

Bail-out of South at G-7 summit to be triumph for France

PARIS, June 24: For President Jacques Chirac, a bail-out of the world's poorest countries, mostly in Sub-Saharan Africa, was to have been one of the triumphs of a Group of Seven rich nations' summit which he hosts later this week, reports Reuter.

But agreement appears to be slipping out of France's hands as it fails to convince its main ally, Germany, to drop its opposition to selling gold to partly fund the bail-out.

All depends on whether French diplomacy can engineer a last-minute change of heart by the German Bundesbank, which is leading opposition to the gold sales, diplomats say.

The aim is to reduce the burden of debt owed by the world's poorest nations to end a cycle of poverty where heavy debt repayments crush all hope of economic growth.

Agreement at the summit in Lyon, central France, would allow Chirac to present himself as a champion of poor nations, particularly in Africa, where Paris still holds close ties with its former colonies.

"I want one of the main results of this meeting of the G-7 to be a major advance on aid to the developing countries," he said at a European Union summit in Florence on Saturday.

Official sources say Paris is trying to shame Germany into backing down, painting it as the lone opponent of a global package to help the world's poorest nations.

The aim is for all parties owed debt by these countries mainly the International Monetary Fund, World Bank and Paris Club of creditor nations to act together in reducing debt in a package worth more than five billion dollars.

But while the World Bank could use its own income to provide more money to poor nations, and the Paris Club could improve debt relief, the IMF contribution depends

critically on gold sales. None of the institutions involved would act alone.

Chirac pointed out that Germany was alone in opposing gold sales in talks with German Foreign Minister Klaus Kinkel in Florence. After France dropped its opposition, officials said.

Japan, another traditional opponent, has said it remains cautious about the idea, although diplomats said if the Bundesbank changed its mind, Tokyo would go along with the plan.

So far, however, Germany shows no sign of budging, despite intense behind-the-scenes lobbying — meaning that the Lyon summit could merely express hopes for a future deal.

Last week a Bundesbank spokesman said it remained opposed, and government sources said Chancellor Helmut Kohl and Finance Minister Theo Waigel were united in

their opposition.

Kinkel appeared to be understanding but made no commitment, French officials said.

British overseas development Minister Lynda Chalker said she did not expect a deal to be agreed before the annual IMF and World Bank meeting in the autumn at the earliest.

Chalker told Reuters that one or two German ministers had told her privately that they wanted Bonn to drop its opposition.

The IMF has sold gold before, in the late 1970s, and any new sales would be unlikely to affect gold prices. The idea would be to sell just some five per cent of the IMF's gold reserves over five years — equivalent to some 30 tonnes a year compared to annual demand for about 3,000 tonnes.

Restrictive fiscal policy under attack

Another report from Flo-

rence: The only holy grail of budgetary rigour, a policy entrenched among G-7 governments, is being questioned by critics who say tight-fisted strategy has come at the expense of growth and jobs.

A reaffirmation of such policies is more than likely when the leaders of the world's seven largest economies meet in the French city of Lyon later this week, despite a backdrop of rising unemployment, sluggish growth and widening insecurity.

The spread of the dogma of restrictive fiscal policy is undermining the bargain struck with workers in every industrial country, says Ethan Kapstein, Director of Studies at America's Council on Foreign Relations, in a recent article.

"The current possession with balanced budgets in the United States and the Maastricht criteria in Europe must be replaced by an equally vigilant focus on growth and equity," he added.



M A Wadud, Chairman, BADC, inaugurating a training programme for jute-seed-contract growers at the Bangladesh Jute Research Institute auditorium on Sunday.

BA voted World's Favourite Airline

British Airways has been voted the World's Favourite Airline by travel agents from around the world, says a BA press release.

It swept the board at the industry's prestigious Travel Trade Gazette World Awards — winning World's Leading Airline and Top European Airline, both for the third year in a row.

British Airways was also a runner-up as World's Leading Airline for Inflight Entertainment.

Bob Ayling, BA Chief Executive, said: "All of us at British Airways are immensely honoured to receive this award. The support of travel agents and our customers is something we never take for granted."

The global economy, which was threatening to topple into a recession one year ago, is doing better, thanks to stronger growth in the United States and Japan, but world leaders could be forgiven for not noticing, reports AP.

President Clinton and the other heads of the world's seven largest industrial countries will gather in Lyon, France, for their 22nd annual economic summit this week at a time when every nation is faced with high levels of economic anxiety.

And there are critics who contend that the Group of Seven summit leaders need

look no further than themselves to assess blame for the current pessimism.

The seven nations — the United States, Japan, Germany, France, Britain, Canada and Italy — account for two-thirds of world output by a traditional measurement and their annual summits were designed as a kind of 'board of directors' meeting for the global economy.

However, the G-7 process has fallen on hard times in recent years, seemingly unable to cope with high unemployment levels in many European countries, wage stagnation in the United States and rising anxiety in all countries over increased global competition.

Those topics will all be discussed when this year's meetings get under way Thursday, but there is little likelihood that solutions will emerge.

In fact, this year's gathering may well be remembered more for who didn't show up than who did. Russian President Boris Yeltsin, facing a runoff election on July 3, decided last week he needed to stay home and campaign.

While Prime Minister Viktor Chernomyrdin will come in his place, Yeltsin's absence is something of an embarrassment for the G-7 leaders who had planned a large portion of this year's gathering to bolster Yeltsin in his battle against communist Gennady Zyuganov.

President Clinton, who is facing his own re-election fight this year, is stressing that the United States is the standout economic performer among the G-7 countries in terms job

creation over the last 3 1/2 years.

"This country is thriving. It's doing well," Clinton said last week, telling a Washington audience that he expected his fellow summit leaders would quiz him in Lyon about America's ability to create 9.7 million new jobs.

In the runup to the three days of meetings, America's allies were signaling they had other questions to pose to Clinton as well — particularly their unhappiness over new US legislation that seeks to punish foreign companies for doing business with Libya and Iran, two countries accused of terrorist activities, and communist Cuba.

Canada and the European countries have been outspoken in complaining about what they see as an effort by the United States to dictate to them.

As usual, political problems such as how to rescue the peace process in the Middle East, insure all elections in Bosnia and combat global threats such as nuclear proliferation will also occupy a good portion of the agenda along with the traditional economic issues.

French President Jacques Chirac had hoped to make Lyon "the development summit" with the rich countries coming forward with debt relief for poor countries.

In keeping with a trend started last year toward less pomp and pageantry, Chirac moved this year's event to Lyon in hopes of recapturing the informality that marked the very first summit, also held in France at Rambouillet in 1975.

Mugabe vows to nationalise more white-owned land

HARARE, Zimbabwe, June 24: President Robert Mugabe vowed to seize more white-owned land, effectively nationalising hundreds of farms, a state controlled newspaper reported Sunday, according to AP.

Mugabe, meeting with ruling party supporters late Saturday, said white settlers took land from blacks without paying for it and "this is what we are going to do" to them, the Sunday Mail reported.

A National Land Acquisition Committee was appointed by Mugabe to speed up land seizures and would be headed by ruling party chairman Joseph Msika, the paper said.

Mugabe appeared to be a significant hardening of a controversial government programme to hand over white-owned properties to landless black peasants.

He said Britain, the former colonial power, was informed of the government's new thrust.

"We told them we do not have the money to buy back the land, which was not paid for in the first place," Mugabe said.

British foreign secretary Malcolm Rifkind replied in a letter to Mugabe that only 46 million Zimbabwe dollars (5 million dollars) was available in British aid to compensate white farmers, mainly of

Number of people living on less than a dollar daily rises: WB

WASHINGTON, June 24: Standards of living have gone up in most of the developing world but the number of people living on less than a dollar a day has also risen, the World Bank said today, reports AFP.

While the percentage of people who live in extreme poverty has gone down, the number of people spending less than one dollar a day to live has gone from 1.23 billion dollars in 1987 to 1.31 billion dollars in 1993, according to the World Bank report.

Most of the poorest of the poor live in Southern Asia, Sub-Saharan Africa, Central America, Brazil and Rural China. Most of the world's poorest live in the cities these days, while the countryside was the centre of poverty at 75 years in 1982 to 77 in 1993.

A total of 500,000 women die in childbirth, eight million children die from ailments caused by pollution and 130 million people — 80 per cent of whom are women — are unable to go to school.

Dhaka Stock Prices

At the close of trading on June 24, 1996

Index falls by 14 points

Star Report

The Dhaka Stock Exchange All Share Price Index experienced a sharp fall of 13.89

points, dropping from 976.19 to 962.30.

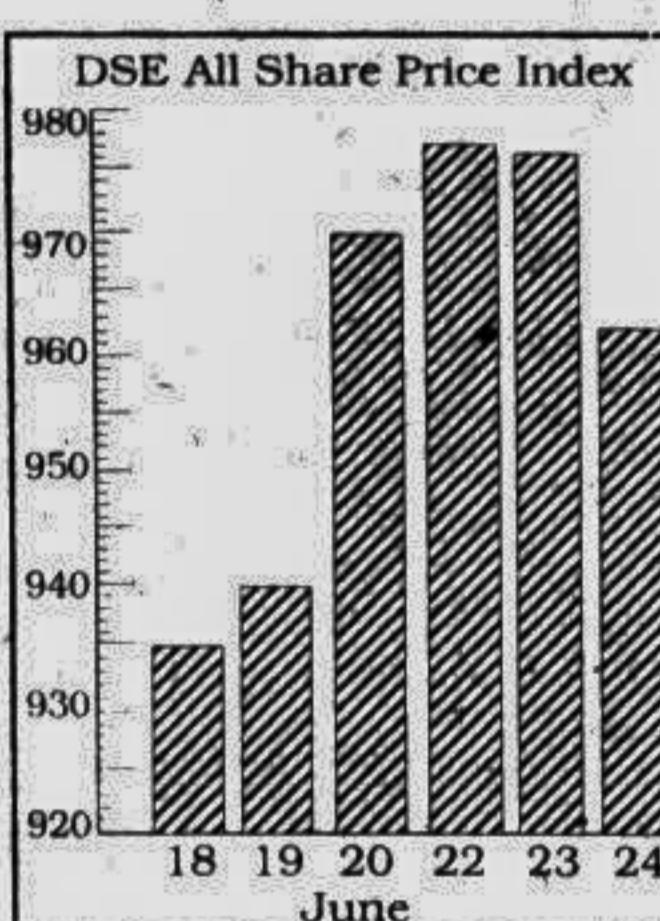
The transaction in volume decreased by three per cent to 2.30 lakh from 2.36 lakh and value dropped by 30 per cent from Tk 9.06 or Tk 6.38 cr.

The total market capital of DSE declined to Tk. 5634.06 cr from Tk 6628.38 cr.

The leading gainer of the day was United Leasing Co with a rise of Tk. 93.82 per share while the losers were led by Singer Bangladesh with a fall of Tk 634.09 per share.

The volume leaders of the day were: Beximco Pharma (2350), Padma Oil (1595), and ICB Bangladesh (1545).

The number of issues traded totalled 110, of which 43 gained, 53 incurred losses while prices of nine remained unchanged.



Trading at a glance

Company	Change (per share)	Number of Shares traded
AB Bank	12.44(G)	30
IFC	3.33(G)	25
Islami Bank	55.84(L)	39
National Bank	5.61(G)	3225
Rupali Bank	0.00	210
UIC	1.27(L)	860
United Leasing	93.82(G)	1700
1st ICB Mutual Fund	0.00	50
2nd ICB Mutual Fund	80.00(G)	50
3rd ICB Mutual Fund	7.76(L)	315
4th ICB Mutual Fund	39.00(G)	25
5th ICB Mutual Fund	9.41(L)	380
6th ICB Mutual Fund	9.33(L)	250
7th ICB Mutual Fund	11.33(S)	140
Aziz Pipes	4.22(L)	1020
Bengali Carbide	1.50(L)	250
Bengali Lamps	963.04(L)	45
Eastern Cables	12.51(L)	5420
Karim Pipe	13.26(L)	1380
Singh Bangladesh	634.04(L)	340
Shamim Autoarts	1.91(G)	1320
Quasim Drycells	0.3(L)	7750
National Tubes	9.68(L)	30
Thai Aluminum	6.63(L)	180
Alpha Tobacco	3.93(L)	800
Bangladesh Tobacco	5.00(L)	350
Gemini Sea Food	20.00(G)	15
Dhaka Vegetable Oil	24(L)	190
Rupali Lee	1.00(L)	250
Tulip Dairy	15.00(G)	30
Beximco Fisheries	0.00	1020
Bengal Biscuits	4.29(G)	180
Mujib's Shrimp	1.00(L)	4200
AMC	10.70(L)	4200
BOC Bangladesh	0.41(G)	15450
Padma Oil	14.33(L)	15950
Northern Jute	0.00	800
Shim Pukur	1.50(L)	4750
Ashraf Textile	6.91(L)	1650

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 24, '96.

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