

G-7 urged to look to South-East Asia as proof Globalisation of economy presents challenge not threat: Major

LYON, France, June 29: British Prime Minister John Major yesterday urged the world's richest economies to look to South-East Asia as proof that globalisation of the world economy presented a "challenge not a threat," reports AFP.

British officials said Major used his intervention at the Group of Seven summit here to underline the significance of the region's stunning development to overall world growth and the importance of not shunning that growth with unnecessary regulation or restrictive new trade rules.

Where the tiger economies once tracked the performance of the G-7, now they were big enough to generate growth in their own right, Major said, highlighting the fact that Asia will account for virtually all new growth in airline traffic over the next decade.

Brushing aside fears that fierce competition from developing economies could undermine Europe's costly social welfare systems, Major told the summit that the G-7's response to globalisation should be to "press ahead with structural reform to make markets more flexible domestically and more open internationally."

Greater labour market flexibility meant the United States was capable of generating new jobs at four times the rate of the big European economies, Major said. Only by following this lead could Europe hope to

benefit from the opportunities for prosperity presented by the emergence of a global market place.

Britain was however unable to resist pressure from France

and the US for the link between labour standards and trade to be high on the agenda of the first ministerial meeting of the World Trade Organisation in Singapore this

December.

Moves to link the two subjects have been regarded with suspicion in Asia, where the western stress on issues such as child or forced labour is seen as a potential excuse for social protectionism.

While arguing that deregulation and liberalisation represents the way forward, British Chancellor Kenneth Clarke acknowledged that international institutions need to be adapted to deal with a situation where "massive amounts of capital can be moved around the globe at the touch of a computer button."

The summit was expected to issue a communiqué on international monetary stability which outlines possible measures to reduce the possibility of currency turmoil in one country sending shock waves around the world, as happened with last year's Mexican crisis.

Britain was seeking support for the concept of a "leading regulator," under which regulators in the base country of banks or other financial institutions would be given a greater responsibility for keeping tabs on their regulators, but it could help prevent events like the collapse of Barings and the BCCI taking markets completely by surprise.

In the case of Barings, authorities in Singapore had not been sufficiently aware of the wider implications of the fraud they discovered on their doorstep, officials said.

Highlights of communiqué

LYON, France, June 29: The following are highlights of the Lyon summit communiqué of the Group of Seven industrial power, the United States, Japan, Germany, France, Britain, Italy and Canada, reports Reuters.

GLOBALISATION: Globalisation provides great opportunities, but poses challenges for some of the poorer countries, which risk becoming marginalised, and generates new risks of instability in the financial markets.

G-7 OUTLOOK: The United States continue to enjoy sustained non-inflationary growth. In Japan, the recovery is gathering strength.

"Some European countries... experienced a slowdown, but economic fundamentalists are improving and we are confident that growth will pick up in the second half of the year," the statement said.

OUTLOOK: "Looking ahead, the economic fundamentals remain sound and well-oriented — inflation has settled at a low level, interest rates have come down substantially... public deficits and

debt remain too large and national savings too low," it said.

"We share a common commitment to a medium-term economic strategy — credible fiscal consolidation programmes, successful anti-inflationary policies and as a consequence low interest rates, and strengthened structural reform," it said.

CURRENCIES: "We welcome the broad movements in the major currencies since April 1995. These are positive and promising developments," he said.

FINANCIAL REGULATION: "We welcome the progress on the strengthening of capital standards (and) by the international bodies concerned with banking and securities regulation."

Objectives for the next year include increasing cooperation among authorities supervising internationally active financial institutions, encouraging stronger risk management, encouraging the adoption of prudent standards for emerging countries, studying implications of technological advances.

China bans import of British poultry from disease area

BEIJING, June 29: China announced yesterday a ban on poultry from an area of Britain hit by disease but diplomats said it would not affect lucrative exports of British breeding ducks to China, reports Reuters.

China had imposed an immediate ban on poultry from a 20-km (12.5 mile) area of East Sussex in Southern England where poultry had been hit by the infectious Newcastle disease, which has a fatality rate of 90 per cent, the Xinhua news agency said.

Poultry from the rest of Britain could be imported with proper quarantine certificates, it said.

A British embassy official said the disease was discovered in unvaccinated backyard peasants in an area of East Sussex on May 21.

He said Britain reported the outbreak to China on May 24, saying all necessary control measures had been taken, including slaughter and disinfection.

The ban would not affect exports to China of high-quality breeding ducks by Cherry Valley Farms, a duck breeder based in the central town of Lincoln, he said.

Britain's current account shows £1.068b deficit in 1st quarter

LONDON, June 29: Britain's balance of payments on the current account showed a deficit of 1.068 billion pounds (1.602 billion dollars) in the first quarter of 1996, the Office for National Statistics (ONS) said yesterday, reports AFP.

This compared with a deficit of 1.8 billion pounds in the last three months of 1995 and was better than the predictions of analysts, who had predicted that the balance of payments on the current account would remain unchanged from the last quarter of 1995.

The ONS also published data on Friday which showed that Britain's gross domestic product (GDP) rose by 0.4 per cent in the first three months of 1996 compared with the last quarter of 1995. GDP grew by 1.9 per cent on a 12-month comparison.

Iraq's reentry into oil market likely to be delayed

UNITED NATIONS, June 29: Iraq's plan to re-enter the world oil market to pay for food and medicine may be delayed because of Western concerns over the way it plans to distribute the goods, Western diplomats said Friday, reports AP.

But a senior Iraqi diplomat said he was optimistic the United Nations would find the plan he submitted acceptable and challenged critics to find any loopholes.

On May 20, Iraq accepted a United Nations plan allowing it to sell two billion dollars worth of oil for an initial 180-day period. The money will go toward humanitarian supplies for its people, who are suffering the effects of six years of UN sanctions imposed after the 1990 invasion of Kuwait.

Revenues from the oil sale are also to be used to pay war reparations to Kuwait and cover the costs of UN monitoring operations in Iraq.

But Iraqi oil cannot begin flowing until a Security Council committee works out a variety of details, including how contracts are approved, and sets up a system to make sure Iraq does not import banned items under the guise of humanitarian aid.

The committee is expected to finish the plan next week. In addition, a separate UN committee headed by UN Undersecretary-General Chinmaya Gharekhan must sign off on an Iraqi plan for distributing food and medicine to make sure all every Iraqi receives a fair share.

On Thursday, senior Iraqi diplomat Abdul Amir al-Anbari, who negotiated the oil-for-food deal, submitted a 700-page plan for distributing humanitarian supplies.

The United Nations has not commented officially on the plan. But some Western diplomats, speaking on condition of anonymity, said they were concerned about parts of it. "Our biggest worry is that it is based on the current government rationing system," one diplomat said on condition of anonymity. "We know this is abused."

Except in areas of northern Iraq controlled by rebellious Kurds, Iraq uses a rationing system, under which Iraqis pay a nominal price for coupons which are redeemed for food. The diplomat said Iraqi soldiers and supporters of President Saddam Hussein receive more coupons. He also said the

Iraqis were asking for improvements to their irrigation, electricity, communications, oil transport and sewerage systems.

"We presume Iraq will try to broaden the definition of humanitarian goods and create loopholes," another Western diplomat said, also on condition of anonymity. "And we presume we will have to close the loopholes."

During the oil-for-food negotiations, the United States and Britain raised objections to what they considered loopholes tentatively accepted by UN negotiators.

Anticipating similar problems, al-Anbari accused unnamed countries of trying to "rewrite" the May agreement. He insisted that Iraq's plan "guarantees equitable distribution throughout the country, throughout the population of Iraq."

Well, if they identify the loopholes, we'd be happy to close them, al-Anbari told reporters Friday.

When the oil-for-food deal was signed last month, al-Anbari and other Iraqi officials optimistically predicted that Baghdad could resume exports within a few weeks.



AQ Siddiqui, Managing Director, Agrani Bank, giving away certificates among the participants of a course on "Audit, vigilance and inspection" at Agrani Bank Training Institute. Among others, Director and DGM of ABTI Badruddin Ahmed, Assistant General Manager Md Akhtar Hossen and course coordinator Mohammad Zakaria are also seen.

Most SE Asian units fall against greenback in six months

SINGAPORE, June 29: Nearly all the currencies of South-East Asia's booming economies either depreciated or were flat against the high-rising US dollar in the first half of 1996, but analysts see the regional units firming up by the year's end, reports AFP.

The Malaysian ringgit appreciated by 1.7 per cent against the greenback while the Indonesian rupiah, Singapore dollar, Thai baht and Philippine peso fell or were flat against the US currency, MMS International Singapore General Manager Andy Tan said.

The rupiah depreciated by 1.65 per cent, the Thai baht weakened by 0.9 per cent, the Singapore dollar was marginally down by 0.4 per cent while the Philippine peso was flat against the US dollar from January 1 to yesterday, Tan said.

US dollar had risen strongly against the mark and the yen in the first half of this year and analysts see the greenback sustaining its strength against the two majors.

"But we do not expect the US dollar to put on the same magnitude of gains against the South-East Asian currencies as it did in the first half," Tan told AFP.

"In some cases, it may even depreciate against currencies such as the ringgit and the Singapore dollar," he said, forecasting that the dollar would reach a peak of 110 yen by the fourth quarter of 1996 before trending southwards.

Analysts said the South-East Asian currencies were much sought after by western and Japanese funds in particular, because they offered higher yields in terms of interest rate differentials.

There seemed to be widening gap between US interest rates and those in Asia,

where the greenback is the most popular peg and interest rates are being raised to fight economic overheating, they said.

"Indeed many of the South-East Asian currencies are still offering very high yields and as such we will see continued inflows from funds wanting to lock into these yields," said Sim Moh Siong, economist with Citibank Singapore.

"In absolute terms, the Indonesian rupiah is the most attractive followed by the Thai baht and the Malaysian ringgit," Sim said.

There may also be currency gains with the ringgit on the back of a tight monetary policy in Malaysia, he said.

Singling out the Indonesian rupiah, Sim said he did not see much near-term risk in the currency despite recent political uncertainty stemming from a leadership tussle in the opposition Indonesian Democratic Party.

Jacqueline Ong, analyst with British financial consultancy IDEA in Singapore, said South-East Asian currencies enjoyed brighter prospects of appreciating against the yen rather than the greenback in the second half of 1996.

Japanese funds would continue to move their money to the region to capitalise on higher interest rates, she said on the other hand, US interest rates could be hiked in the third or fourth quarter.

Ong forecast that by the year's end, the US dollar would hover around 1,400-1,404 Singapore dollars, 2,488-2,495 Malaysian ringgit, 25.35-25.39 Thai baht, 2,370-2,380 Indonesian rupiah and about 25.15 Philippine peso.

In Singapore Friday, the US dollar was trading at around 1,409.5 Singapore dollars, 2,494.7 Malaysian ringgit, 25.37 Thai baht, 2,326 Indonesian rupiah and 26.19 pesos.

Chittagong Stock Exchange

Four-point rise in index

CHITTAGONG, June 29: Fourteen issues were traded on the Chittagong Stock Exchange floor on Saturday, reports UNB.

Of those, 11 issues gained, two incurred loss and one remained unchanged.

The CSE All Securities Price Index rose by 3.67 points to 406.26 on the day.

A total of 4145 securities valued at Tk 2,860,660.00 were traded today.

Market capitalisation stood at Tk 36.55 billion.

Day's trading performance

Company Name	Closing Rate	Previous Rate	Difference	No. of Securities Traded	Value in Taka
Rupali	460.83	500.00	-39.17	120	55300.00
Janata	240.35	227.50	12.85	340	81200.00
Apex Weaving	104.00	103.00	1.00	300	31200.00
ACI Ltd	115.00	115.00	0.00	50	5750.00
Beximco Pharma	68.50	68.23	0.27	450	50825.00
AMCL (Pun)	379.44	364.76	14.68	450	170750.00
Confidence Cement	360.20	355.67	4.53	920	331380.00
CTG Cement	2473.73	2302.04	171.59	790	1954245.00
Apex Tannery	625.00	601.00	24.00	10	6250.00
BOC (Bd) Ltd	197.00	191.00	6.00	100	19700.00
7th ICB MF	264.39	260.03	4.36	180	47580.00
7th ICB MF	233.90	230.00	3.90	250	58475.00
Umsania Glass	711.47	729.00	-17.53	85	60475.00
Beximco	70.00	67.00	3.00	100	7000.00

CSE at a glance

All Securities Price Index	406.26
Day's Change in Index	0.9116%
Total Turnover in Value in Taka	2,860,660.00
Total Turnover in Volumes	4145
Total Issues Capital in Taka	12,808,659,190.00
Total Closing Market Capital in Taka	36,553,526,378.00
Total Number of Listed Securities	72
Total Number of Companies	65
Total Number of Mutual Funds	7
Day's Contract Numbers	199
Day's Issues Traded	14
Day's Issues Gained	11
Day's Issues Incurred Loss	2
Day's Issues Unchanged	1

Exchange Rates

Janata Bank

The following are the dealing rates to public for some selected foreign currencies with Bangladesh Taka as on June 29, '96.

	Selling	Buying
Name of Currency	T.T. & O.D.	B.C.
US Dollar	41.9120	41.9650
G.B. Pound	65.2781	65.3557
D. Mark	27.6324	27.6652
F. Franc	8.1723	8.1820
JP. Yen	0.3865	0.3870
C. Dollar	30.8911	30.9278
S. Franc	33.6019	33.6418
US Dollar	41.9120	41.9650
G.B. Pound	65.2781	65.3557
D. Mark	27.6324	27.6652
F. Franc	8.1723	8.1820
JP. Yen	0.3865	0.3870
C. Dollar	30.8911	30.9278
S. Franc	33.6019	33.6418

	US DLR	G.B.P.	S. Riyal	U.A.E. DH.	Kuwait Dinar
Selling	42.5000	65.2781	11.2000	11.2500	137.5000
Buying	41.8000	63.0281	10.8000	10.8500	132.5000

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 29.6.96							
Berth No	Name of vessels	Cargo	L port call	Local Date of agent arrival		Leaving	
J/1	Sea Venture	GI	CIGA	Oil	26/6	2/7	
J/2	Kapros	GI	Mad	HEA	26/6	29/6	
J/3	Feng Qing	GI	S. Hai	Bdship	23/6	1/7	
J/4	Tierra Azul	GI	Sing	HEA	25/6	29/6	
J/5	Mekhanik Aniskin	GI (Copro)	Sant	Royal	18/6	1/7	
J/6	Amhethey	GI	Sing	Royal	29/5	1/7	
J/7	Epic	R. Seed	Kand	Seacon	9/6	29/6	
J/8	Sea Tradition	GI	Sing	ANCL	25/6	5/7	
J/9	Al Swamir	GI	P. Kel	ASLL	21/6	30/6	
J/11	Hong Qi 206	C. Clink	Long	Cosmos	22/6	7/7	
J/12	Pearl One	Sugar (G)	Hald	Cross	19/6	1/7	
CCT/2	Banglar Moni	Cont	Sing	BSC	27/6	30/6	
CCT/3	Polar Bird	Cont	Col	Bdship	25/6	29/6	
RM/14	Banglar Asha	Repair	Mong	RSC	5/6	10/7	
CCJ	Xing An Jiang	Cement	Long	RML	11/6	29/6	
GSJ	Sea Renown	Cement	Yang	RML	26/5	30/6	
RM/6	Wawasan Setia	SKO/MS	Sing	MSPL	25/6	30/6	
DOJ	Banglar Shourabh	C. Oil	Sing	BSC	R/A	29/6	
LD	Meng Kiat	Repair	Sing	AML	19/6	2/7	
DOJ/1	Tanary Star	Idle	Para	PSAL	7/6	15/7	
RM/8	Sea World	Repair	Para	Litmond	R/A	5/7	
RM/9	Al Salma	Repair	Para	ASLL	R/A	29/6	
SM/10	Tag Britoil-17	Tag	Britoil	Vish	Karna	26/6	27/6
Kafeo (A)	Blue North	Cement	Qing	PSAL	3/6	5/7	

Vessels due at outer anchorage:

Name of vessels	Date of arrival	Local agent	Cargo	Loading agent
Tug Singapore Eagle	29/6	Karna	OTBL	
Thalis of Mitsos	30/6	Qing	OTBL	
Fong Shan	30/6	Sing	Bdship	
Amrita Jaya-1	30/6	Sing	SSL	
Angela (24) 23/6	30/6	Sing	SSL	
Consistence	1/7	Sing	SSL	
QC Pintail	8/7	Sing	QCSL	
QC Teal	1/7	Sing	QCSL	
Diamong	1/7	Sing	HEA	
Banglar 11/6	2/7	Viza	SSL	
Banglar Robi	3/7	Sing	BSC	
Potacans	2/7	Sing	Delmore	
H-Star	2/7	Sing	Rainbow	
H-Star	2/7	Sing	Rainbow	
Meng Yang	3/7	Sing	AML	
Banglar Shobha	3/7	Kara	BSC	
Sintra	4/7	Sing	PL (B)	
Fong Soon	1/7	Col	Bdship	
Wang Ting	2/7	Sing	GI (Copro)	
Bosco Snow	3/7	Jedd	Cross	
Padma	4/7	Sing	SSL	
Aries	5/7	Mong	Baridhi	
Susak	6/7	Col	Baridhi	
Kota Berjaya	3/7	Sing	PL (B)	
Maersk Wave	7/7	Sing	Oil	
(Roro/24) 22/6	7/7	Sing	Oil	
Shenton	8/7	Sing	APL (B)	
Ocean-1	10/7	Yang	Cross	
Green Island	10/7	Karna	GI (Laah)	
Tia Estela	10/7		Oil	
Eurasian Challenger	12/7		Oil	

Tanker due:

Name of Vessels	Cargo	Last Port	Local agent	Date of arrival
Hesiod	1/7	Haid	MBL	
Renata-II	5/7	Rainbow	CDGO	

Vessels at Kutubdia:

Name of Vessels	Cargo	Last Port	Local agent	Date of arrival
Romina-G	C. Oil	Jebe	Anta	19/6
Banglar Jyoti	C. Oil		IFC	R/A

Movement of vessels for 30/6/96

Outgoing	Incoming	Shifting
J/7 I. Princess	CCT/2 Fong Shan	
J/9 AL Swamir	GSJ Hang Shan	
CCT/2 B. Moni	TSP Taechan	
GSJ Sea Renown		
RM/4 Xing An Jiang		
RM/6 W. Setia		
DOJ B. Jyoti		

The above are the shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Dhaka Stock Prices

At the close of trading on June 29, 1996

Five-point rise in index

Star Report