million dollars in loans pending a further inspection of the area, the news agency said.

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— AFP/UNB photo



— AFP/UNB photo

Europe's newest rocket thunders into space June 4

PARIS, June 1: It cost 7 billion dollars to develop, yet it's as disposable as a Dixie cup.

On June 4, Europe's newest line of throwaway rockets, the Ariane 5, thunders into space for the first time, carrying with it a continent's hopes of locking up the lucrative satellite launch market, reports AP.

The United States beat Russia to the moon in a political space race. The latest star war is mostly commercial, and the Europeans are winning ironically by refining technology that NASA ditched years

ago to focus on the reusable space shuttle.

This will be the most competitive launcher of its time," said Serge Petit, who helped developed the new rocket for Arianespace, the 13-nation European Space Agency's commercial satellite launching arm.

Arianespace puts aloft mostly weather and telecom communications satellites that jet billions of people around the world chat on cellular phones, beam each other on pages across the Internet and view hundreds of TV programs.

Its competitors — American, Russian and Chinese launchers — are scrambling to catch up.

placed its 86th satellite in orbit. It has a waiting list of 45 launches worth nearly \$5 billion, including eight more planned this year from its launch site in Kourou, French Guiana, on the northeast shoulder of South America.

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Exchange Rates

Sonali Bank

The following are the Sonali Bank's dealing rates to public for some selected foreign currencies with Bangladesh Taka as on June 1, 1996.

	Selling					Buying O.D. Transfer
	T.T. & OD	B.C.	T.T. (Clean)	O.D.		
USD 1 B.T.K.	41.910	41.9510	41.6150	41.4555	41.3610	
GBP 1 B.T.K.	65.1959	65.2581	64.2180	63.9719	63.8260	
DM 1 B.T.K.	27.6727	27.6991	27.1895	27.0853	27.0236	
FRF 1 B.T.K.	8.1764	8.1842	8.0347	8.0039	7.9857	
CAD 1 B.T.K.	30.7786	30.8080	30.2461	30.1302	30.0615	
FR. 1 B.T.K.	33.7423	33.7745	33.1494	33.0223	32.9471	
J.YEN 1 B.T.K.	0.3919	0.3923	0.3815	0.3800	0.3791	

A T.T. (DOC) spot buying Taka 41.5353

B Usance export bill buying rates (B. Taka for one unit of US Dollar).

30 Days DA 60 Days DA 90 Days DA 120 Days DA 180 Days DA

41.2087 40.8792 40.5498 40.2203 39.5614

C) US Dollar sight export bill 3 months forward purchase: Same as O.D. sight export bill. Indicative rates (B. Taka for one unit of foreign currency).

30 Days DA 60 Days DA 90 Days DA 120 Days DA 180 Days DA

41.2087 40.8792 40.5498 40.2203 39.5614

D) US Dollar sight export bill 3 months forward purchase: Same as O.D. sight export bill. Indicative rates (B. Taka for one unit of foreign currency).

30 Days DA 60 Days DA 90 Days DA 120 Days DA 180 Days DA

41.2087 40.8792 40.5498 40.2203 39.5614

E) US Dollar sight export bill 3 months forward purchase: Same as O.D. sight export bill. Indicative rates (B. Taka for one unit of foreign currency).

30 Days DA 60 Days DA 90 Days DA 120 Days DA 180 Days DA

41.2087 40.8792 40.5498 40.2203 39.5614

F) US Dollar sight export bill 3 months forward purchase: Same as O.D. sight export bill. Indicative rates (B. Taka for one unit of foreign currency).

30 Days DA 60 Days DA 90 Days DA 120 Days DA 180 Days DA

41.2087 40.8792 40.5498 40.2203 39.5614

G) US Dollar sight export bill 3 months forward purchase: Same as O.D. sight export bill. Indicative rates (B. Taka for one unit of foreign currency).

30 Days DA 60 Days DA 90 Days DA 120 Days DA 180 Days DA