

New Indian PM pledges to pursue free-market economy

NEW DELHI, June 2: India's new Prime Minister H D Deve Gowda pledged Saturday to pursue the free-market economic reforms initiated by former premier PV Narasimha Rao, reports AFP.

I will continue to stand by the reforms Deve Gowda, 63, told reporters after he was sworn-in as the country's 11th prime minister at the presidential palace at the head of a United Front coalition government.

Deve Gowda said he "will sort out the differences with friendly parties" over the policy of economic liberalisation, the target of severe criticism by communist members of the 13-party United Front.

"I will persuade friendly parties to accept my point of view," he said.

Deve Gowda, a leader of the centrist Janata Dal (people's party), said he had expressed support for the reforms after he was elected Chief Minister of the Southern State of Karnataka in 1994.

Pointing towards Rao, seated beside him at the presidential palace, Deve Gowda said as far as global investments are concerned I fully back him... they are important.

The new premier's comments were immediately flayed by the Communist Party of India (CPI) a member of the

front which is expected to join the government.

"We will also try to persuade the Prime Minister to accept our point of view," said a CPI leader, Shameem Faizee.

"There is no question of him being adamant on this issue," Faizee told AFP. "It is a government of the United Front; it has to draw up a minimum common programme acceptable to everybody there has to be a consensus."

"An exercise at arriving at a consensus is already under way," he said.

We hope the prime minister will go by the consensus. The United Front is an al-

liance of 13 region centrist and leftist parties, but the communists have so far refused to join the government.

Deve Gowda's cabinet sworn in Saturday included representatives of five United Front parties.

Deve Gowda said his minority government would seek a vow of confidence on June 10 in the 545-seat Lok Sabha, the lower house of parliament, just two days ahead of a presidential deadline.

The United Front commands some 175 MPs in the hung parliament and cannot survive without the support of Rao's Congress (I) party which has 136 MPs.

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Industrialists welcome Deve Gowda

NEW DELHI, June 2: Industrialists on Sunday said India's new prime minister could speed up economic reforms, but worried over the influence of his disparate coalition partners, reports AP.

"We have found Gowda to be a great champion of the reform process. I think foreign investment will keep on coming, coming in greater amounts," said J V Shetty, chairman of the state-owned Canara Bank.

Gowda's record as chief minister of Karnataka particularly pleased many industrialists. Within a year of heading the state government, in 1995, he increased local and foreign investment eightfold to 302 billion rupees (8.3 billion dollars).

As chief minister, Gowda also approved plans by a consortium led by Raytheon Corp of the United States to build an international airport in Bangalore, state capital of Karnataka.

He began building a 34-million dollars technological park in Bangalore, amended land laws to help foreign investors buy sites quickly and clamped down on farmers who destroyed Kentucky Fried Chicken's first outlet in India.

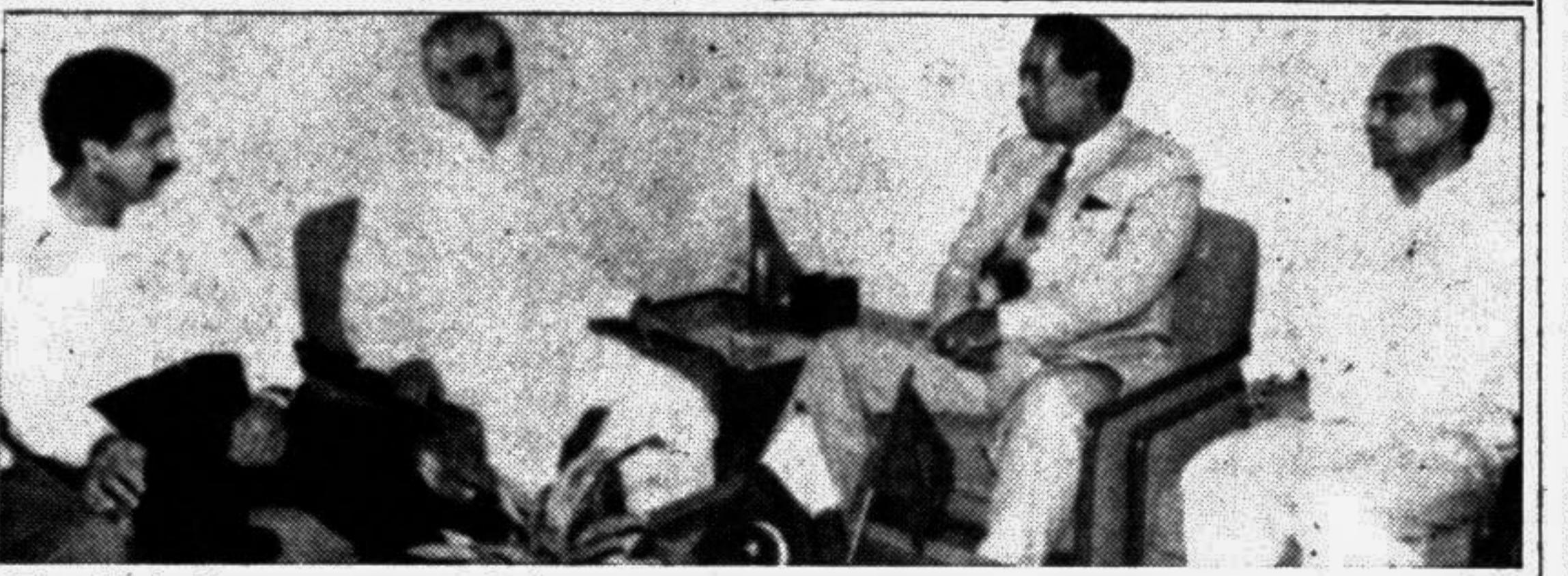
New Filipino scheme to fight traffic jam

MANILA, June 2: A new scheme aimed at ridding Manila of traffic jams goes into effect this month as authorities move to clear a gridlock, experts say, could slow down the Philippines' accelerating economy, reports AFP.

The scheme, on a two-week experimental basis starting Monday, is expected to keep 35 per cent of the more than one million private and public vehicles off the capital's streets from 7 am to 7 pm daily, depending on the last number of their licence plates.

Those with plates ending in one and two are barred on Mondays, three and four on Tuesdays, five and six on Wednesdays, seven and eight on Thursdays and nine and zero on Fridays.

There are no restrictions on weekends and holidays. Violators will be fined 300 pesos (11.5 dollars) for each offense when the scheme is enforced on June 17 after the dry-run.



The High Commissioner of Pakistan in Bangladesh Karam Elahi (2nd-L) called on Ali Hossain (2nd-R), President, Dhaka Chamber of Commerce and Industry at the DCCI office. They discussed various issues relating to bilateral trade promotion in the light of SAPTA. The DCCI President underscored the need for diminishing the prevailing trade imbalances among the SAARC countries.

Asia-Pacific air traffic to hit 200m passengers by 2000

SINGAPORE, June 2: Air traffic to and from the Asia-Pacific region will reach 200 million passengers by 2000, propelled by liberalisation of air transport and development of new airports, a report received yesterday said, reports AFP.

Asia-Pacific passenger traffic grew at an average 10.3 per cent per annum between 1985 and 1993, reaching 112 million or 35.3 per cent of the world total, said the report entitled 'Asia-Pacific air traffic growth and constraints'.

The number of passengers travelling to and from the region is forecast to grow by 8.6 per cent a year from 1993 to 2000, reaching 200 million, or

41.2 per cent of the worldwide scheduled international air traffic, the report prepared by International Air Transport association said.

"It forecast a further 7.1 per cent growth in Asia-Pacific traffic between 2000 and 2010, reaching 398 million or 50.5 per cent of the world total."

IATA made the report for the air transport action group comprising more than 90 airlines, aircraft manufacturers, airport operators, travel agents, consumer associations and other travel-related groups.

The report said Japan will remain as the region's dominant air traffic market, accounting for 53 million passengers by 2000.

Air transport liberalisation, opening of new airports in such destinations as Macau.



Benson Ong, Executive Assistant Manager — designate of Sonargaon Pan Pacific Hotel received the Kuwait Airways crew members upon arrival at the hotel lobby. The executives of the hotel are also seen in the picture.

Week of uncertainty on Bombay Stock Exchange

BOMBAY, June 2: Share prices see-sawed on the Bombay Stock Exchange during the week amid political uncertainty in New Delhi, reports AFP.

The 30-share BSE sensitive index gained 15.72 points during the week to close at 3,724.97 points on Friday. The 100-share national index gained 8.49 points during the week to close at 1,696.55 points.

Trading was dominated by political developments in New Delhi, where a Hindu nationalist Bharatiya Janata Party (BJP), Indian People's Party (IP) government relinquished power after just 13 days in office.

The market gained 104 points on Wednesday, the day after BJP leader Atal Bihari Vajpayee resigned as prime minister. Stockbrokers described the gains, however, as technical correction.

They said the market was not enthusiastic about the coalition government known as the United Front which took power on Saturday.

There are very low expectations from this government," said broker Ajit Ambani. "The market will be cautious and will be most happy if they do not fight amongst themselves."

The release of good financial results during the week by blue-chips such as Tata Engineering, Tata Steel and the Industrial Development Bank of India brought some cheer to the market.

Brokers said that foreign portfolio investors moved in hesitantly to buy at low price levels during the week.

Average daily turnover rose sharply to 140 million dollars from 98 million dollars the previous week. ACC fell 20.50 rupees to 3,752 rupees, Bombay Engineering lost 1.25 rupees to 274.50 rupees, Glaxo gained eight rupees to 225.50 rupees and Reliance Industries lost four rupees to 239 rupees.

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Foreign firms playing foul with Chinese power plants

BEIJING, June 2: A senior Chinese power ministry official has accused foreign companies of playing cash-strapped Chinese power plants off against each other in order to secure higher returns on their investments, reports AFP.

Some firms have taken advantage of China's eagerness for foreign cooperation by talking with a number of Chinese plants separately and using one against the other to leverage higher returns," Tan Aixing, head of the ministry's International Cooperation Department was quoted as saying by the China Daily today.

China plans to install 90 million kilowatts of generators between now and the year 2000, of which between 20 and 25 per cent are expected to use foreign funds.

Dhaka Stock Prices

At the close of trading June 2, 1996

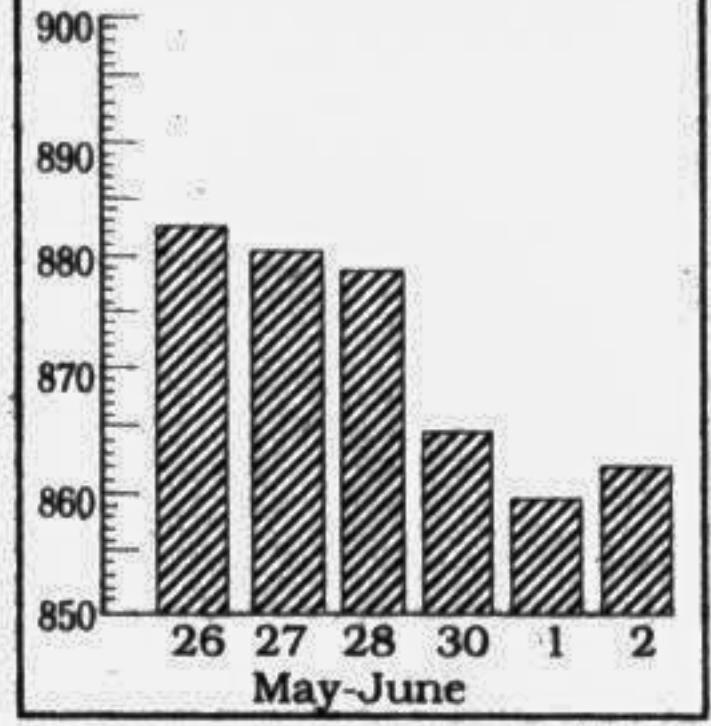
Index rises

Star Report

The Dhaka Stock Exchange All Share Price Index Sunday rose 2.13 points to 862.01 from 859.88.

The transaction in volume

DSE All Share Price Index



Trading at a glance

Company's name	Change (per share)	Number of shares traded
IFIC	2.78 (L)	45
National Bank	67.07 (G)	53
Al Baraka Bank	.00	1
LDLC	6.78 (G)	700
2nd ICB M Fund	11.80 (G)	140
3rd ICB M Fund	5.00 (L)	20
4th ICB M Fund	6.07 (L)	70
6th ICB M Fund	1.26 (L)	300
Alfab Automobiles	5.14 (G)	150
Aziz Pipes	8.09 (L)	365
Bengal Carbide	6.64 (G)	950
Bangladesh Lamps	38.37 (L)	665
Eastern Cables	.05 (L)	600
Karim Pipe	14.30 (G)	1504
Singer Bangladesh	24.89 (G)	245
Atlas Bangladesh	.33 (L)	850
Bangladesh Autocars	.00	190
Quasim Drycells	.87 (L)	980
Metalex Corporation	12.17 (L)	115
Howlader PVC	.00 (L)	50
National Tubes	56.16 (G)	140
B.Thai Aluminum	.60 (L)	420
Alpha Tobacco	.00 (L)	150
Arabia Food	10.88 (G)	40
Axes Food	20.95 (G)	220
Bengal Food	13.45 (L)	15
B Leaf Tobacco	10.00 (L)	20
Gemini Sea	40.28 (G)	35
Chittagong Vegetable	.32 (L)	240
Beximco Fisheries	.22 (L)	140
Bengal Biscuits	2.83 (L)	1480
Raspi Food	1.21 (L)	560
A.M.C. I.P.	10.63 (L)	1600
BOC Bangladesh	.25 (L)	6100
Padma Oil	3.25 (G)	600
Shine Pukur	.48 (L)	1250

DSE Quotation

Company	FV/ML (Taka)	Closing Rate (Taka)
IFIC	2.78 (L)	45
National Bank	67.07 (G)	53
Al Baraka Bank	.00	1
LDLC	6.78 (G)	700
United Leasing	11.80 (G)	140
2nd ICB M Fund	5.00 (L)	20
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DSE Shares and Debentures

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