

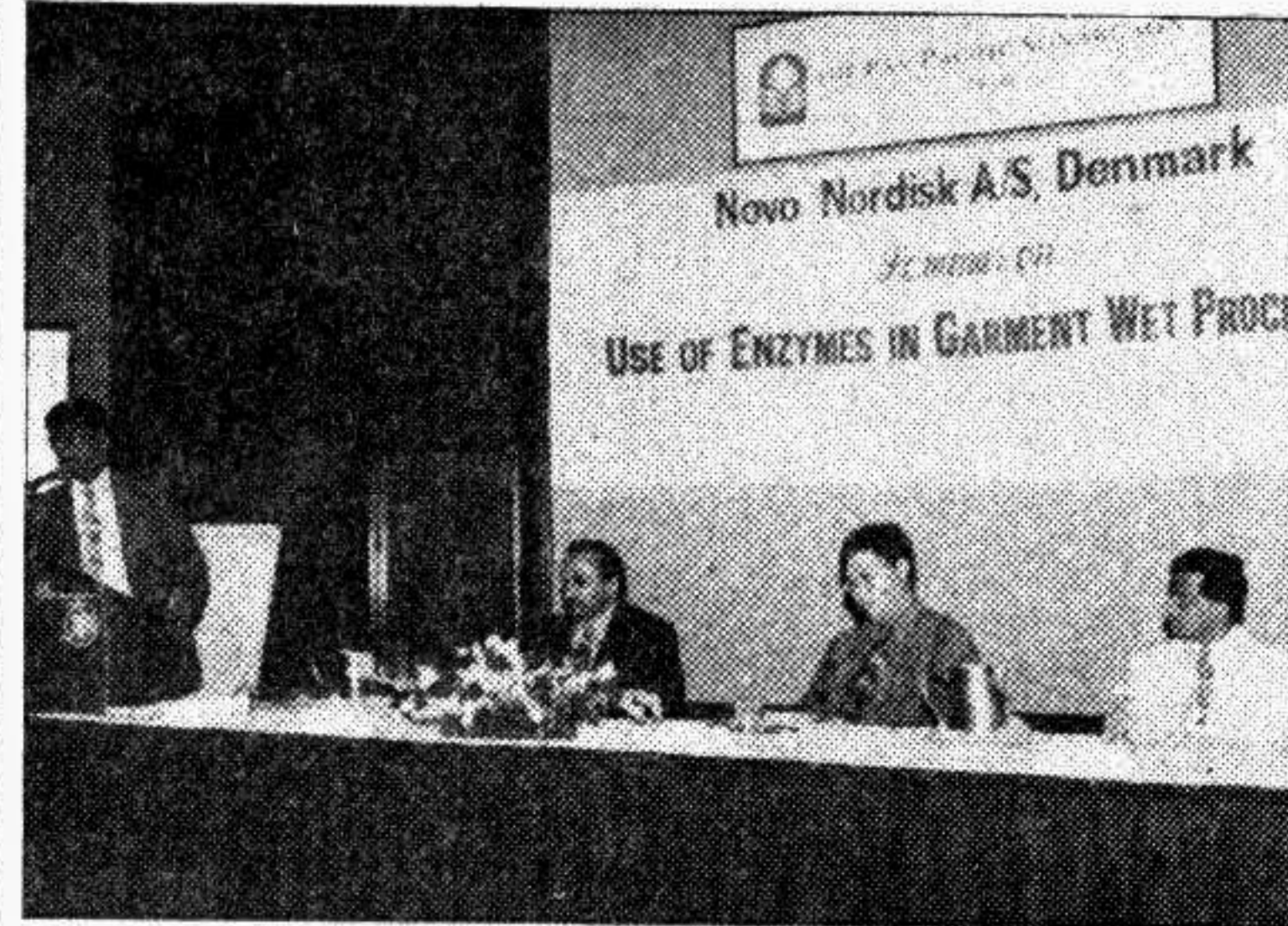
Bid to force into backing down in Kashmir conflict
US may hold up \$100m IMF loan to Pakistan

WASHINGTON, June 28: The US government may try to hold up a 100 million dollar International Monetary Fund loan to Pakistan in a bid to pressure it to back down in the Kashmir conflict, a White House official said yesterday.

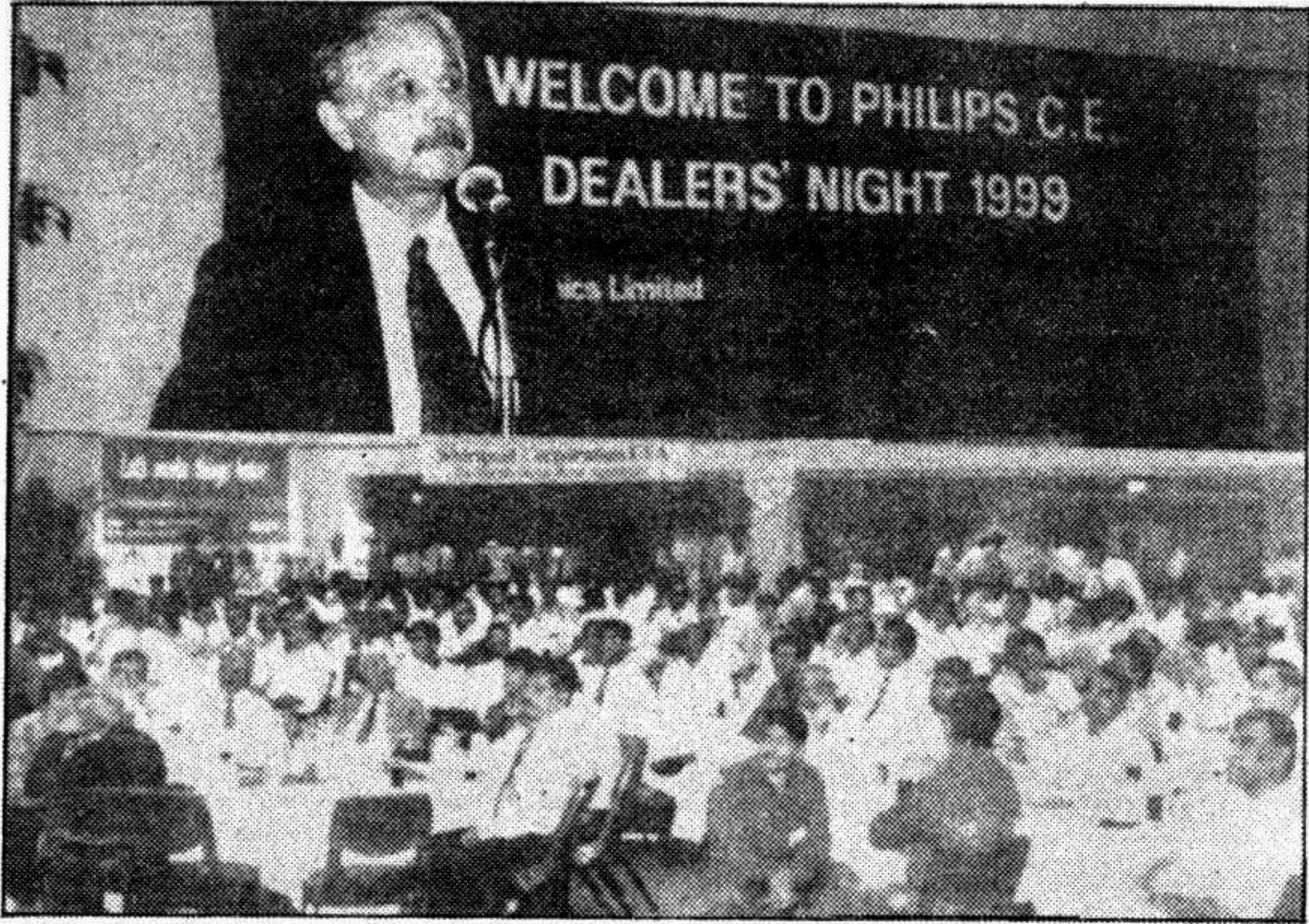
move. Pakistan is counting on the loan, the Post added. The move is the latest in a series of steps aimed at coercing Pakistan, which the US says cannot afford a full-scale war against India in Kashmir, to pull its troops back across the cease fire line in the disputed border region and return to the negotiating table.

Washington's next step will depend largely on Islamabad's response to a message delivered by US special envoy, General Anthony Zinni, the daily said. Zinni discussed White House views on Kashmir with Pakistani Prime Minister Nawaz Sharif and military commander Pervez Musharraf on a two-day visit that concluded Friday.

But he will travel to Washington Monday night and may follow up with further discussions, although no meetings have been scheduled, the official added. Washington has been pushing for a withdrawal from Kashmir of forces supported by Islamabad, an end to the fighting, a restoration of the Line of Control between India and Pakistan, and bilateral dialogue about the region, the state department official said.



Novo Nordisk A/S, Denmark, held a seminar on use of enzymes in garment wet processing for the garment washing units and buying houses in Dhaka. Picture shows Dilshad Perera, Country Manager - Bangladesh of Multichemi International Ltd, addressing the issue of acid vs neutral enzymes. Multichemi International Ltd is the agent and formulator of Novo Nordisk enzymes in this region.



Executive Director of Transcom Electronics Limited Obaidur Rahman Khan addresses the 1999 Philips Consumer Electronics Dealers' Night and Prize Distribution Ceremony at Dhaka Sheraton Hotel recently. —Unitrend photo

Philips Consumer Electronics Dealers' Night held

The 1999 Philips Consumer Electronics Dealers' Night and the Prize Distribution Ceremony was held at the Dhaka Sheraton Hotel recently, says a press release. Executive Director of Transcom Electronics Limited Obaidur Rahman Khan gave away the prizes. The prizes include trips to Bangkok, Kathmandu, Calcutta, Cox's Bazar, Philips TV, Philips CD player, Whirlpool refrigerator, Whirlpool gas cooker, Philips domestic appliances etc. The dealers' night was followed by dinner and cultural show. Welding Electrodes prospectus on Internet

Currency Roundup Most Asian units gain ground amid yen fall

HONG KONG, June 28: Asian currencies ended the week mixed, with the Australian dollar gaining ground but the yen slipping as the Bank of Japan intervened in the market to weaken the currency, reports AFP. HONG KONG DOLLAR: The Hong Kong dollar closed at 7.7567-7.7577, to the greenback, against 7.7572-7.7582 a week earlier. JAPANESE YEN: The yen lost ground against the dollar during the week as the Bank of Japan intervened in the market to weaken the Japanese currency. The Japanese yen traded at 121.50-55 to the dollar late Friday, compared with 119.30-33 yen a week earlier. The Japanese central bank stepped into the market on Monday, its fourth intervention in two weeks. SINGAPORE DOLLAR: The Singapore dollar rose to 1.7030 against the US dollar last Friday, from 1.7057 a week ago boosted by improved sentiment on economic prospects in the country and the region.

Exchange Rates

Table with columns for Currency, Selling TT & OD, Selling B/C, Buying T.1 Clean, Buying OD, Sight Export Bill, and Buying OD Transfer. Lists rates for various currencies like US Dollar, Pound Sto, Deutsche Mark, etc.

Farm bounty drags Indian inflation to 24-yr low

NEW DELHI, June 28: India's annual rate of inflation slipped to a 14-year low of three per cent in the week ending June 12, dragged down by falling agricultural prices, officials and experts said at the weekend, reports Reuters. Year-on-year inflation measured by the wholesale price index, a widely accepted official benchmark, dipped to its lowest since the 2.97 per cent recorded in 1985. "I think the bountiful agricultural production of 1998/99 is really having its effect," Shankar Acharya, chief economic adviser in the Finance Ministry, told Reuters. Indian officials said last week that foodgrain output in 1998/99 (July-June) totalled 203.5 million tonnes, the country's highest so far, up sharply from 192.4 million tonnes in 1997/98.

Food products have a high weightage in the wholesale price index. Analysts said technical factors such as a higher inflation rate in the corresponding period of the previous year had also helped to bring the year-on-year rate down. "Inflation must be seen in comparison to last year. Last year, prices were starting to go up at around this time and the impact of the economic sanctions were beginning to be felt," said Ravi Viru Gupta, former deputy governor of the Reserve Bank of India. He expected the trend to continue. Countries such as the United States and Japan slapped sanctions on India after it conducted nuclear tests in May 1998. In the previous week ending

June 5, the inflation rate was 3.53 per cent and in the corresponding week of the previous year, inflation stood at 7.15 per cent. Acharya, a senior policy-making official, said India had benefited from a liberalisation programme launched in 1991, and also gained from recent declines in global industrial prices. "The cumulative effect of several years of trade and import liberalisation has influenced so that non-agricultural prices are reflecting world prices, which as you know have been low," he said. India began a campaign against inflation in mid-1991, when its foreign exchange reserves fell during a balance of payments crisis. Inflation peaked at 16.3 per cent in September that year.

Bank reform chief says Japan's overcrowded banking system must be streamlined

TOKYO, June 28: Japan's struggling banking system is overcrowded and must be streamlined, the country's bank reform chief said today, reports AFP. Yanagisawa's group has made big strides in tackling the country's banking crisis culminating in March with an injection of nearly 7,500 billion yen (63 billion dollars) of taxpayers' money into 15 top banks. The commission will this week announce how it intends to collect up that money, Yanagisawa said. "There remains a question on how we will convert preferred stocks into common stocks, or whether we should dispose of preferred stocks as they are or by converting them into common stocks at the end," he said.

There also is a question whether such disposal would be done directly with buyers or through the market, he said. "I am planning to unveil this week... under what policy we would convert the stocks or dispose of them," he said. For troubled banks which have yet to convince the commission of their reform plans those stocks may be converted into common stock giving the government voting powers in individual banks, analysts said. The commission "has quietly started intensive monitoring of the progress the banks have been making in restructuring," ING's Fiorillo said. "Big brother will not only be watching but actively managing the bank."

Amex notes on Monday's market

The local USD/BDT market was moderately active on Monday after three-day holiday. Supply of USD has improved over the past two weeks as compared to the demand. USD/BDT rate ranged between 48.65-48.66. Call money market was very active on Monday as payments for government accepted T-bills worth BDT 9.755 billion was made today. The call rates ranged between 8.75-9.50 per cent. The dollar was crawling near the day's lows near 121 yen in late Tokyo trade on Monday, but persistent wariness of possible Bank of Japan (BOJ) intervention prevented players from selling actively. Interbank operators unloaded dollars late in the session after they were caught low early, when the dollar edged up on yen selling against the euro linked to purchases of shares in a Deutsche Telekom AG offering. Early rounds of euro buying against the yen indirectly pushed the greenback as high as 121.95 yen, but the uptrend waned quickly after the market determined the gains were linked to Japanese investor buying of Deutsche Telekom shares. The dollar was soft in Europe on Monday, hovering just above one-week lows set against the yen overnight in the absence of actual bank of Japan intervention. However, further yen strength was seen limited as Japanese officials kept up their war of words. Currency analysts expected dollar activity to be limited ahead of the US Federal Open Market Committee meeting on Tuesday and Wednesday, because of uncertainty about how financial markets would react. The FOMC is widely expected to raise interest rates. At 9.00 GMT the majors traded against US\$ at 121.22/121.27 JPY, 1.5365/1.5370 CHF, Euro at \$1.0402/1.0407 and GBP at \$1.5864/1.5869.

Shipping Intelligence

Table with columns for Berth No, Name of vessels, Cargo, L port call, Local agent, Date of arrival, and Leaving arrival. Lists shipping schedules for CHITTAGONG PORT.

Bangladesh Institute of Bank Management Wanted. Bangladesh Institute of Bank Management, an apex organisation for imparting training to mid and senior level Bank executives and the only institution for offering Master's Degree in Bank Management, invites applications for filling up the following posts for Training & Teaching. PAY SCALES: Lecturer 8,000-200x4-8,800-250x6-10,300/-; Asst. Professor 10,000-300x4-11,200-350x4-12,600/-.

EU, LatAm states agree on trade co-op blueprint

RIO DE JANEIRO, June 28: Foreign ministers from Europe, Latin America and the Caribbean on Sunday agreed to a blueprint for trade liberalisation and cooperation, on the eve of a 48-nation summit intended to forge closer ties between their regions, reports AFP. Participants highlighted the launching of free trade talks and playing down differences on such issues as agricultural subsidies, legal proceedings against Chilean leader Augusto Pinochet and human rights in Cuba. Heads of state and government's meeting here today and tomorrow were due to explore the possibility of creating a huge trade bloc comprising the EU and Mercosur - a customs union that comprises Argentina, Brazil, Uruguay and Paraguay. The leaders were to formally launch negotiations between the European Union and Mercosur, as well as parallel talks with Chile, today. The actual talks are to get underway in November but the sensitive

question of removing tariffs will not be discussed before 2001. Another report says: European and Latin American leaders meeting in Brazil are due to reiterate a commitment to the regional integration today but stop short of the widely expected launch of free trade talks. Close to 50 heads of state were expected to attend a historic two-day summit between Europe, Latin America and the Caribbean, which officially begins in Rio de Janeiro on Monday. The events kick off with a meeting between the European Union and South America's four-nation Mercosur customs union, which host country Brazil had hoped would mark the launch of free trade negotiations between the two powerful blocs. Organisers initially said they expected the creation of a free trade area by 2005 between the 15-nation EU and Mercosur, a \$1 trillion economy grouping Brazil, Argentina, Paraguay and Uruguay. Instead, foreign ministers on Sunday agreed to a watered-down version of a final agreement which deletes any reference to a free trade area and sets no firm dates for the completion of the talks, diplomats said. The statement will grant Latin nations a small victory by failing to exclude the controversial topic of farm trade, the main stumbling block to a free trade area from the European point of view. At the same time, it allows Europe to reaffirm its pledge to boosting ties with Latin America without tying it to a rigid schedule which could limit its bargaining power in the next round of world trade negotiations in November. With the summit unlikely to yield any memorable agreement, delegates took advantage of the presence of counterparts from 48 nations to hold closed-door bilateral talks aimed at ironing out differences.

প্রকৌশল দপ্তর চট্টগ্রাম বিশ্ববিদ্যালয় সংশোধনী বিজ্ঞপ্তি. নং-৮/৯৮-৯৯. সর্বশ্রেষ্ঠ সকলের অবগতির জন্য জানানো যাইতেছে যে, ইতিপূর্বে বিভিন্ন দৈনিক পত্রিকায় প্রকাশিত চট্টগ্রাম বিশ্ববিদ্যালয় সংশোধনী বিজ্ঞপ্তি নং-৫/৯৮-৯৯-এর আংশিক পরিবর্তন ও পরিবর্তনসহ সংশোধন প্রকাশিত করণের জন্য ৬৭৫ কেজি উত্তোলন ক্ষমতাসম্পন্ন (৮ জন) একটি লিফ্ট সরবরাহ ও সংস্থাপন কাজের উদ্দেশ্যে চট্টগ্রাম বিশ্ববিদ্যালয় ছাড়াও চট্টগ্রাম সিটি কর্পোরেশনের প্রকৌশল দপ্তর হইতেও বিক্রয় করা হইবে এবং দরপত্র বিক্রয় ও দাবিদের সময় নিম্নলিখিত নির্ধারণ করা হইল:

Japan's vehicle exports fall. TOKYO, Jun 28: Japan's vehicle exports fell 8.6 per cent in May from a year earlier, dragged down by weak sales in Europe, Latin America and the Middle East, producers said Monday, reports AP. The drop to 308,661 vehicles was the fourth straight monthly decline, the Japan Automobile Manufacturers' Association said. Despite the overall decline, exports to the United States - Japanese carmakers' biggest market - remained strong, lumping 19.7 per cent to 108,598 vehicles, for the ninth consecutive year-on-year increase.