

Japan posts sharp rise in industrial production

TOKYO, July 29: Japan's industrial production surged in June to record the first upturn for three months in a sign of recovery for the world's second largest economy, says AFP.

Industrial output, which measures production at factories and mines, rose 3.0 per cent in June from the previous month, the trade ministry said Thursday.

The June increase outstripped economists' forecasts and followed a revised decline of 1.0 per cent in May, the Ministry of International Trade and Industry said in a preliminary report.

The ministry forecast that July output would rise 0.5 per cent and August output would jump 3.7 per cent month-on-month.

The forecasts for July and August are extremely strong, pointing to a sharp rise of production in the third quarter, said Peter Morgan, economist

at HSBC Securities in Tokyo. "This makes it likely that the recovery of production has begun."

Machinery, transport equipment, chemicals and fabricated metals all performed better than expected, he said.

"This suggests that improved exports to Asia are boosting demand. The strength of production and shipments was very broad based."

Tokyo stocks climbed on the news, rising 189.52 points or 1.1 per cent to close morning trade at 17,769.43.

Investors also pushed up the yen to trade at 115.68-70 yen to the dollar at 11 am from 116.14 yen in New York late Wednesday.

Industrial shipments in June jumped 3.1 per cent after increasing a revised 0.6 per cent in May.

Inventories in June fell 0.3 per cent after declining 0.5 per

cent in May, signalling excess inventories had now been cleared out, analysts said.

"There is no longer concern that industrial output may fall," a trade minister official said. "From now on it will either rise or remain flat."

He said progress by companies in clearing their inventories and strong output of personal computers and mobile phones would drive a recovery in output.

But he was still reluctant to herald an immediate revival in production while consumer spending was so weak.

"For example, spending in durable products has shown no sign of a recovery," the officials said.

Most economists had forecast output would barely rise in June.

"These figures were unexpectedly strong, said Junji Ota, economist at Okasan Research

Institute. But we have yet to see assured strength in the figures."

"The sentiment is that the economy is back on an upward trend," Ota said. But he warned that a strong yen may hurt exports to Asia, which were beginning to pick up.

"Increasing exports to Asia will support positive industrial output figures as their economy is on a track for recovery," he said.

Industrial output in the three months to June was down 1.0 per cent from the previous quarter, after a 0.6 per cent rise in the first three months of the year, the ministry said.

Industrial shipments in the June quarter fell 2.1 per cent after rising 1.3 per cent in the previous quarter, the ministry added.

Industrial inventories fell 1.0 per cent in the quarter after dropping 2.3 per cent in the previous quarter, it said.

India, Iraq close to signing oil deals

BAGHDAD, July 29: India is close to closing one deal to develop an oil field in Iraq and another to prospect for crude in the western desert, India's Oil and Gas Minister V K Ramamurthy says, reports AP.

Ramamurthy made the remarks Wednesday, as the latest statistics on bilateral trade showed a significant rise in the past six months.

The Indian minister said his country's exports to Iraq have "multiplied several times" and New Delhi was looking forward to further increase its chunk of Iraq's multibillion dollar trade with the outside world.

Ramamurthy arrived in Iraq Wednesday on his second visit in two months.

India's joint venture of the Oil and Natural Gas Corporation and Reliance Petroleum has been negotiating with the Iraqis on the terms of a deal to develop the southern Tuba oil field with estimated reserves of up to 3 billion barrels.

The venture is also negotiating to obtain an exploration block in Iraq's western desert, occupying about one third of

Iraq's 435,000 square kilometer (168,000 square mile) area. Once fully explored, the desert, according to Oil Ministry officials, is expected to substantially raise Iraq's current proven oil reserves of 112 billion barrels, the world's second largest.

Oil Minister Lt General Amer Mohammed Rashid said Iraq was determined to expand cooperation with India. "It is a matter of principle... We have energy resources, (they) have a lot of technical and industrial capability."

Ramamurthy said Indian oil firms are also interested in helping Iraq upgrade the North Rumailah field in the south, which currently provides up to 1.3 million barrels a day of Iraq's average output of 2.7 million barrels per day. Rumailah reserves are estimated at 22 billion barrels.

Despite the surge in trade, Ramamurthy said volume is still less than 2 per cent of Iraq's total purchases under its oil-for-food deal with the United Nations.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies					
Currency	Selling TT & OD	Selling BC	Buying T.T. Clean	Buying OD Sight Bill	Buying OD Transfer
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0850
Pound Sg	79.6525	79.7166	78.4681	78.2088	78.0942
Deutsche Mark	27.4861	27.5082	26.5115	26.4078	26.3692
Swiss Franc	33.2820	33.3088	32.7773	32.6690	32.6211
Japanese Yen	0.4319	0.4322	0.4243	0.4229	0.4222
Dutch Guilder	24.3944	24.4140	23.5294	23.4374	23.4031
Danish Krona	7.1739	7.1796	7.0106	6.9874	6.9772
Australian \$	32.5483	32.5745	31.2689	31.1055	31.1199
Belgian Franc	1.3326	1.3337	1.2854	1.2804	1.2785
Canadians \$	33.3244	33.3512	32.3835	32.2764	32.2292
French Franc	8.1954	8.2020	7.9048	7.8739	7.8623
Hong Kong \$	6.4198	6.4250	6.3415	6.3206	6.3113
Italian Lira	0.0278	0.0278	0.0268	0.0267	0.0266
Norway Kroner	6.3617	6.3668	6.2580	6.2373	-
Singapore \$	29.7874	29.8113	28.8337	28.7384	28.6963
Saudi Rial	13.2975	13.3082	13.1146	13.0712	13.0521
UAE Dirham	13.5782	13.5891	13.3909	13.3466	13.3271
Swedish Krona	6.0337	6.0396	5.9587	5.9390	5.9303
Catalan Rial	13.6990	13.7100	13.5079	13.4632	13.4435
Kuwaiti Dinar	168.6906	168.8263	165.2738	165.7573	165.5292
Thai Baht	1.3428	1.3439	1.3288	1.3245	1.3225
Euro	53.7581	53.8014	51.8520	51.6493	51.5736

Bill buying rates

TT Doc 30 Days 60 Days 90 Days 120 Days 180 Days

49.2112 48.9090 48.4980 48.0807 47.6760 46.8540

US Dollar London Interbank Offered Rate (LIBOR)

Buying Selling Currency 1 Month 3 Months 6 Months 9 Months 12 Months

49.0850 49.7300 USD 5.1800 5.3125 5.64375 5.70250 5.81625

78.0942 79.6525 GBP 5.21422 5.23375 5.4566 5.54609 5.71328

Cash/TC Cash/TC Euro 2.6875 2.68003 2.94125 3.00000 3.09125

Exchange rates of some Asian currencies against US dollars

Indian Rupee Pak Rupee Thai Baht Malaysian Ringgit Indonesian Rupiah Korean Won

43.31243.322 51.28051.380 37.05037.100 3.79953.8005 68206840 1202.2102.8

Amex notes on Thursday's market

The USD/BDT interbank market has remained stable in the past week. USD liquidity has forced USD/BDT rates to stay in the 49.6200-49.6500 level despite strong support for USD at 49.6450 from the market makers. It is likely that the market will remain stable for the coming week because of the liquidity of the market.

The call rates have fallen below 6 per cent because of excess BDT liquidity. The rates stayed in the 5.50-6.00 per cent level.

The dollar remained below 116 yen by late Tokyo on Thursday as yen bulls were encouraged by better-than-expected Japanese industrial output data. But the dollar's decline failed to gain momentum despite sharp rises in Tokyo stock prices and bond yields.

Dealers were wary of chasing the dollar much lower ahead of closely watched US second quarter employment cost index and gross domestic product data due out later on Thursday. The trend remained dollar bearish.

But speculative operators were content to take quick profits. So they were building shorts but took profit on (dollar) dips. David Aaron US undersecretary of commerce for international affairs, told Reuters Television on Thursday that Japan could not solve its economic problems by manipulating exchange rates.

A strong French business outlook report caused a flurry of activity in the euro, which briefly rallied above \$1.07 early in Europe, taking other European currencies with it. Dollar/yen was mixed within half a yen of five-month lows after a rise in Japan's industrial output data and the Nikkei.

The pound rose above \$1.60 for the first time in six weeks on Thursday, profiting from broad-based weakness in the dollar. Markets assumption is that the pound was not really moving on its own, it was moving in line with euro/dollar. Market makers said sterling was likely to consolidate around \$1.60 ahead of US advance second-quarter growth and employment cost data.

At around 0630 GMT the exchange rates of major currencies against USD were GBP/USD 1.5970/80, USD/SFR 1.4988/5000, USD/JPY 115.55/63, EUR/USD 1.0661/66.

Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 29.07.99

Berth No	Name of Vessels	Cargo	L Port	Local Agent	Date of Arrival	Leaving
J/1	Tasnia	CI	Chittagong	Nishan	9/7	29/7
J/2	Dewan-1	Rice(P)	Kara	AML	4/7	30/7
J/3	Sun Ocean	GI(Lo)	Yang	SMSL	4/7	30/7
J/4	Great Cheer	GI(P)	Sing	Rainbow	7/7	2/8
J/5	Jaami	GI(Lo)	Jang	Royal	26/7	2/8
J/6	Esco Argo (48)	CI	Kock	Prog	26/7	29/7
J/7	Ovruch	Wheat(G)	Swich	LSC	25/6	30/7
J/8	Pericles	Sugar(G)	Sant	Litmond	10/7	30/7
J/9	Ostriesland	Sugar(G)	Sant	Litmond	10/7	5/8
J/10	Michelle	GI(P)	Sing	MSA	4/7	1/8
J/11	Sheng Mu	Wheat(P)/GI	Sing	MSA	4/7	3/8
J/12	Nordkap	Cont	Sing	RSL	25/7	31/7
J/13	Banglar Robi	Cont	Sing	BdShip	23/7	31/7
CCT/1	QC Teal	Cont	P Kel	QCSL	22/7	29/7
CCT/2	Dafa	Cont	P Kel	QCSL	22/7	29/7
CCT/3	Banglar Mont	Cont	Sing	BSC	22/7	29/7
RM/14	BUT1	Cement	-	Able	R/A	2/7
RM/15	Sarah-1	Rice(P)	-	SMSL	R/A	2/7
CCJ	Youngly	C. Clink	-	PSAL	R/A	2/7
CSJ	Al Bauraq	C. Clink	-	Puke	PSAL	10/6
TSP	Chopel-1	R Phos	Indo	Seacom	14/7	2/8
RM/4	Kemilau	C. Clink	-	(Diamond)	Tanj	13/7
RM/6	Borobudur	Cement	Zaka	USTC	11/7	6/8
DD/1	Everside Glory	Cement	Sing	USTC	19/5	3/8
DD/1	Tanary Star	IDLE	Para	PSAL	-	31/7
RM/8	Sea World	Repair	-	CCNL	R/A	1/8
RM/9	Banglar Jyoti	Repair	-	BSC	R/A	1/8
CUFLJ	Phaethon	IDLE	Durb	OWSL	10/6	1/8

Vessels due at outer anchorage

Name of Vessels	Date of Arrival	Local Agent	Cargo	Loading Port
Shun An	29/7	Sing	RML	GI(St) Coll
Martina	30/7	Mong	SMSL	Survey Purpose
Kota Singa(Cont)19/7	29/7	Sing	Pil(Bd)	Cont
Ocean-1	31/7	Yang	SMSL	GI
Vishva Prafulla (Cont)20/7	30/7	Viza	SSLL	Cont
Brisa Azul(48)15/7	30/7	Col	Everett	GI
Jaya Mars(Cont)21/7	31/7	P Kel	EOSL	Cont
Duden	30/7	Texa	Litmond	Cont
Bunga Mas Lapan(Cont)21/7	31/7	P Kel	EOSL	Cont
Banglar Shikha(Cont)21/7	31/7	Sing	BSC	Cont
Athenian Glory	31/7	Sing	OTBL	Cont
Banglar Doot	1/8	Mong	BSC	Cont
Kota Nagal(Cont)21/7	1/8	Sing	Pil(Bd)	Cont
Ultima 18/7	1/8	Sing	QCSL	Cont
Silver Star	2/8	Indo	MBL	C. Clink
Fontana	2/8	Sant	Fortune	Sugar(G)
Xpress Makulu(Cont)11/7	2/8	Sing	RSL	Cont
Joy World(48)7/7	2/8	Tanj	SSLL	GI(St) Coll
Karunia Pacific	2/8	Pada	SMSL	Cement
Revenge	3/8	Sunshine	OTBL	Salt(G)
Athenian Horizon	3/8	Sing	OTBL	Cont
Hual Trotter(Roro)25/7	3/8	Quett	MMI	Vehi
Achiever(Cont)25/7	3/8	Sing	RSL	Cont
Jurong Balsam(Cont)25/7	3/8	Sing	NOI	Cont
Lacontos-II	4/8	Mumb	UMTL	GI(St) Coll
Star Glory	5/8	Sing	PSAL	Cement
Banga Biraj(Cont)25/7	5/8	Sing	BdShip	Cont
Yaya Venus(Cont)25/7	5/8	Sing	RSL	Cont
Koushuni(Roro)24/26/7	5/8	Sing	Everett	Vehi
Bunga Mas Lina(Cont)27/7	6/8	Sing	EOSL	Cont
Kota Cahaya(Cont)26/7	6/8	Sing	Pil(Bd)	Cont
Xpress Resolve(Cont)4/7	7/8	Sing	BdShip	Cont
Yong Jiang	8/8	Sing	BdShip	Cont
Banglar Gaurab	15/8	Kochi	BSC	GI/Roc
Flag Investor	3/8	Kochi	BSL	Cement

Tanker due

Rheinster 03/8 Seacom Ciso(Rm/4)

Name of Vessels Cargo Last Port Local Agent Date of Arrival

Energy Explorer-IV Seabulk Command Seabulk Eagle

Vessels at Kutubdia

Ready on

Eleftheria Sugar(G) Sant Fortune 19/7

Saigon-1 R Phos Jibo Seacom 21/7

Nopporn Naree R Sced Jibo Rainbow 21/7

Kota Berjaya(Cont) Cont Sing Pil(Bd) 26/7

Yang Lin Cont Sing BdShip 26/7

Tiger River(Cont) Cont Sing NOI 27/7

Bunga Mas Enam(Cont) Cont P Kel EOSL 28/7

Alice Cont P Kel EOSL 28/7

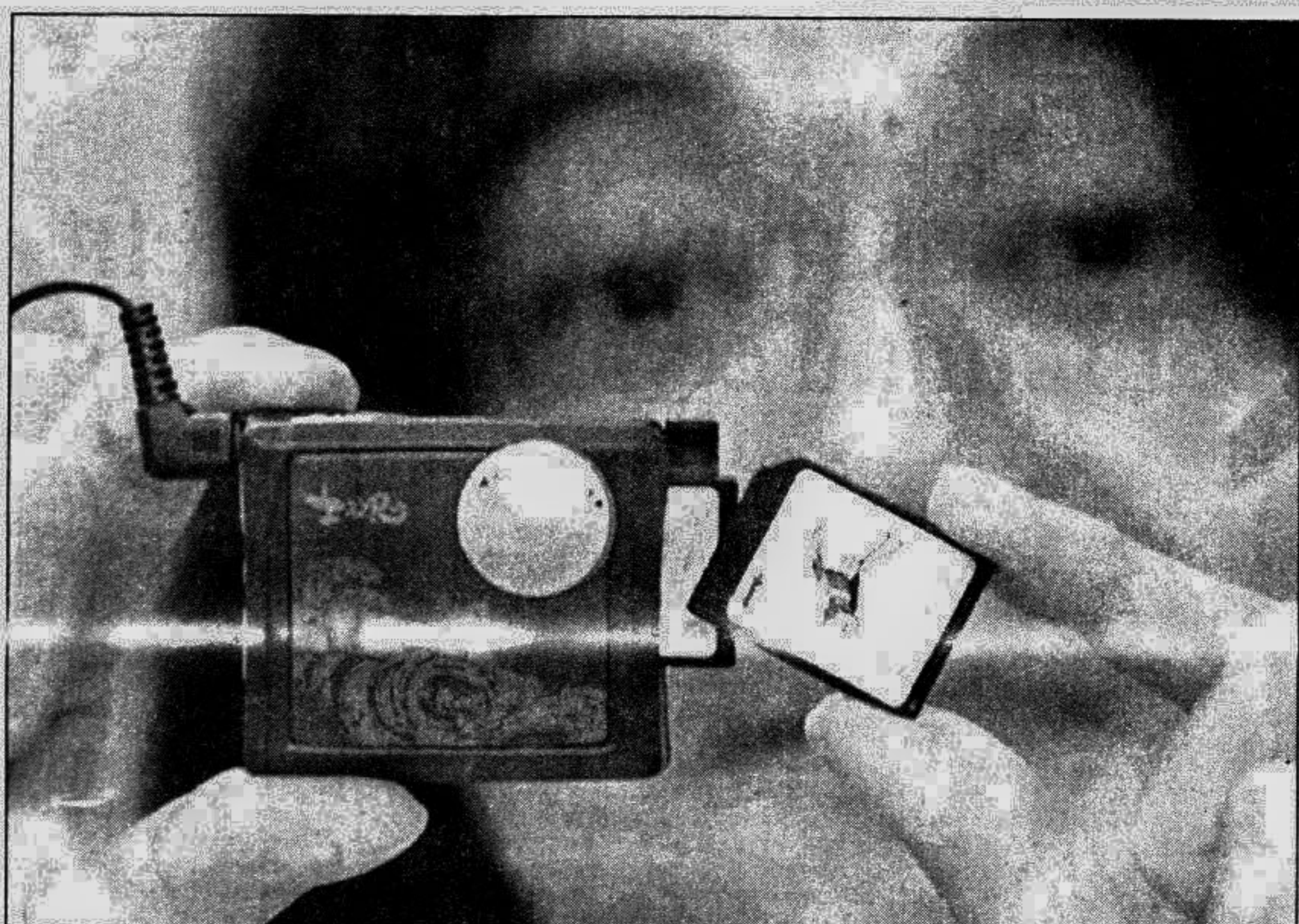
Sin Hai Cont P Kel RSL 28/7

QC Pintail Cont P Kel QCSL 28/7

Silver River CDSO Humb TSL 28/7

Lipetsk CDSO Durb Rainbow 23/7

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



Nobuharu Shoji, General Manager of Dynamic Naked Audio Inc. (DNA), shows off the company's MP3 pocket digital audio player, "Si-con" and its Multi Media Card (MMC) at his office in Tokyo Thursday. DNA started selling a package of the MP3 player and four songs titled "Si-con" in two 8-MB MMC ROM from 30 June 1999 at the price of 9,800 yen (about \$84). DNA plans to put on the market its 16-MB MMC RAM and MMC Reader Writer for PCs at prices of 6,800 yen and 4,800 yen.

—AFP photo

IMF approves \$4.5b loan package for Russia

WASHINGTON, July 29: The International Monetary Fund approved a \$4.5 billion financial package for Russia aimed at helping to keep the country afloat through December parliamentary elections and presidential voting scheduled for June 2000, reports AP.

A total of \$640 million would be made available immediately, the IMF said Wednesday. It added that six other installments of the same amount will be paid out over the next 17 months.

Signaling the IMF intends to closely monitor Russia's economy, the statement said the payment of subsequent installments "will depend on completion of quarterly reviews and meeting of performance criteria and structural benchmarks."

President Boris Yeltsin's special envoy to international financial institutions, Mikhail Zadornov, worked out the final details with the IMF's deputy managing director, Stanley Fischer, and the fund's 24 executive directors during a daylong meeting.

In view of Russia's extremely difficult economic and financial situation, the directors underscored the need for full and timely implementation

of the envisaged reform measures," the IMF's statement said.

The reform measures included a package of laws to increase government revenue, combat corruption and reform the banking system. Russia's lower house of parliament, the Duma, already has approved some of these measures.

The IMF statement said the directors expressed "strong disapproval" of Russia's central bank's channeling of some of its assets to an offshore subsidiary it set up to manage some of its reserves in 1996.

It said this practice had given a "misleading impression of the true state of reserves," and it urged Russian authorities to "take immediate steps to prevent a recurrence of these problems."

However, the statement said the directors took note of an independent audit that showed no impropriety in the central bank's use of \$4.8 billion IMF loan to Russia in July 1998, just before Russia defaulted on its foreign loans and devalued the ruble, plunging the country into financial crisis.

The long-awaited deal would allow Russia to staff off a complete international default and to gain access to new loans from

the World Bank and Japan. For its part, the IMF gets to keep some leverage over the policies of its largest debtor. Russia owes the IMF \$18 billion.

The move to resume lending comes nearly a year after Russia defaulted on its debts and devalued its currency. The IMF froze a loan package worth \$22.6 billion after the financial collapse but reached a preliminary accord on new financing in April.

Since then, there have been visits by IMF teams to Moscow, briefings for board members and an independent audit of Russia's finances, so the result of Wednesday's deliberations were seen by many at the IMF as a foregone conclusion.

Russian Prime Minister Sergei Stepashin, visiting Washington, on Tuesday, emphasised his commitment to reforming the economy. He said Russia would "fully implement our obligations."

But there was been some criticism of new IMF lending to Moscow in Congress and elsewhere. House majority Leader Dick Armey, one of the IMF's most vocal critics, said last week the United States should withhold support for further IMF lending until Russia has

accounted for use of past aid.

ICB declares dividends on Funds

Investment Corporation of Bangladesh (ICB) has declared dividends on its eight Mutual Funds and on the Unit Fund, says a press release.

The rates of dividends are 100 per cent for first, 32 per cent for second, 38 per cent for third, 35 per cent for fourth, 20 per cent for fifth, 15 per cent for sixth, 13 per cent for seventh and 12 per cent for eighth Mutual Fund and Tk 12.00 per unit for the year ended 30th June, 1999.

The dividends were approved yesterday at an ICB Board of Directors' meeting held with Hedayat Ahmed, Chairman of the Board in the chair.

During 1998-99, the distributable net profit of the First Mutual Fund was Tk. 22.07 million. Second Mutual