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ICSMB training course opens

The 1st batch of the professional training course on company management was inaugurated by Syed Alamgir Farouk Chowdhury, Secretary of Commerce as chief guest recently.

It is conducted by the Institute of Chartered Secretaries and Managers of Bangladesh (ICSMB).

About 27 members of the institute participated in the course.

The course was designed to orient, adapt and develop the corporate executives, who are members of the institute, in various functional aspects of company management as also with the tricky and technical regulatory formalities involved in the process.

This training programme is in addition to the regular courses of studies leading to Chartered Secretaryship organised by ICSMB, says a press release.

In his address the Commerce Secretary lauded the activities of the institute particularly in developing the profession of company secretaries. He assured all necessary assistance in furthering the objectives of ICSMB.

The ceremony was also addressed by the Council of the Institute including Muzaffar Ahmed FICS, president, A K A Mugdadi FICS, vice president, M S Alam Mia FICS, secretary and Mohd. Sanaulah FICS, treasurer.

Mitsubishi, Fiat begin tie-up talks

TOKYO, Jun 5: Japan's Mitsubishi Motors Corp. has begun talks with Italian automaker Fiat about a tie-up to supply each other with key parts as well as fully assembled cars, a newspaper reported Saturday, says AP.

The Japanese carmaker also started similar talks with France's Peugeot SA, the Nihon Keizai business daily reported.

The reported move comes after Ford Motor Co. bought Volvo AB's car division in January, raising doubts about the future of an existing joint production venture in Europe between Volvo and Mitsubishi Motors.

Mitsubishi Motors will discuss supplying Fiat with its GDI direct-injection gas engines, the paper said. The two automakers also may agree to share other components or car models which complement their existing product lines, it said.

Additionally, the Japanese company is considering buying GDI engines made with its technology by Fiat and Peugeot.

Dow ends week 2.27 pc higher

NEW YORK, Jun 5: The Dow Jones Industrial Average ended the week 2.27 per cent higher at 10,799.84 points, a 240.10 point gain from the previous week, says AP.

Favourable employment statistics were enough to send the main US stock index into the black after three bearish days, ending a three-week string of losing sessions.

The Dow ended Friday just 2.77 per cent below its all time high reached May 13.

The technology-heavy Nasdaq composite, meanwhile also gained ground after a rally Friday, ending the week up 0.32 per cent to 2,478.34 points. The Nasdaq, however, was off 6.55 per cent from its record high reached at the end of April.

The Standard and Poor's 500 gained 1.99 per cent over the week, closing at 1,327.75 points.

Opinions are split over whether the US Federal Reserve will raise interest rates when its Open Market Committee meets June 29 and 30.

The May CPI (consumer price index) report will be decisive in determining the Fed's position at that time, said Bruce Steinberg of Merrill Lynch.

The case for tighter US monetary policy is coming together rather quickly on pre-emptive grounds, said Robert DiClemente of Salomon Smith Barney.

The latest economic data imply that demand remains quite strong, and our near-term forecasts, if realized, would reinforce that judgment. Although inflation is not a serious problem, another disappointing reading on core consumer prices of 3 per cent for May, such as we expect, likely would provoke a 25 basis point hike in the funds rate at the June FOMC meeting, he said.

It's a high inflation yr

By Inam Ahmed

It is a high inflation year for the country that witnessed a rise in food prices because of the historic floods.

When the fiscal 1998-99 began, the inflation rate was 6.99 per cent. Since then it has gone up considerably. According to the government reports, the 12-month average annual rate of inflation till March 1999 stood at 8.40 per cent.

For the same period (April-March) last year, inflation was 2.52 per cent.

According to statistics, this is going to be the highest inflation year since 1990-91. In that year, inflation rate for Dhaka city stood at 8.9 per cent. Since then, it came down considerably and never crossed 5.2 per cent.

According to Bangladesh Bureau of Statistics (BBS), the surge in inflation rate occurred due to the sharp upward trend in the food index, which recorded an increase of 11.13 per cent till February of the passing fiscal year.

On the other hand, non-food index has slightly decreased over the period.

In July 1999, food index increased to 7.37 per cent. It was 7.68 per cent in the next month. In December, the index increased to 10.50 per cent and finally in February, it was 11.13 per cent.

On the other hand, non-food index increased to 6.43 per cent in July 1999, it stood at 6.16 per cent in August. In December, non-food index decreased to 5.14 per cent and finally it was 4.75 per cent in February.

However, the general index slightly increased from 7.06 per cent in July to 8.80 per cent in February.

On the other hand, broad money showed a large increase of Tk 3479.90 crore or 6.23 per cent during July-February period of this fiscal year compared to the increase of Tk 2631.20 crore or 5.19 per cent for the same period. Of the broad money components, deposits rose by Tk 3078.40 crore or 6.45 per cent while currency outside banks increased by Tk 401.50 crore or 4.29 per cent.

Year-wise inflation rate			
Year	Inflation rate	Food	Non-food
91-92	4.56	4.18	5.27
92-93	2.74	1.86	4.30
93-94	3.28	2.95	3.91
94-95	8.87	9.25	8.16
95-96	6.65	6.99	5.78
96-97	2.52	1.84	4.76
97-98	6.63		

WB's Massive Grant Fund for export diversification Private sector-led body soon to monitor disbursement: Tofail

Commerce and Industries Minister Tofail Ahmed said both the public and the private sector were playing a pivotal role in implementing the country's private sector-led growth strategy.

In an interview with UNB on the government's three-year performance in expanding trade and industry in the country, he said the private sector's positive attitude backed by the government's appropriate policies spurred industrial activities.

"It is not true that industrial sector got less attention. Rather, during the three years of Awami League rule the industrial sector has been given proper attention," the minister said.

"Both the government and the private sector work in close cooperation for industrial growth," he added.

The Commerce and Industries Minister said the private sector leaders were involved in important decisions including formulation of all policies relating to trade and industry.

Even to maintain exports during the recent devastating floods, the government took all the decisions in consultation with the private sector, he said.

Tofail said a task force with representatives from private sector monitored trading, industries and market prices. Besides, he said advisory committee with leaders of business community, "we (ministry) meet every two to three months to address problems and find out solutions."

"As a result, the industrial growth would be satisfactory this year," he said.

The minister said the government was playing the role of a facilitator, not of a businessman and for that last year's industrial growth reached 8.1 per cent that, he said, was more than under the BNP regime.

Giving a break-up, he said the growth of large industries was 10.1 per cent and of small ones 4.2 per cent.

On the question of setting up of new industrial units, he said many new industries especially in the textile sector went into operation during the present government.

The minister mentioned that for diversification of export, the country received assistance from the World Bank. Under the Massive Grant Fund (MGF), if exporters invest Tk 50 lakh, the government will give them Tk 50 lakh more.

He said a board would be formed, headed by a person from the private sector, to see that the genuine people get loan.

He added: "We are making a comprehensive action plan for industrialisation."

Listing some success of the government in this sector, Tofail said: "We successfully resolved the GSP problem, in the commerce ministers' meeting in Dhaka and Islamabad the rules of origin have been revised and we will get facilities in trading with our neighbours."

He said: "Bangladesh has been playing a very important role as coordinator and spokesman of the LDCs. We hope to get access without duty to developed countries."

About the new industrial policy, the minister termed it unique and said through this not only the foreign investors, but local investors would get facilities.

"Investment package is attractive, and we have allowed 100 per cent foreign equity. Total investment is protected by the act of parliament, and profits and dividends can be taken out by investors," he said.

Attractive incentives would be offered to encourage investment in the northern parts of the country, Tofail said.

Refuting the allegation that the computer sector is not properly handled, he said the government had taken a massive plan to make the sector the second biggest export-earner after the ready-made garments.

The minister said the government had taken a number of important and crucial decisions for speedy growth of the computer sector.

"The sector has been identified as thrust sector and expected to grow rapidly," he said hoping that export earnings would reach at least 5 billion US dollars within next five years.

"The present earning from this sector is about 100 million US dollars," he said quoting information from the Export Promotion Bureau and the Bangladesh Computer Association.

Tofail said Bangladesh would soon be linked with the fibre optical cable that has gone through the seabed of Bay of Bengal.

The other necessary steps like enacting an intellectual property act and establishing V-sat connections would also be materialised soon, he hoped.

Blaming the previous government for neglecting the growth of the sector, the commerce and industries minister said the government was ready to do whatever necessary for rapid development of this highly prospective sector.

Replying to an allegation of "no business" in the country, he vigorously said it was the time when people were doing real business.

Tofail alleged that one-third of the total loans given from the banks has no trace because most of those were granted on consideration of party affiliation and closeness with the high-ups.

"But, now we have stopped it. The real businessmen are getting money and the frauds are not. It is not true that the banks are not providing money to the industrial sector," he said.

Pointing to the achievements of his ministry, Tofail specially mentioned the government steps to continue exports during the floods, formulation of the five-year export and import policy, industrial policy, resolving the GSP problem and becoming leader of the LDCs at the World Trade Organisation (WTO).

Replying to a question on flow of foreign direct investment (FDI), the minister said he was satisfied with the present flow of foreign investment in the country.

China demands permanent NTR with US

BEIJING, Jun 5: China yesterday demanded permanent Normal Trade Relations (NTR) status with the United States after President Bill Clinton said he would renew the favourable trade privileges for another year.

Reports AFP. The US needs to get in step with the times and settle the permanent normal trade relations issue with China as soon as possible to ensure the normal development of Sino-US economic and trade relations," foreign ministry spokesman Zhu Bangzao said in a China Daily report.

He said Beijing had "taken note" of Clinton's urging Congress to support the renewal of NTR, formerly Most Favored Nation (MFN) status, for another year.

Since the Tiananmen Square massacre 10 years ago, when China used tanks and troops to crush a pro-democracy movement, the US president has asked Congress before the Jun 5 anniversary of the massacre to renew NTR and it has been granted.

But a recent congressional report alleging China waged an intensive, 20-year campaign to steal US nuclear weapons secrets is expected to ratchet up the usual intensive debate this year over whether China should face US trade penalties.

NTR allows China to export goods to the US States under the same low tariffs accorded to most other countries.

Congress now has 90 days during which it may try to overturn Clinton's decision. Revoking NTR requires a two-thirds majority in both the House of Representatives and the Senate.

Euro up, yen down against dollar

NEW YORK, June 5: The dollar pushed higher against the yen yesterday but was lower against the Swiss franc and euro, as the European currency struggled back from its low levels, dealers said, reports AFP.

At 2030 GMT the euro traded at 1.0375 dollars from 1.0321 Thursday, while the pound sterling traded at 1.6105 from 1.6048 dollars.

The dollar strengthened against the Japanese currency at 121.61 from 121.47, and while it fell against the Swiss franc to 1.5312 from 1.5402.

Dealers said there was little fundamental news driving the dollar and even the release of the US May nonfarm payrolls report sent the dollar only marginally higher in an overall muted reaction.

Analysts said the data included mixed signals on the strength of the US economy, and as a result the report does not provide any clearer indication about whether the Federal Open Markets Committee (FOMC) is likely to tighten interest rates in the near term.

A majority of Wall Street analysts expect the Fed to tighten rates either at the next meeting, late this month, or at the August meeting.

Analysts said it will now fall to the retail sales report next Friday as well as the consumer prices and producer prices reports due over the next two weeks, to determine whether the Fed will tighten.

Wells Fargo Bank chief dealer Simon Fowles said he does not believe the Fed will tighten but does not see this as having a negative impact on the dollar.

Fowles said the dollar should continue to push higher against the yen and Swiss franc.

Camdessus wants early decision on IMF gold sales

WASHINGTON, June 5: The head of the International Monetary Fund said yesterday that he hoped the thorny issue of sales of gold from IMF reserves could be resolved before the fund's annual meeting in September, says Reuters.

Managing Director Michel Camdessus said the IMF would try hard not to move financial markets with gold sales. "If a decision is taken to sell gold, we will make every effort to ensure that such sales are conducted with minimal disruption to markets," he said.

Most major IMF member countries favour sales of up to 10 million ounces from the IMF's 103 million ounce gold stockpile. The money would be put in a trust fund and interest earned on this cash would be used to pay for international debt relief programmes and for concessional loans for poor countries.

The United States is one of the main backers of the idea of selling gold sales, but its representative at the IMF cannot vote in favour of the idea unless the US Congress gives the sales its seal of approval.

US threatens trade action against Japan

WASHINGTON, June 5: The Clinton administration threatened Friday to bring a trade case against Japan if it does not honour commitments to expand sales opportunities for American telecommunications companies, reports AP.

"We want to ensure that Japan adopts pro-competitive market-opening reforms consistent with its obligations," US Trade Representative Charlene Barshefsky said in a statement.

Barshefsky said the United States would monitor Japan's implementation of a pledge last month to reduce fees currently charged US and other foreign telecommunications companies to connect with Japanese phone networks.

American Telephone and Telegraphs Corp. and other US companies have long complained that Japan's Nippon Telegraph and Telephone Co charges high interconnection rates to stifle competition in such areas as long distance service.

Barshefsky said that the administration expects the commitments made during Prime Minister Keizo Obuchi's summit meeting with President Bill Clinton last month to translate into "substantial reductions" in NTT's interconnection charges.

If they don't occur, she said the United States would begin preparing a case to bring before the Geneva-based WTO.

Barshefsky said the administration also will watch Japan's implementation of a concurrent restrictions have

been used to limit opportunities for US telecommunication companies to expand in the Japanese market.

The commitments were reached in a second year of negotiations between the two countries aimed at pushing Japan to further deregulate its economy and remove trade barriers.

Trade tensions between the world's two largest economies have been growing as the trade gap between them has increased. America's trade deficit with Japan hit \$64 billion last year.

An initial set of deregulation agreements was reached a year ago before the annual economic summit in Birmingham, England.

Commodity: Weekly Roundup

Oil weak, tea cosy, sugar up while rubber down

LONDON, June 5: Oil prices weakened this week as support ebbed from a market sustained in recent weeks by output cut pledges from oil producer countries.

On the International Petroleum Exchange (IPE), Brent North Sea-crude for July delivery was being traded at 14.98 dollars a barrel from 15.36 dollars.

On the New York Mercantile Exchange, light sweet crude for July fell to 16.74 dollars a barrel from 17.17 dollars.

Prices suffered further from rumours that Anglo-Dutch giant Royal Dutch/Shell raised its Nigeria output to one million barrels a day, dealers said.

Prices regained some strength towards the end of the week as American crude reserves fell and Saudi Arabia

interpreted the move as a sign that its sales will now cease for a while.

Moreover, the authorities in Cote d'Ivoire said Wednesday that the world's leading producer had already sold its entire production for the 1998-99 season, reassuring a market which has been depressed in recent weeks at the size of the Ivorian harvest.

On the New York market, the price of Arabica for September delivery was largely flat, inching up 0.2 cents to 124.55 cents a pound.

Robusta prices on the London market fell by 38 dollars to 1,520 dollars a tonne (for July). Market players were still

closely watching for signs of the kind of frost in Brazil which devastated plantations in 1994 and which meteorologists failed to forecast.

TEA: Cosy. Demand for tea remained solid in the Mobasa auction houses, according to the London Tea Brokers Association.

High quality BP1 (Broken Pekoe) leaves were mixed, some lots gaining up to 11 cents a kilo while other lost up to nine cents.

PF1 (Pekoe Fannings) leaves gained up to 20 cents a kilo.

SUGAR: Sparkle. Sugar prices continued their ascent on hopes that Brazil would eat into its production surplus and on technical trades.

In London, October contracts rose to 181.70 dollars a tonne from 177.90 dollars.

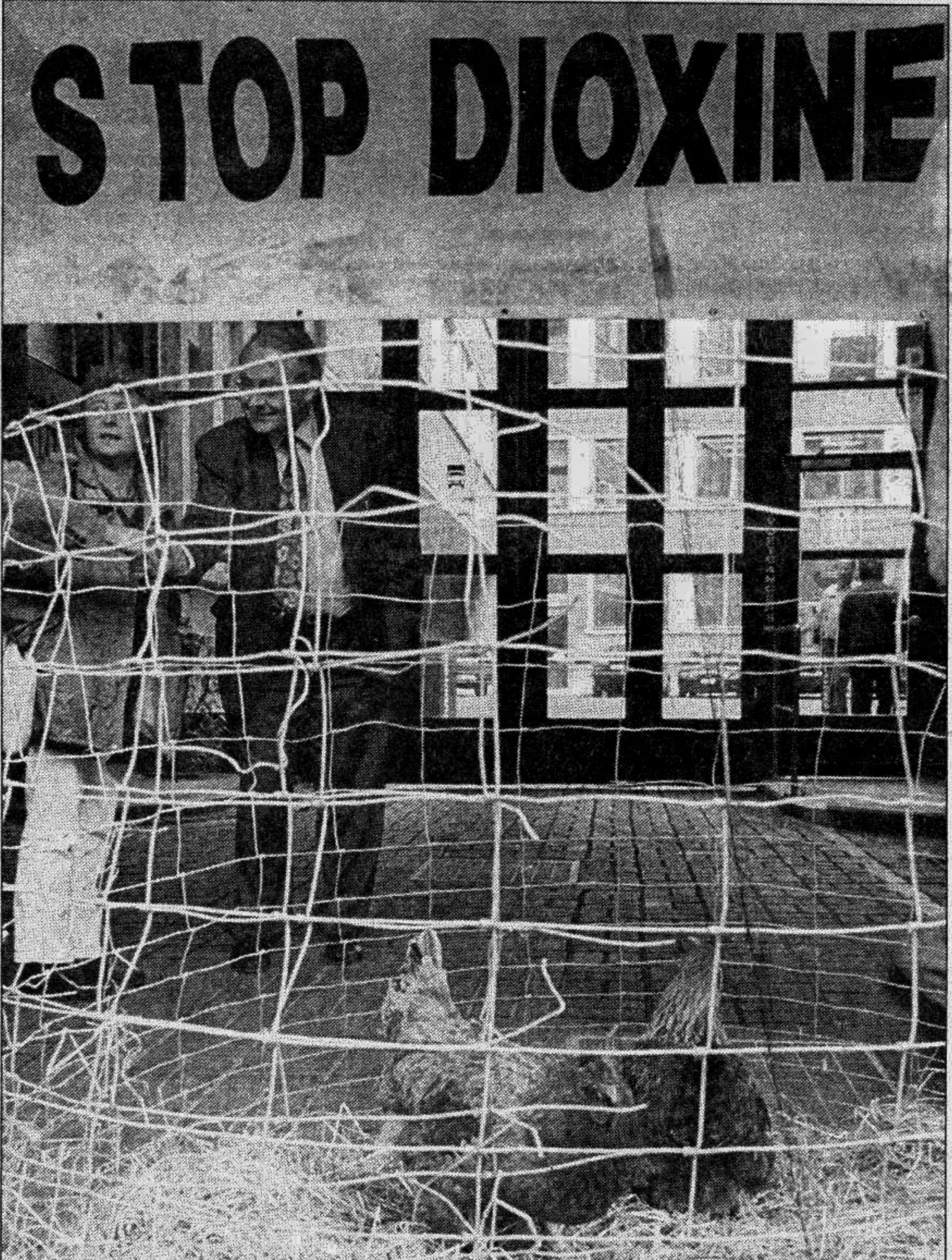
VEGETABLE OILS: Warming. US soy prices rose a hot, dry weather beat down on growing regions in south-eastern United States, sparking fears of reduced yields.

Dealers said that prices also received a fillip from higher grain prices.

On the Chicago Board of Trade (CBOT), soy prices rose by 12 cents to 4.65 dollars a bushel (for July).

GRAINS: Strong. US wheat prices rose after heavy rainfall soaked plantations on the Great Plains.

The US agriculture department said that the rains delayed completion of the sowing of spring wheat.



Vera Dua(L), of the Agalev/Ecolo(Belgian Green Party), and Boerenbond (Flemish farmers associations) spokesman Roger Saenen discuss in front of two corn-eating chickens in the Boerenbond headquarters Saturday during a protest against the actual agriculture policy. Belgian Prime Minister Jean-Luc Dehaene rushed home from an EU summit in Germany earlier.

— AFP photo