

French co begins operations in Iran despite US opposition

TEHRAN, June 26: French firm Total has begun drilling operations to develop two offshore Iranian fields in the Gulf despite US efforts to dissuade foreign investment in Iran's oil sector, an Iranian oil official said yesterday, reports AFP.

Esmail Jalilani, the director of the oil ministry's offshore department, said the company had started "drilling activities" in Sirri A and E fields on June 16.

"The projects for developing Sirri are advancing according to the schedule with no major hitches," he told the daily Iran.

On July 13, Total signed a 600-million-dollar deal with the national Iranian oil company to develop the fields after the US government forced the American company Conoco to drop the project as part of a US embargo against Iran.

Washington accuses Iran of supporting international terrorism and seeking to acquire nuclear weapons.

The US House of Representatives voted last week for sanctions on foreign companies investing 40 million dollars or more in Iran's oil and gas sector in a single year.

Total has so far resisted US pressure saying it would stick to the Iran plan.

### Mad cow crisis compensation to cost UK \$ 3.85b

LONDON, June 26: Britain said yesterday it faced a bill of 2.5 billion pounds (\$3.85 billion US dollars) over the next three years to cover compensation schemes for the mad cow crisis, reports Reuter.

We have looked at the consequences of all the schemes and I can inform the House that the cost over three years will in fact be 2.5 billion pounds. Junior Agriculture Minister Angela Browning told Parliament.

Prime Minister John Major secured a deal at the European Union summit in Florence last week for a step-by-step easing of a ban on British beef exports imposed in March amid fears that Bovine Spongiform Encephalopathy (BSE) or mad cow disease, could be transferred to humans.

Although no specified date was given, Major said he expected some movement by November.

In exchange Britain agreed to a verified cull of cattle in addition to 89,000 cattle already earmarked for slaughter and to meet other EU conditions to prove that its beef is safe to eat.

Since the ban was introduced many British farmers have been facing financial ruin and the nation's 600 million pound (930 million US dollar) beef export industry has collapsed.

**World's 3 most expensive cities in Japan**

SINGAPORE, June 26: Tokyo, Osaka and Kobe remain the most expensive cities in the world for expatriates to live in, with three other Asian cities in the top 20 list, according to survey results received here today, reports AFP.

A study by the Economist Intelligence Unit (EIU), part of the London-based economist group, put Hong Kong at 12th place, while Seoul and Singapore were in a four-way tie for 16th position with Frankfurt and the French city of Lyon.

The cities were graded on the basis of a comparative cost-of-living index against New York which was rated 100 and was the 36th most expensive city.

Tokyo was given an index of 179, while Osaka-Kobe, considered one metropolis because of their proximity, was rated 172. Zurich was a far third with 147, followed closely by Oslo and Geneva.

While the three Japanese cities remained the world's most expensive cities for foreigners, "they have become a little cheaper as the yen has weaker against the US dollar," a press statement from the EIU said.

**Tokyo eyes cuts in space, nuclear budget**

TOKYO, June 26: Japan's space and nuclear programmes have become prime targets for spending cuts as the government strives to reduce its budget deficit, Jiji press said yesterday, reports AFP.

An advisory panel of the finance ministry plans to issue a report in July urging a drastic review of spending on a variety of science and technology development programmes, the news agency said, quoting panel sources.

The prime targets will include major ongoing projects, Jiji said.

The domestic projects of developing fast-breeder nuclear reactors and an experimental space shuttle will also be reviewed, it said.

The spending cut proposal came amid public opposition against the country's fast-breeder programme following sodium leak at the Monju fast-breeder reactor in Fukui, facing the Sea of Japan, in December last year.

# India to permit futures trading in commodities

NEW DELHI, June 26: The Indian government plans to set up commodity exchanges and allow domestic and international futures trading in all commodities which have export potential, a newspaper said yesterday, reports AFP.

Agriculture Minister U. Venkateswarlu told the Business Standard that the move was aimed at increasing the share of agricultural exports to 30 per cent of the country's total from the present 16 per cent.

"We want to become a major player in the international market for agro-products," Venkateswarlu was quoted as saying. "We have the potential

to do so."

The government plans to raise the annual value of agricultural exports to 8.5 billion dollars by the turn of the century, he said. In the fiscal to March 1996, agricultural exports totalled six billion dollars.

"Commodity exchanges will have to be set up to achieve a faster growth in agro-exports," Venkateswarlu said. "Many nations have increased their agro-exports by permitting futures trading and operating commodity exchanges."

The government would permit futures trading in all commodities and sectors including floriculture, horticultural

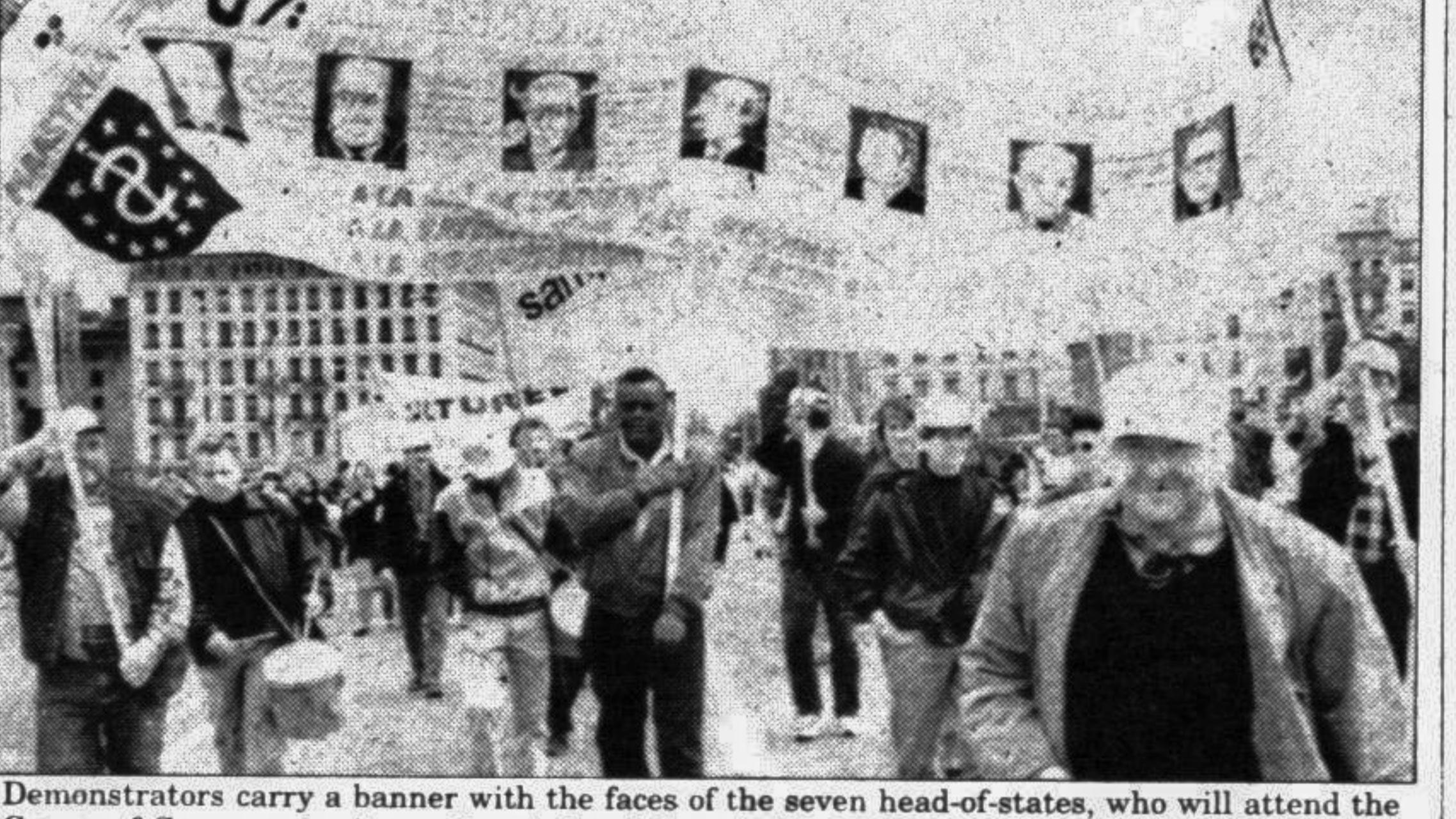
ture, raw cotton, rice and wheat in which Indian businesses have started expressing interest, he said.

Domestic futures trading is allowed only in pepper, jaggery, castor seed, potato and turmeric. An international commodity exchange for pepper has been set up in the southern port city of Cochin.

The government will take the views of all the major international players in these commodities before taking a final decision," Venkateswarlu said.

"Futures trading facilities exports and also provides security to producers."

Mercurus, short for com-



Demonstrators carry a banner with the faces of the seven head-of-states, who will attend the Group of Seven summit meeting today (Thursday) announcing on the banner "Attention these men are dangerous," in Lyon on Tuesday. Thousands of members of the communist-led CGT trade union, the university teachers union, the pro-socialist CFDT and the independent FO called for full employment and protested the G7 meeting. - AFP/UNB photo

### IMF chief admits

## Plan to sell gold for poorest countries faces obstacles

tions, he said.

The overall debt of the 20 poorest countries is estimated at 97 billion dollars.

Germany, in particular, and Italy and Japan are against the principle of gold sales while Britain, Canada and the United States support the idea.

France, recently shifted its position and said it was open to consensus.

Another report says: International Monetary Fund Managing Director Michel Camdessus said Tuesday the plan to sell part of the fund's gold reserves to finance aid for the world's poorest countries still faced obstacles, reports AFP.

It's going to be more of a battle, Camdessus said. The subject will be on the agenda at the Group of Seven meeting in Lyon, France, which starts on Thursday.

He said the IMF needed to be given the means to achieve its plans to finance loans for the world's poorest countries between 2000 and 2004 and to meet the cost of plans to reduce debt.

But certain countries have sacrosanct principles as soon as we talk about gold. The deal provokes primitive reac-

tions, he said.

This situation was due notably to the will of the seven major powers to operate in an orderly reversal of currencies following the plunge in the dollar against the yen and European currencies at the end of 1994.

The seven should recognise that they did well, Camdessus said.

They should also recognise that it is necessary to resume (intervention) if it is justified, and as far as possible not to wait until the situation becomes extreme.

The IMF chief also called for bank control rule to be standardised in the industrial markets if it is justified.

Two days before the opening of the G7 meeting in Lyon on Thursday, Camdessus said that based on economic fundamentals, parity between the major currencies has never been

more justified in 30 years.

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## Luxury apartments increasingly dot skyline in Colombo despite war

COLOMBO, June 26: Luxury apartments and shopping blocks increasingly dot the skyline in Sri Lanka's capital despite an ethnic war that has unnerved investors and hit the office market, developers and analysts said yesterday, reports Reuter.

Anything with generator and parking space will be successful immediately," Javier Del Ser Managing Director of Crescat Residences told Reuters. Crescat is a 50 million square feet of its 39-storey world trade centre in the heart of Colombo.

What we leased is below what we expected. The economic climate is not all that encouraging."

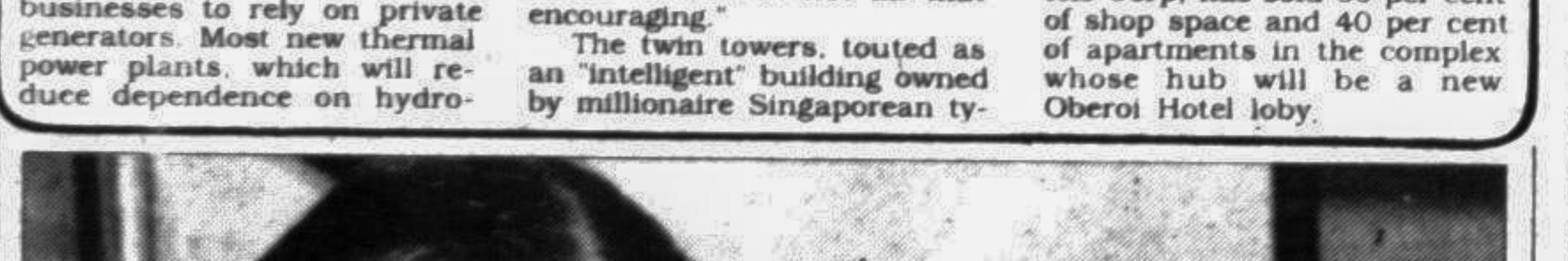
The twin towers, touted as an "intelligent" building owned by millionaire Singaporean ty-

coon SP Tao, was about 70 per cent leased at 1.50 dollar to two dollar per square foot, he said. Del said the building was the only international grade office space available in Sri Lanka.

It makes sense for people to concentrate in a few good office towers," he said. "But because the economy is not too bright at the moment it is easier to sell retail space."

Analysts said the new buildings were going up in prime shopping locations which was why there was demand for retail space.

Crescat, owned by Asian Hotels Corp, has sold 80 per cent of shop space and 40 per cent of apartments in the complex whose hub will be a new Oberoi Hotel lobby.



A Chinese girl admires a box of Dunkin' Donuts yesterday, the latest of the many western fast-food now available in Beijing. A recent report on the changing diet and food ways of the Chinese said that children have come to dominate families' discretionary spending, an opportunity fast-food chains have pounced on. - AFP/UNB photo

## S America-Asia-Pacific trade summit suggested

BUENOS AIRES, June 26: Leaders of South America's biggest trade bloc and those of Asia Pacific nations should hold a summit to strengthen ties, World Economic Forum President Klaus Schwab suggested yesterday, reports AFP.

The proposed meeting of Mercosur and Asian leaders could help boost foreign investment in the South America trade bloc, which Schwab said was a mere 0.4 per cent of the market's combined gross domestic product while in Malaysia and China the figure is close to six per cent.

Enrique Iglesias, President of the Interamerican Development Bank, said an expanded Mercosur including Chile and Bolivia would need 26 billion dollars over the next decade to finance infrastructure projects to link the six countries.

mon market of the South, is the world's fourth largest trade bloc with a market of 200 million consumers and a combined output of 800 billion dollars.

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## Dhaka Stock Prices

At the close of trading on June 26, 1996

### Index continues to fall

#### Star Report

The Dhaka Stock Exchange All Share Price Index continued to fall with a decline of 4.88 points, decreasing to 941.77 from 946.65.

The transaction in volume decreased by 30 per cent from 2.81 lakh to 1.98 lakh and the value went down by 34 per cent to Tk 5.28 cr from Tk 8.02 cr.

The total DSE market capital declined to Tk 6394.61 cr from Tk 6427.78 cr.

The leading gainer of the

day was Islami Bank with a rise of Tk 220.88 per share while the losers were led by Singer Bangladesh with a fall of Tk 115.87 per share.

The volume leaders of the day were: Beximco Pharma (18950), Ashraf Textile (16450) and Apex Weaving (15150).

The number of issues traded totalled 114, of which 46 gained, 62 incurred losses while prices of six remained unchanged.

#### Trading at a glance

| Company                | Change (per share) | Number of shares traded |
|------------------------|--------------------|-------------------------|
|                        | Tk                 |                         |
| DSE All Price Index    | .941.77            |                         |
| Market Capital Tk      | 6394.61 cr         |                         |
| Transaction in Volume  | 198436             |                         |
| Transaction in Value   | 5.28 cr            |                         |
| Total Issues traded    | 114                |                         |
| Issues gained          | 46                 |                         |
| Issues incurred losses | .62                |                         |
| Issues unchanged       | 6                  |                         |

| Company                | Change (per share) | Number of shares traded |
|------------------------|--------------------|-------------------------|
|                        | Tk                 |                         |
| IFIC                   | 5.00(L)            | 141                     |
| Islami Bank            | 220.88(G)          | 42                      |
| National Bank          | 4.27(G)            | 2070                    |
| IDLC                   | 96.62(L)           | 840                     |
| 1st ICB Mutual Fund    | 50.00(G)           | 20                      |
| 2nd ICB Mutual Fund    | 52.69(G)           | 40                      |
| 3rd ICB Mutual Fund    | 15.14(G)           | 95                      |
| 4th ICB Mutual Fund    | 32.90(L)           | 270                     |
| 5th ICB Mutual Fund    | 15.14(L)           | 350                     |
| 6th ICB Mutual Fund    | 1.62(L)            | 920                     |
| 7th ICB Mutual Fund    | 3.45(G)            | 3200                    |
| Atlab Automobiles      | 2.95(G)            | 135                     |
| Bengal Carbide         | 30.35(G)           | 635                     |
| Bangladesh Lamps       | 42.89(G)           | 740                     |
| Eastern Cables         | 3.22(G)            | 1320                    |
| Karim Pipe             | 1.45(G)            | 250                     |
| Monno Jute             | 100.00(G)          | 5                       |
| Singer Jute            | 115.87(L)          | 340                     |
| Atlas Bangladesh       | 1.60(G)            | 650                     |
| Bangladesh Chemical    | 2.38(L)            | 360                     |
| Wata Chemical          | 1.08(G)            | 200                     |
| Beximco Infusions      | 1.00(L)            | 110                     |
| Pharmaco International | 1.04(L)            | 260                     |
| Reckitt and Colman     | 1.35(G)            | 1950                    |
| Kohinoor Chemical      | .86(L)             | 325                     |
| Rahman Chemicals       | 1.50(L)            | 18950                   |
| ACI Limited            | 1.50(L)            | 750                     |
| R                      |                    |                         |