

ASEAN expresses concern over multilateral investment pact

JAKARTA, July 21: The Association of South-East Asian Nations (ASEAN) expressed concern yesterday about moves by developed countries to push through an agreement protecting the rights of foreign investors, reports Reuters.

Speaking to the annual ASEAN foreign ministers' meeting, Indonesian Foreign Minister Ali Alatas said the proposed "multilateral investment agreement" would protect the rights of foreign investors at the expense of recipient countries.

The issue was first broached at a summit of Asian and European leaders in Bangkok and will likely be discussed again on Tuesday when ASEAN sits down with 14 other world powers to thrash out geopolitical questions, he told reporters later.

ASEAN had problems with the draft agreement because it "went too far in the direction of giving too many rights to the investors from developed countries and rather downgraded the rights of recipient developing countries."

Alatas, the meeting's chairman, called on ASEAN members to closely cooperate in the face of moves by some developed nations to push the draft agreement at December's inaugural meeting of the world trade organisation in Singapore.

He also called for increased cooperation among the seven ASEAN members to mitigate the possible negative impact of massive capital flows into the booming economies of the region.

"We recognise that the sheer magnitude of international capital flows across borders and the growth of vast capital markets could exert a destabilising influence on the national economies of our region," Alatas said without elaboration.

ASEAN - grouping Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam and Brunei - contains a market of some 425 million people and whose average annual growth last year was 7.63 per cent, officials said.

Suharto criticises West for linking 'extraneous' matters to trade

JAKARTA, July 21: Indonesian leader Suharto yesterday criticised the West for linking "extraneous" matters to trade, and urged South-East Asia to close ranks on the issue, warning it threatens to weaken the World Trade Organization (WTO), reports AFP.

"We must express concern over the efforts of some developed countries to sidetrack the deliberations" in the WTO ministerial meet in Singapore in December "so that the focus will be on matters extraneous to trade," he told foreign ministers of the Association of South-East Asian Nations (ASEAN).

Some developed nations argue that cheap labour gives developing countries an unfair advantage in trade and want the issue addressed by the WTO.

US civil rights activist Reverend Jesse Jackson arrived here Friday, on the eve of the annual ASEAN ministerial meeting here, to make his case for the trade-labour linkage.

Jackson suggested that low-wage Indonesian shoe factory workers were taking away jobs from Americans.

But Suharto said Saturday that efforts to sidetrack the WTO from more urgent trade concerns would "not only denigrate the developing countries, it will also ultimately debilitate WTO itself."

Canada trade team to visit Vietnam, Malaysia

OTTAWA, July 21: A Canadian trade mission, together with a delegation from 17 countries, will visit Vietnam and Malaysia July 23-August 2, the Canadian government announced Friday, says AFP.

Secretary of State for Asia and the Pacific Raymond Chan will lead the delegation and have talks with city planners and officials to promote Canadian involvement in projects in Hanoi and Ho Chi Minh City in Vietnam and in Penang and Kuala Lumpur, Malaysia.

Chan said of the trip: "Canada is developing a full economic partnership with Malaysia with emphasis on the environment, forestry, infrastructure, power, aerospace and education sectors."

"We are also committed to working with Vietnam as it develops policies, institutions and programmes that foster social development, economic growth and environmental protection."

BSE index gains 112 points over the week

BOMBAY, July 21: Share prices rose on the Bombay Stock Exchange (BSE) during the week amid expectations that the government will release a pro-market budget on Monday, reports AFP.

The 30-share BSE Sensitive Index gained 111.53 points during the week to close at 3,763.09 points on Friday. The broad-based 100-share National Index gained 33.36 points to close Friday at 1,709.68 points.

Blue-chip Reliance Industries, which has been accused of committing 29 violations of the companies act, was heavily traded the week.

Reliance also held its annual shareholders' meeting during the week and Chairman Dhirubhai Ambani's announcement of bonus shares to shareholders saw frenzied trading in the company's shares, said analyst Parag Jhaveri.

Broker Ajit Ambani said the market was in an upbeat mood about the centrist-left coalition government's first federal budget.

Finance Minister P V Chidambaram will unveil the budget for fiscal 1996-97, which began on April 1 in Parliament on Monday.

Domestic and overseas investors said the budget will indicate the direction the government wants to give the economy after five years of pro-market reforms begun by the previous Congress (I) Party government.

Chidambaram is an ardent supporter of the reforms and

was commerce minister in the previous government.

"We are expecting an investor-friendly and pro-growth budget on the lines of this week's railway budget," said Ambani.

Ambani said while domestic speculators and investors were in an upbeat mood, overseas portfolio investors were "a little cautious" and were not making major purchases until after the budget.

Average daily volume shot up to 214 million dollars from the previous week's 167 million dollars.

ROK bid to draw DPRK on to world stage

SEOUL, July 21: South Korea will launch a fresh drive to draw North Korea on to the world stage as foreign policy makers gather in Jakarta this week to discuss regional issues, Seoul officials said today, reports Reuters.

They said the ASEAN Regional Forum (ARF) meeting, including the United States, China, Russia and the European Union, provided a stage for Seoul to promote four-nation peace talks.

Seoul has said the four-nation talks, involving the two Koreas, the United States and China, would be the first step to and North Korea's isolation and build ties with the West.

Cambodia, China sign trade, investment pact

BEIJING, July 21: Cambodia's Second Prime Minister Hun Sen left Beijing Saturday for the booming southern city of Zhuhai, one of the show-cases of China's economic miracle, the official Xinhua news agency said, reports Reuters.

On Friday, Hun Sen met China's Communist Party Chief and State President Jiang Zemin and Premier Li Peng and witnessed the signing of a pact on trade and investment protection.

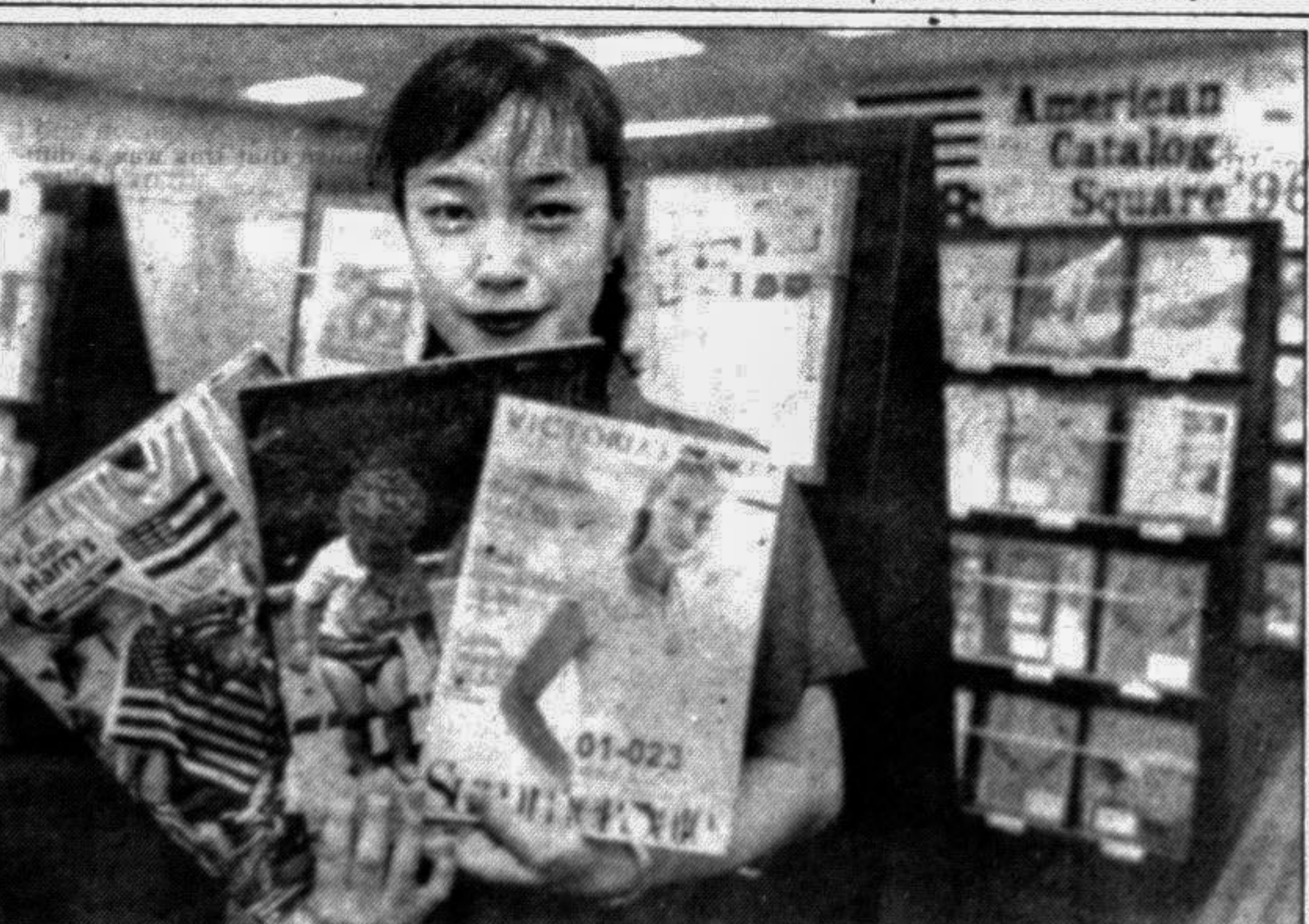
Hun Sen is accompanied by Deputy Prime Minister Sar Kheng and the ministers of finance, defence and commerce on a visit which marks the final step in normalisation of ties between Phnom Penh and Beijing.

Before leaving Cambodia, Hun Sen said an accord would also be signed between his formerly communist Cambodian people's party CPP and the Chinese Communist Party, which once plotted the CPP's downfall.

Beijing was the main military sponsor of the tripartite guerrilla movement spearheaded by the Moir Khmer Rouge that fought the Vietnamese-backed CPP government in the 1980s.

China ended support to the resistance alliance on the signing of the 1991 Cambodian peace pact, which it had helped broker as a permanent member of the UN Security Council.

Hun Sen was to visit southern Hunan province and booming Shenzhen City before returning home on July 22.



A woman displays catalogues at the American Catalog Square exhibition which started in Tokyo Friday. The US Embassy and the US Department of Commerce are hosting the exhibition which features 104 catalogues from 96 American direct marketing companies. "Personal Import" or "International Catalogue Sales" have expanded rapidly over the last several years and it is estimated that Japanese consumers imported as much as one billion dollars from international catalogue houses last year.

Japan badly needs to return to traditional business ethos

Ghislaine Kruit writes from Tokyo

As Japanese taxpayers begin paying out to repair a spectacular business failure that rocked their whole financial system, they are being warned: there could be worse to come.

Independent analysts say the total public funds needed to plug the gaping financial hole could eventually amount to four times the initial 685 billion yen pledged by the government and given final approval by parliament in mid June.

On top of this, two American economic observers who have studied Japan closely have given warning that similar financial catastrophes are likely unless the country returns to its traditional business ethos.

They blame United States pressure on Tokyo for creating the "bubble economy" that burst in 1991 heralding the current fiasco.

Seven housing loan companies known as jusen collapsed after lending billions of yen to speculators and developers for schemes which fell foul of the property market crash. Initial losses were put at 6.415 billion yen, but the final cost could be far higher. The roots of the problem lie in the 1985 Plaza Accord, which was signed by Tokyo under US pressure, according to Michael Hudson, a New York-based economist writing in a newsletter published in Japan

in June.

Japanese officials agreed to reinvest the dollars from their trade surplus in US Treasury Bonds while keeping their interest rates low. This had the effect of cutting the Americans' trade deficit, while higher interest rates in the US attracted further investment from Japan.

Washington was able to force Tokyo's hand by pointing out that if it did not agree, the subsequent fall in the value of the dollar against the yen would undercut Japan's exports while depreciating its dollar investments abroad, says Hudson.

So Japanese interest rates stayed low, boosting spending and credit and inflating the bubble economy.

In 1990, the Finance Ministry tried to control expenditure by placing a cap on bank lending, but the government was reluctant to regulate the private jusen, which took advantage of the situation to expand from providing small home mortgages into lending vast amounts to speculators, eager to cash in on the rising market.

"Nobody thought land prices would ever go down," says one Japanese journalist.

According to an estate agent: "Jusen representatives were tempting people with offers of literally billions of cheap yen."

Hudson's analysis appeared in a newsletter produced by an American businessman, Bill Totten, who has lived in Japan for 25 years and is president of a computer software distribution firm.

He gives warning of more financial disasters unless there is a move away from international threats and speculative greed, and a return to the pre-Plaza Accord atmosphere in Japan. The purpose of business then was to provide products and services that enhanced the happiness of society's citizens, rather than to enrich the owners and operators of business," says Totten.

As though to confirm his words, in mid June the prestigious Sumitomo Corporation announced it had incurred a 1.6 billion dollars loss on unauthorised copper trading, the biggest single investment blunder ever recorded.

Public outrage over the jusen scandal erupted late last year when the government proposed using public money to bail out the companies.

Officials gave warning of "a collapse of the financial system" unless they acted quickly. Although they did not elaborate, they are thought to have been referring to the danger of a stock market crash and soaring inflation.

After months of argument and opposition delaying tactics, parliament finally passed

a package of measures allocating public funds to liquidate the jusen while improving controls over the financial system.

As part of the scheme, the banks and other financial institutions which lent money to the jusen are being asked to write off 5.730 billion yen with 685 billion yen of public funds making up the shortfall in initial losses.

However, the government has also guaranteed to use public money to meet half of all long term losses stemming from the collapse. The Finance Ministry says this might mean paying out an extra 600 billion yen, but one private group of analysts said another 2,000 billion yen of public funds might be required.

A rise in consumption tax is already planned for next April, and a big extra bill for the government over the next few years would inevitably raise the possibility of further tax increases.

In recent weeks, the financial community has agreed to shoulder a great burden and to set up a special fund with the aim of reimbursing public coffers. Critics, however, say it is likely to fall well short of the amounts being spent.

— Gemini News

The author is a Dutch journalist who is currently writing and editing for the Japan Times in Tokyo.

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 July 21, '96.

	Selling		Buying		
	T.T. & O.D.	B.C.	T.T. (Clean)	O.D. Sight	O.D. Transfer
USD 1.B.T.K.	42.0615	42.1015	41.7650	41.6075	41.5115
GBP 1.B.T.K.	65.2234	65.2854	64.2375	63.9953	63.8476
DM 1.B.T.K.	28.4333	28.4603	27.9388	27.8334	27.7692
FRF 1.B.T.K.	8.3914	8.3994	8.2453	8.2142	8.1952
CAD 1.B.T.K.	30.9344	30.9638	30.3995	30.2849	30.2150
SFR 1.B.T.K.	34.7887	34.8218	34.1857	34.0568	33.9782
J.YEN 1.B.T.K.	0.3938	0.3942	0.3831	0.3816	0.3807

A) T.T. (DOC) spot buying Taka 41.6862
B) Usance export bill buying rates (B. Taka for one unit of US Dollar).
30 Days DA 40.3357 60 Days DA 40.9877 90 Days DA 40.6397 120 Days DA 40.2916 180 Days DA 39.5955

Currency	Selling		Buying	
	T.T. & O.D.	B.C.	T.T. Clean	O.D. Sight
Saudi Riyal	1= Tk	11.2155	11.0677	
UAE Dirham	1= Tk	11.4522	11.3015	
Kuwaiti Dinar	1= Tk	140.3453	138.3717	
D. Guider	1= Tk	25.2728	24.9348	
S. Krona	1= Tk	6.3469	6.2592	
Malaysian Ringgit	1= Tk	16.9180	16.6934	
Singapore Dollar	1= Tk	29.7065	29.2974	

Janata Bank

The following are the dealing rates to public for some selected foreign currencies with Bangladesh Taka as on July 20, '96.

Name of Currency	Selling		Buying		
	T.T. & O.D.	B.C.	T.T. Clean	O.D. Sight	O.D. Transfer
US Dollar	42.0620	42.1150	41.7660	41.6072	41.4907
G.B. Pound	65.2286	65.3059	64.2434	63.9782	63.8105
D. Mark	28.4321	28.4657	27.9414	27.8260	27.7531
F. Franc	8.3911	8.4010	8.2460	8.2120	8.1905
J.P. Yen	0.3945	0.3949	0.3850	0.3834	0.3824
C. Dollar	30.9330	30.9696	30.4023	30.2768	30.1974
S. Franc	34.7873	34.8284	34.1889	34.0477	33.9585

Janata Bank's selling and buying rates in cash currency for public				
	US DLR	G.B.P.	S. Riyal	UAE DH.
Selling	42.6500	65.2286	11.2500	11.3000
Buying	41.9500	62.9786	10.8500	10.9000

Shipping Intelligence

Chittagong Port

Berth Position and Performance of Vessels as on 21.7.96.									
Berth No.	Name of Vessels	Cargo	L. Port	Local Agent	Date of Arrival	Date of Leaving			
J/1	An Da	C. Clank	Sing	MBL	2/7	23/7			
J/2	Bangladesh Shobha	Wheat (G)	Lams	R/A	21/7	21/7			
J/3	ACOR	GI(Copra)	Quel	BSL	15/7	24/7			
J/4	GIOS	Idle	Mumb	Cross	15/7	22/7			
J/5	Altair Ace	GI	Kube	BEA	20/7	23/7			
J/6	Ocean-1	GI(Logs)	Yang	Cross	16/7	22/7			
J/7	Banglar Asha	Wheat(G)	Lamps	R/A	24/7	24/7			
J/8	Ostara	GI(Copra)	Kimb	TSL	18/7	25/7			
J/13	Banglar Robi	Cont	Sing	BSC	20/7	22/7			
CCT/1	Padma	Cont	Sing	RSL	19/7	21/7			
CCT/3	Fong Yun	Cont	Sing	BD Ship	16/7	21/7			
CCJ	Fortune Star	Repair	Kaki	Eastwest	6/7	25/7			
GSJ	Litka	Wheat(G)	K. Dita	Lams	R/A	22/7			
TSP	Tae Schorn	R Phos	Anna	RSA	15/6	24/7			
RM/4	Potacsen	Cement	Sing	Delmore	3/7	26/7			
DD	Pong Shin	Repair	Sing	BD Ship	30/6	29/7			
DDJ/1	Tanary Star	Idle	Para	PSAL	7/6	30/7			
RM/8	Sea World	Repair	-	Litmond	R/A	20/7			
CULFJ	Zalco Sharif	Urea	Ctg	Seacom	13/7	24/7			

KAFCO (A) Blue North (Damage and semi submerged)

Vessels due at outer anchorage

Name of Vessels	Date of Last Port	Local Agent	Cargo	Loading
Tiger Star	21/7	BUSA	Prog	GI(Cont)
Shenton(Cont)13/7	21/7	Sing	APL(B)	Cont
Tug Natuna Tiger	21/7	Sing	Benam	Empty
Meng Kiat 14/7	22/7	Sing	AML	Cont
Banglar Gourab	22/7	-	BSC	Cont
Daesong	22/7	Cal	BBAGI/Ricet(P)	Cont
Green Island	22/7	Para	Karna	GI(Lash)
Banglar Kiron	22/7	BAIB	BSC	GI(Bit/G)
Kota Bintang 13/7	22/7	Sing	PIL(B)	Cont
Jaguar (24)13/7	22/7	Col	Everett SPL	Cargo
Jiang Cheng	23/7	-	BDShip	Cargo
Qui Jiang	23/7	-	BDShip	GI
Xoar Singapore 17/7	23/7	Sing	RSL	Cont
Tug Britol-17	23/7	Visa	Karna	-
Aries 13/7	24/7	Sing	RSL	Cont
Susak 15/7	25/7	Col	Baridhi	Cont
Angeli-R	25/7	-	ANCL	GI
H-Star	25/7	-	Rainbow	M Seeds
Banglar Moni 15/7	25/7	Sing	BSC	Cont
Sintra 15/7	26/7	Sing	PIL(B)	Cont
Orange Sky (Roro)24/11/725/7	26/7	Sing	BEA	Vehicles
Brighton	26/7	-	BEA	GI(Vehi)
Stewart 17/7	26/7	Col	BDShip	Cont
Meng Yang 15/7	27/7	Sing	AML	Cont
Consistence 20/7	27/7	Sing	RSL	Cont
Fong Lee 20/7	27/7	Sing	BDShip	Cont
Kota Berjaya 15/7	29/7	Sing	PIL(B)	Cont
Ultima 20/7	31/7	CBO	Baridhi	Cont
Eurasian Chariot (Roro)24/27/6	1/8	-	Oil Vehicles	-
Sam Hero	4/8	-	BEA	GI
Sea Elegance 18/7	10/8	Sing	PIL(B)	Cont

Vessels at Kutubdia

Name of vessels	Cargo	Last Port	Local Agent	Date of Arrival
Tia Estela	GI	P Kel	Oil	20/7
Fong Soon	Cont	Sing	BDShip	20/7
Joing Dorcas	GI	Sing	BEA	21/7

Vessels not ready:

Mun Su Bong	Cement	Sing	Matpl	12/7
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Vessels awaiting instruction:

Banglar Sampad	-	BSC	R/A(22/6)	
Banglar Baani	-	BSC	R/A(16/7)	
Banglar Jyoti	-	BSC	R/A(13/7)	
Hong Qi-206	-	Compos	R/A(14/7)	

Vessels not entering:

London	Scraping	JEDD	JF	23/6
Tramco Amity	Scraping	HONG	BDShip	17/7
Jordan Star	Scraping	MAD	OTBL	17/7
Maria-D	Scraping	P Kel	Ista	17/7
Pahy	Scraping	Ching	H&H	20/7

Movement of vessels for 22.7.96:

Outgoing	Incoming	Shifting
J/2 B.Shobha	CCT/1 Kota Bintang	J/11 B.Asha to GSJ
J/6 Ocean-1	J/13 Meng Kiat	J/8 Ostara to J/2
J/13 B.Robi	CCT/2 Shenton	
CCT/1 Padma	J/6 B. Kiron	
GSJ Litka		

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 July 21, 1996

7-point fall in index

The Dhaka Stock Exchange All Share Price Index Sunday fell by 7.07 point to 1103.76 from Saturday's 1110.82.

The transaction in volume dropped by 17.74 per cent to 704678 from 856637 and the value showed a decline of 4.39 per cent, decreasing to Tk 13.51 cr from Tk 14.13 cr.

Total market capital dipped to Tk 7494.49 cr from Tk 7542.48 cr.

Star Report

Islami Bank led the gainers with a rise of Tk 300.00 per share while BD Zipper (DZ) suffered a loss of Tk 400.00 per share, topping the losers list.

Volume leaders of the day were: Ashraf Textile (43450), Zeal Bangla Sugar (35685), Rupun Oil (29500), Beximco Pharma (25100) and ACI Ltd (24700).

Trading at a glance

DSE All Share Price Index	1103.76
Market capital Tk	7494.49cr
Transaction in volume	704678
Transaction in value Tk	13.51 cr
Total issue traded	128
Issues gained	54
Issues incurred losses	71
Issues unchanged	3