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### India should reduce int'l phone rates: US

NEW DELHI, June 27: India,

The Federal Communications Commission wants the Indian government to slash the Indian telecoms company by nearly 30 per cent, he said, which ultimately could sharply cut prices for the American

consumer "The system is out of touch with low-cost technology," said FCC Chairman Reed Hundt. "It costs nearly a dollar a minute to phone India. In a competitive world, it should be 10 cents," he

tion. Indians pay up to 2.66 dollars per minute to call the

nance telecoms development ple do not have access to a tele-

foreign countries on US phone lines at a much lower cost.

call is charged at US rates to the caller's credit card.

India has complained about the practice to the US government and asked that the callback system be outlawed.

But Hundt said the system would disappear naturally if India ended its monopoly for the national telecoms company, Videsh Sanchar Nigam Ltd, and allowed other carriers to

lion dollars is paid each year US carriers to foreign telecoms

stop. The US consumers are paying, and this is completely

### current account deficit in May

SEOUL, June 27: South Korea recorded a 1.04 billion dol-May, compared to the 1.59 billion deficit suffered a year ago, the Bank of Korea said Friday, reports AP.

The May shortfall bought the January-May loss to 10.52 billion dollars, compared to the 8.51 billion loss during same time last year, the central bank

The change was mainly due to the shrinking of the trade deficit, 364.3 million dollars compared to 874.5 million last

to 11.56 billion dollars, first drop since September, it

Autos, electronic goods, and chemical goods led the exports. while the slowdown in purchases of capital goods led to

## ban on use of British beef

LONDON, June 27: Fast-food restaurant chain McDonald's on Thursday ended its 15month-old ban on the use of British beef in its burgers imposed over fears about "mad cow" disease, a company

food chain banned British beef in March last year after the British government revealed there was a possibility that the fatal human brain condition creutzfelt jakob disease (CJD) could be caught from eating meat infected with bovine spongi form encaphalopathy

"We will begin buying it (British beef) immediately and the new supplies will start to be served in restaurants over the next few weeks," said Andrew Taylor, Managing Director of McDonald's (UK) announcing research showing that 74 per cent of consumers wanted the company to sell British beef.

McDonald's has consistently said it imposed the ban over a lack of consumer confidence rather than its own concern

over BSE and CJD. The end of the ban was announced after a meeting with

Cunningham. McDonald's has 760 restaurants in Britain and sells 50 million pounds (80 million dol-

lars) in beef every year.

## DSE index loses 74 points in 4 weeks

# Lack of money supply, Institutional buying makes share market dull

By Rafiq Hasan

Dhaka share market remained dull over the past few weeks mainly due to lack of money supply, loan adjustment in the banks, rumours of forge share certificates and absence of institutional buying.

The Dhaka Stock Exchange All Share Price Index lost 74 points since the beginning of this month to 1123.18 points from 1197.50 points.

Market capitalisation of the bourse also lost Tk 574 crore during the month to Tk 9393.86 crore from Tk9968.20 crore at the beginning of this month.

The brokers and DSE members said that dearth of institutional buyer also pushed the daily turnover to a lower level. Except Investment Corporation of Bangladesh (ICB), there was no other institutional participation in the market.

They said that the investors became frustrated after announcement of the new budget as they expected some incen-

Chairman of the companies.

The government will ap-

proach some donors for fund to

carry out a technical study to

mine out coals from the Kha-

lashpir coal field, the second

largest reserve in the country.

Noor Uddin Khan made the

disclosure in Parliament while

responding to a call attention

notice moved by Noor Moham-

mad Mondal (JP-Rangpur)

cost Tk 21.71 crore, including

Tk 19.96 crore in foreign cur-

rency, and donors like China,

Canada, Belgium, Poland, Aus-

Khan said the study would

Energy Minister Mohammad

reports UNB.

Thursday.

tives and facilities.

Except increasing 10 per cent quota from 5 per cent for the non resident Bangladeshis in distribution of primary shares, the budget did not provide any other incentives for the general

investors, said a DSE members. Share brokers and DSE members further said that usually the market goes dull during the month of June as most of the banks remain busy in re-adjusting loans and accounts which squeeze the money supply to the capital market.

However, an executive vice chairman of a leading private bank differed with the views saying all activities of the commercial banks remained as usual during this period and there was no cause of reduction in money disbursement from the banking sector.

He said the only thing that could affect the capital market was the over due-loan for which the banks normally ask the clients to repay the money before the bank closing on June

He said that the money supply in the secondary market also shrank due to recent offering of some primary shares.

At least three companies offered primary shares recently. Of it two companies were enlisted with the DSE and one Niloy Cement floated shares for public subscription on June 9. Another five companies are in the pipeline.

The Securities and Exchange Commission(SEC) is likely to give permission for publishing prospectus of those companies within this month, according to These are: Rose Heaven Ball

Pen (Tk 5 crore public offer), Shamrita Hospital (TK 3 crore public offer), Zem Knitwear (Tk 1 crore public offer) and CMC Kamal Textile (Tk 8.6 crore public offer) and Uttara Financing Company (Tk 6 crore public of-

DSE chairman Abdul Haq Howlader said that the share market became dull due to stagnant economic situation and panic among the investors about the forged share certifi-

cate in the market. It is risky for an investor to buy shares from the market where there is every chance of being cheated by fake and forged certificates.He blamed the curb market for spreading forged and fake certificates.

Meanwhile, Rupali bank overseas branch is planning to sell share certificate of those clients who have over due

The bank is likely to serve a notice on those clients for rescheduling their loans before end of this month other wise they would sell out their shares for adjusting their over due

Euro stocks

gain ground

European stock markets gained

ground on Thursday, with new

record closing highs being

reached in Paris and Frankfurt,

posted a moderate gain, the

Footsie Index tacking on 17

points or 0.37 per cent on the

day to end at 4,657 points.

Share volume came to 825 mil-

been encouraged by a rise in

public utility issues in hopes

the labour government's July 2

budget would not be so tough on

privatized companies as has

ahead to a new record closing

high as the Cac 40 index fin-

ished at 2,893.64 points, up 0.91

per cent on the day. Shortly be-

cator has gained 500 points,

while stock prices are up by

more than 25 per cent since the

strong on Thursday, amounting

to 10.1 billion francs, including

2 billion in Rhone Poulenc and

almost 900 million in Alcatel

ket's day index reached an all-

time record closing high of

3,805.29 points, up 0.18 per cent

on the day thanks to a strong

dollar and a firm Frankfurt

at 3,798.51 points on Wednes-

day, the previous record closing

Frankfurt at 1.7265 marks on

Thursday against 1.7243 at the

also moved into new record ter-

ritory, the general index ad-

vancing 1.78 points or 0.30 per

cent on the day to end at 603.69

points, its highest closing level

had come on Wednesday when

the indicator broke up through

the 600-point level for the first

time ever to end at 601.91.

The previous record close

Wednesday fixing.

The dollar was fixed in

The Madrid share market

The indicator had finished

bond market, traders said.

The Frankfurt stock mar-

Share volume was against

The Paris bourse nipped

Traders said the market had

lion shares changing hands.

The London stock market

reports AFP.

been feared.

close.

start of the year.

Alsthom.

LONDON, June 27: Leading

## WB unveils 5-point environmental plan

UNITED NATIONS, June 27: World Bank President James Wolfensohn unveiled a fivepoint environmental plan yesterday and said he would recommend a panel to ensure the bank-financed projects are ecofriendly, reports AFP.

"As an institution dedicated to reducing poverty, we at the bank are more aware than ever of the continuing link between the degrading environment and the poverty still afflicting so many of the world's people," Wolfensohn said in remarks prepared for the Earth Summit.

The plan includes a strategy for implementing a climatechance treaty to be signed in December in Kyoto whereby developing nations would benefit from investments from industrialised countries to help them reduce greenhouse gases.

Wolfensohn acknowledged that negotiating the global warming strategy was a sensitive issue but that it had seemed to "strike a chord" so far with both World Bank client countries and developed countries.

On biodiversity, the bank has joined forces with the World Wild Life Fund to protect 10 per cent of each of the world's forests by 2000 and target 100 million hectares of woodlands for improved management.

To stem ozone depletion, the bank seeks to eliminate chlorofluorocarbons (CFC) in the atmosphere by closing production plants and black markets that trade in the damaging substance in Russia.

Wolfensohn estimated the cost at a workable 27 million dollars

"This isn't just pie in the sky, this is something we can do," he told reporters ahead of his address at UN headquarters.

Wolfensohn noted that the bank was already the largest financier of drylands investment but added that there was still more to do to stem desertification, which now affects onequarter of the earth's land area.

The bank will assist the desertification convention to mobilise investment and coordinate implementation of poli-

Finally, the bank expects to lend about 35 billion dollars by 2020 to deal with the crisis facing the world's fresh water supplies. Twenty countries face serious shortages and the number is expected to double in 25

Environmentalists, meanwhile, are denouncing the World Bank for investing in projects which aggravate global

### climate change. Asian stock markets close mixed

HONG KONG, June 27: Asian stock markets closed mixed Friday with the key index rising to a record high in Hong Kong on the last trading day before the British colony reverts to Chinese rule, reports

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, rose 68.77 points, or 0.4 per cent, closing at 15,196.79. On Thursday, the index had gained 63.00 points.

Turnover amounted to 26.02 billion Hong Kong dollars (3.3 billion US dollars) up from Thursday's 25.86 billion Hong Kong dollars (3.32 billion US dollars). Brokers attributed the rise to

investor confidence in the terrifore the close, the indicator had tory's economic future under broken the 2,900-point barrier Chinese sovereignty. to stand at 2,900.82 points, but "The business of Hong Kong prices then eased before the will remain business. People are optimistic about the busi-In just six months, the indi-

> Chung, an analyst with SBC Warburg Asia Ltd. The surge in the stock market in recent months has been

ness environment," said Eugene

fueled by enthusiasm for companies with strong ties to China — the so-called "red chips". The Hong Kong market will be closed on Monday and Tues-

day for holidays marking return of Hong Kong to China. In Tokyo, share prices closed lower as many investors held back ahead of the weekend.

The 225-issue Nikkei Stock Average fell 101.01 points, or 0.49 per cent, closing the week at 20,523.75 points. On Thursday, the average lost 54.51 points, or 0.26 per cent.

Among losers were most banks, including Sakura Bank and Sumitomo Bank, and retailers such as Ito-Yokado. Blue chips were mixed, with Sony and Fuji Photo Film being among gainers, while Toyota Motor and TDK were among a list of losers.

The Tokyo Stock Price Index of all issues, listed on the first section was down 13.69 points, or 0.88 per cent, to 1,546.59. The TOPIX closed up 1.86 points, or

0.12 per cent Thursday. Meanwhile, renewed signs of tensions on the Korean Peninsula lifted the dollar higher against the yen.

was quoted at 114.16 yen, up 0.35 yen from late Thursday in Tokyo and also above its late New York level of 113.15 yen overnight.

8.984.59.

share prices closed higher folrates. The NZSE-40 Capital Index rose 33.07 points to 2,443.22, its highest level since February, 1994.

closed slightly lower on profit-Index) to 2,835.03.

lower in moderate trading. The Korea Composite Index fell 5.91 points to 738.43.

KUALA LUMPUR: Malaysian share prices closed mixed. The Composite Index rose 3.32 points to 1,070.06. JAKARTA: The stock ex-

change's Composite Index rose 7.422, closing at 716.829.

In late afternoon the dollar

TAIPEI: Share prices closed higher across the board, with

the key index rising to a new seven-year high. The market's Weighted Stock Price Index rose 112.83 points, or 1.3 per cent, to WELLINGTON: New Zealand

lowing falls in local interests

MANILA: Share prices taking. The 30-share Philippine Stock Exchange Index (PSE

SYDNEY: The Australian share market ended little changed in active trading. The All Ordinaries Index rose 2.5 points to 2,702.4.

**SEOUL:** Share prices closed

SINGAPORE: Share prices closed lower in subdued trading. The benchmark 30-share Straits Times Industrials index skidded to a new low for the year, falling 15.43 points to

BANGKOK: Thai share prices closed mixed as investors reacted inconclusively to news that 16 troubled finance companies are forced to merge by the country's central bank. The Stock Exchange of Thailand (SET) index rose 8.16 points to 528.18.

## 8 Muslim countries agree to set up common market

LATAKIA, Syria, June 27: Syria, Egypt and Six Gulf Arab states ended talks in the Syrian resort of Latakia on Thursday by agreeing to set up a common market among the eight countries, reports Reuter.

A communique issued by ministers of the so-called Damascus declaration grouping said they had assigned a committee to meet before September to prepare measures for establishing the market. The ministers also expressed

deep concern over Turkish-Israeli military and security cooperation, which "constitutes a threat to the security of Arab countries and stability in the Middle East", the communique

They "called on Turkey, a member of the Organisation of the Islamic Conference, to reconsider its cooperation pact with Israel and to return to the ties of good neighbourliness and cooperation with Arab countries, to preserve the mutual interests and the historical links between the two sides."

The ministers also "jointly rejected attempts by the Israeli government to avoid its commitment to withdraw fully from the Golan (Heights) to the June 4, 1967 (pre-war) boundaries"

In a direct reference to Qatar's plan to hold a Middle East and North Africa economic summit in September, the

for Arab countries to abide by resolutions adopted by the Arab League in March regarding normalisation with Israel and regional cooperation. Water has said it would go

ahead with the meeting because it had a commitment to the countries participating, despite criticism from several Arab

Along with Syria and Egypt, the Damascus declaration grouping includes the countries of the Gulf Cooperation Council (GCC) — Saudi Arabia, Kuwait, Oman, Qatar, Bahrain and the United Arab Emirates.

Foreign Minister Prince Saud Al-Faisal, whose country is the largest oil exporter, said the kingdom supported establish-

Earlier this week, Saudi Foreign Minister Prince Saud Al-Faisal, whose country is the largest oil exporter, said the kingdom supported establishment of a common market among the eight states.

parts. May's exports were sharply

higher for all major areas except Oceania. US-bound exports rose 13.1 per cent to 89.586 vehicles, the largest numerical increase. Exports to European Union markets were up 35.9 per cent to 78,260.

#### tralia, ADB and IDA would be approached for the fund. available. Measures for setting If the fund is available, the up the power plant would also cerned experts. McDonald's ends Thailand shuts down 16 finance companies, orders mergers

BANGKOK, Thailand, June 27: Thai regulators shut down 16 ailing finance companies Friday and ordered them to merge, in their most dramatic overhaul of the Thai financial sector in more than a decade, reports AP.

Among the companies or- cally, the 16 finance companies dered closed were industry giants Finance One, General Finance and Securities and CMIC Finance and Securities. The companies merger plans

"Today all activities will stop, so there will be no withdrawals or anything," said Finance Minister Thanong Bidaya. "Within a few days, we will be proposing measures to

must be submitted within two

protect depositors." At a press conference at Government House, Bank of Thailand governor Rerngchai Marakanond said the authorities took the measures to protect depositors and creditors, as well as borrowers.

Thailand's financing industry is racked with liquidity problems and many companies are believed to be on the brink of collapse. A decade of freewheeling lending to property developers resulted in a real estate glut. Now with properties unsold, developers are struggling to repay loans.

Five healthy companies will act as core partners in the

said, two million tons of coals could be produced from the Khalashpir mine every year which would be used in a 600 megawatt capacity power plant to generate electricity. Besides, the coal could be

The 66th Board Meeting of KAFCO and the 30th Board Meeting of KAFCO Interna-

tional Company Limited were held at Hotel Sonargaon in the city on Thursday. These

meetings were presided over by M Akhtar Ali, Secretary, Ministry of Industries, &

Extracting coal from Khalashpir field

Govt to seek foreign fund to

carry out technical study

study project would begin in

July this year to be completed

in October 1998. The govern-

ment has a plan to implement

the main project to extract coal

According to Petrobangla, he

from 1999, he said.

used in industries and for commercial and domestic purposes, he said.

The minister said the main project would be implemented in six years if resources are

be taken at the same time.

Geological Survey of Bangladesh (GSB) discovered a reserve of Gondoana coal in fiscal 1989-90 in Khalashpir area of Rangpur district at a depth of 257 to 483 metres. The estimated reserve is 685 million

The minister said CNC Company is now developing the coal mine at Barapukuria, where the serve is estimated at 300 million tons. One million tons of coal will be mined out every

year from the field. The largest reserve of 1100 metric tons had been discovered at Jamalganj. Reserve in the fourth coal mine at Dighinala is being ascertained by con-

### Per capita income in Cyprus triples

capita income in Cyprus tripled during the past decade thanks to the thriving tourism and a The nine listed companies in booming specially-tailored serthe group have been suspended vice industry for foreign busifrom trading at the Stock Exness in the island according to World Trade Organization

#### Forex reserves shrink by \$4b

Another report says: Thailand's foreign currency reserves dollars shrank by four billion dollars, to a two-year low of 33.3 billion dollars in May as the country faced its worst currency crisis in 14 years, the Bank of Thailand said Thurs-

tral bank's cost of defending the local currency, the baht, against a speculative attack that sent it to a seven-year low. The attack was stopped only when the central bank imposed currency exchange controls.

As capital left the country, Thailand recorded a balanceof-payments deficit of 112.3 bilup from 15.5 billion baht (620 million dollars) in April. It was Thailand's fourth consecutive

NICOSIA. June 27: The per

(WTO) report, says Xinhua. The per capita income has increased from 4,570 US dollars in 1985 to approximately 13,650 dollars in 1996, said the report tabled at a WTO meeting held in Geneva Wednesday and

Thursday. The report, quoted by Cyprus news agency today also refers to Cyprus application for EU membership and its efforts to harmonise its laws, policies and institutional structure with the European Union (EU) standards, nothing that it already meets the Maastricht convergence criteria.

Measures by Cyprus to harmonise laws and policies with the EU and the WTO include abolition of discretionary import licensing, revision of antidumping and countervailing legislation, and introduction this year of a new foreign direct investment policy, according to the report.

The report also suggested

that Cyprus could take further

steps to conform with multilat-

eral rules such as lowering tar-

iffs on certain farm products.

trading partner.

The EU, the report said remains Cyprus most important

communique stressed the need

countries, mainly Syria.

Qatar's Foreign Minister did not attend the Latakia meeting but sent his deputy.

Earlier this week, Saudi

ment of a common market among the eight states.

"The kingdom calls for cooperation among Arab states, especially in the economic field, and we support the establishment of this market, we will discuss with an open heart and mind this issue," he said.

#### ficials, today's "China Daily" reports, says Xinhua. The Beijing-based newspaper quoted Sun Zhenyu, Vice Minister for Foreign Trade and Economic Cooperation as saying that on the basis of sharp

'Foreign trade

prospect bright

in China'

prospects for foreign trade de-

velopment and a more open fi-

nancial sector in China are an-

ticipated by senior Chinese of-

BEIJING, June 27: Bright

tariff cuts last year. China will make greater efforts to bring the general level of its tariff rate to 15 per cent by 2000, further reducing non-tariff measures, and open its service trade market. It is predicted that in 2000, China's imports and exports will total 400 billion US dollars indicating that in the coming

four years China will provide the world with a market of nearly 700 billion US dollars and with trade opportunities worth 1,400 billion US dollars and with trade opportunities worth 1,400 billion US dollars. By the end of 1996, actual

overseas investment in China had hit over 177 billion US dollars and over 140,000 overseas funded ventures had gone into operation. Foreign financial institutions in China will gradually be

granted national status treat-

ment instead of the low tax rate

preferential treatment. At present foreign financial institutions, both in number and business scope, have become an important part of China's financial system, the paper

#### Dollar rises against yen in Tokyo TOKYO, June 27: The dollar

rose against the yen Friday in Tokyo on signs of increased tensions on the Korean peninsula, reports AP. Japanese investors bought dollar following news reports

that a US official was dis-

cussing various scenarios of what might happen if North Korea were to attack South Korea. South Korea's Yonhap news agency quoted an unnamed high-ranking US military official stationed in South Korea as saying Thursday that it was possible North Korea might

launch a limited "warning attack" on South Korea. The US currency is often regarded as a safe haven in times

of international unrest. The dollar had been lower earlier in the day on concerns that Japanese interest rates might be heading higher Stronger industrial production figures and a report this week showing stronger business sen-

ulation about a rate increase. The central bank has been keeping interest rates at rockbottom levels in order to stimulate economic growth, but it may raise rates if the economy continues to strengthen.

timent have been fanning spec-

### Russian gas giant repays huge tax debt

MOSCOW, June 27: RAO Gazprom, Russia's largest company and until recently its largest debtor, has paid off all its debts to the federal budget and the State Pension Fund, the Interfax news agency reported Wednesday, reports AP.

Interfax quoted Gazprom's chief executive, Rem Viakhirev, as saying the natural gas company had paid 14.5 trillion roubles (25 billion dollars) in taxes to the Finance Ministry over the last few weeks, as it had promised last month. The government, facing a

steep revenue shortfall, began

to crack down on Gazprom and other leading tax debtors this spring, pushing them to repay or reschedule their debts. Gazprom, which itself is owed tens of trillions of roubles (billions of dollars) by customers for its gas, berrowed

Nonetheless, Interfax quoted Viakhirev as saying the repayments won't affect the company's investment projects.

heavily to cover the tax pay-

#### Japan's vehicle exports surge TOKYO, June 27: Japan's ex-

ports of cars, trucks and buses jumped 28.8 per cent in May from a year earlier to 346.532, the Japan Automobile Manufacturers Association announced Thursday, says AP. It was the 12th straight month of year-on-year in-

creases in Japan's auto exports,

which have been receiving a lift

from the weak yen trend and

strong demand in major mar-

kets, particularly the United States May exports rose 7.7 per cent in value from a year earlier to 6.15 billion dollars, including 4.46 billion dollars in vehicles and 1.69 billion dollars in

where overseas phone calls cost more than from virtually any place else, should reduce its rates and open its phone lines to competition, the chief US regulator said Friday, reports

rate that US carriers pay to the

told reporters. It's worse in the other direc-

United States. India has resisted pressure to lower international rates, which are meant to subsidize low domestic charges and to fi-Even at today's revenue, about half of India's 950 million peo-

The disparity in prices, however, has spawned a new industry of call-back companies, which route phone calls from

For example: a person in New Delhi who wants to call London dials a number in a US city and then hangs up. The computer returns the call and provides a dial tone on a US phone network, bypassing the Indian phone company. The

compete. Hundt said the call-back system was one reason why overseas calls from the United States were growing by 25 per cent a year. More than six bil-

companies as their fee for accepting calls from the United "We're saying this has to

unfair," he said. ROK records \$1b

lars current account deficit in

said in a monthly report.

Exports rose by 2.8 per cent whereas imports shrank by 1.6 per cent to 11.92 billion, the

the import drop.

spokesman said, reports AFP. The American-based fast-

Agriculture Secretary Jack

mergers, central bank officials said. They are Nava Finance Securities, Phatra Thanakit, Dhana Siam Fiand Securities, Krungthai Thanakit and National Finance and Securities.

> won't be forced to merge. "If they have another option, if they have a major shareholder approved by the authorities who is willing to take over, then they can stay on their won," he said, but added they will have to raise their capital.

Rerngchai said that, techni-

programme to get these institutions to merge — that's the only way to survival." He said the central bank will cut its credit lines to the 16 companies

Thanong said the problem is

there are 91 institutions and

that's too many to supervise.

That's why we have to have a

The other thirteen companies identified by the authorities are: GCN Finance, Prime Finance and Securities, Dynamic Eastern Finance Thailand, Thai Fuji Finance and Securities, Thana One Finance and Securities, United Finance. Royal International Finance and Securities, ITF Finance and Securities, Country Finance and Securities, CL Sahaviriya Finance and Securities, Thai Financial Trust, Finance House and Bangkok Metropolitan

change of Thailand (SET). Meanwhile, Bank of Thailand deputy governor Jaroong Nookhwun said two other finance companies are in difficulty, but aren't being forced to merge because they are in talks with foreign partners.

The drop reflected the cen-

lion baht (4.5 billion dollars), payments deficit this year.