

Rao's survival quickens India's economic reforms

BOMBAY, July 31: Indian industry leaders now expressed relief at Prime Minister PV Narasimha Rao's survival in a no-confidence vote, saying the government could now quicken the pace of its economic reforms, reports Reuters.

"I'm greatly relieved. It's a good development. Politics can now take a back seat and economic issues will come to the forefront," Kishore Shah, President of the Federation of Indian Export Organisations (FIEO), told reporters in Bombay.

Shah said the reforms, especially in the financial sector, got bogged down because of political destructions.

"Implementation of reforms will now be speedier," he said.

The reforms have lost impetus over the past seven months, following widespread social unrest and a spate of bomb attacks in the commercial capital Bombay.

The pace of reform was further slowed in June after Rao became embroiled in India's worst financial scandal forcing his minority government to concentrate on survival.

Stock broker Harshad Mehta, who is at the centre of the 1.28 billion dollar financial scandal, accused Rao of accepting cash from him, prompting the opposition no-confidence motion.

Analysis said the crisis delayed government approval for many foreign investments, especially in key sectors like power.

"Now the outlook is clear. Political consistency and the continuity of government always sends positive signals to those planning to put their money in this country," Shah said.

Finance Minister Manmohan Singh told Reuters in New Delhi the government's victory was a boost for its economic reforms.

"Armed with this victory, we will pursue economic reforms more vigorously," he said after the government defeated the opposition by 14 votes. He is the author of the reforms that lifted state controls and opened the door to foreign investment after more than 40 years of Indian-style socialism.

"I am happy and relieved. If Rao had lost, there would have been great uncertainty, particularly about the economic policies. Foreign investment particularly depends on political stability," said Rahul Bajaj, Managing Director of Bajaj Auto Ltd and one of India's leading industrialists.

Rao's victory sent share prices soaring on the Bombay Stock Exchange, India's largest. The 30 share index opened up 23.06 points at 2172.79 on Thursday.

"Investors' confidence is restored. Foreign institutional investors will come in a more aggressive way," said Udayan Desai of the Stockbroking firm OB Desai and Co.

"Generally, market sentiment will be good. Infrastructure industries like cement and steel, which depend a lot on government projects, will get a big boost," Desai said.

"Political stability is the basic prerequisite for the success of economic reforms. The government can now implement its reforms with greater will and courage," said M N Dhuldhoy, President of the Associated Chambers of Commerce and Industry.

Dhuldhoy called on the government to seize the opportunity provided by the vote to widen reforms to include privatising some banks nationalised in two bouts in 1969 and 1978.

India launched its economic reforms in July, 1991, when faced with mounting foreign debt of 74 billion dollar, it sought international financial assistance.

The reforms have pushed inflation below six per cent and aim to raise overall economic growth to around five per cent in 1993/94 from the previous year's 4.2 per cent.

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Our office locations and telephone numbers will remain the same, as will the high level of service you have come to expect from APL. And as in our tradition, we will be working even harder to meet the transportation needs of one of the fastest growing markets in Asia: Bangladesh.

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Gulf states produce 13.5m BPD of oil in first 3 months of '93

ABU DHABI, July 31: Gulf Arab states produced around 13.5 million barrels per day (BPD) of oil in the first quarter of 1993, nearly one fifth of the total world crude output, according to a regional study, reports AFP.

The figure, which covers the six Gulf Cooperation Council (GCC) states, is higher by around six per cent than their production in the first quarter of 1992, when their output stood at 12.7 million BPD, the Bahrain-based Arab Banking Corporation (ABC) said.

A breakdown showed most of the output increase came from Kuwait, which produced around 1.8 million BPD in the first quarter of 1993 compared with 660,000 BPD in the first quarter of 1992.

Kuwait has gradually

boosted crude production since it began to rehabilitate its oil sector that was crippled by the 1990 Iraqi invasion. The 1993 figure is nearly 200,000 BPD above its quota of 1.6 million BPD allocated by the Organisation of Petroleum Exporting Countries (OPEC).

It refused to join last month's OPEC output agreement after the cartel rejected its demand for a 30 per cent increase in its quota, offering it only 10 per cent.

ABC said Saudi Arabia, which has an OPEC quota of eight million BPD, produced 8.26 million BPD in the first quarter of 1993 compared with 8.46 million BPD in the first quarter of 1992.

The United Arab Emirates (UAE) produced 2.24 million BPD and 2.34 million BPD in

the same period while Qatar's output stood at 413,000 BPD. This is compared to their OPEC production quotas of 2.16 million BPD and 364,000 BPD respectively, the report said.

Oman and Bahrain, which are not members of OPEC, produced 750,000 BPD and 42,000 BPD respectively in the first quarter of 1993 and 700,000 BPD and 42,000 BPD in the first quarter of 1992.

ABC put total Arab crude production at 17.9 million BPD in the first quarter of 1993, accounting for nearly 30 per cent of the world output.

OPEC members Libya and Algeria produced 1.4 million BPD and 762,000 BPD respectively in the first quarter compared with 1.51 million BPD and 780,000 BPD in the first quarter of 1992.

prices of jute, paddy down in Jamalpur

JAMALPUR, July 31: Prices of jute and paddy have gone down in the local markets causing suffering to the growers, reports UNB.

Jute is being sold at Taka 140 per maund while paddy at Taka 120 in different hats and bazars of Islampur, Dewanganj, Melandaha and Sharihabari thanas of the flood hit district.

When contacted some jute traders informed that they were in great difficulty due to sudden fall in prices of the two cash crops and alleged that inspite of repeated appeals no government purchasing centres had yet been opened in the district.

They also alleged that different companies and jute mills failed to payoff their arrears of jute sold to them in the last two to three seasons.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 31-7-93

Berth No.	Name of Vessels	Cargo	Local Call	Local Agent	Date of Arrival	Date of Leaving
J/1	Fair Spirit	GI Xing	Prog		20/7	31/7
J/2	Banglar Maya (Ebb)	GL (repair)	Male	ISC	12/4	4/8
J/3	Chipsam (Ebb)	Cement	TITIZ	USTC	14/4	5/8
J/4	Vishva Nandini (Ebb)	Salt (TCB)	Tuti	UMAL	22/7	1/8
J/6	Vishva Parimal (Ebb)	GI/GL	Kong	SSL	26/7	31/7
J/7	Stenkirchen	P Equip	Hanya	Prog	29/7	1/7
J/10	Banglar Sampad (Ebb)	Repair		ISC	R/A	3/8
J/11	Agna	Urea		ISL	R/A	4/8
J/13	Kota Bhuana	Cont	Sing	NSL	27/7	31/7
MPB/1	Lanka Mahapala	Cont	Mong	Baridhi	29/7	31/7
MPB/2	NGS Ranger	Cont	Sing	BD Ship	27/7	31/7
CGI	Banglar Kiron	Repair		ISC	R/A	3/8
GSJ	Margilan (Ebb)	Cement	Sing	OTL	21/7	31/7
TSP	Al Muharaq	R Phos	Apsha	S&ST	29/7	6/8
DD	Banglar Kallol	Repair		ISC	R/A	7/8
DDJ/2	Banglar Aaha (Ebb)	Repair		ISC	R/A	10/8
CUFJ	Ronjay Choomie	Urea	Sing	Seacom	2/8	01/8

VESSELS DUE AT OUTER ANCHORAGE

Name of Vessels	Date of Arrival	Last Port	Local Call	Local Agent	Cargo	Loading Port
Semudra Rani	31.7.93	Mong	SSL	ISC	GL Kara B. Abbas	Sing
Banglar Robi	31.7.93	Mong	ISC	ISC	Cont	Sing
Eponyma	31.7.93	Sing	RSL	ISC	Cont	Sing
Robert-Lec	31.7.93		Karna	GI(Laah)		
Golden Star	5.8.93	Bang	BML	Sugar(P)	& 1211	GI
Boris Lavrentyov	3.8.93	Pera	USTC	GI(Soda Ash)	+7069	GI
Lily	2.8.93		Seacom	W/LD Urea		Sing
I.Yamburenko	1.8.93	Sing	CT	Cont		Sing
Nand Srihti	1.8.93	Sing	MSA			
Pecan	3.8.93	Mong	OWSL	GL		DE Salam
Dancing Sister	2.8.93	Kand	OWSL	Sugar in bags		
Sea Nymph	2.8.93		USTC	Cement		
Fong Yuh	4.8.93	Sing	BD Ship	Cont		Sing
NGS Express	4.8.93	Sing	BD Ship	Cont		Sing
Ingenuity	4.8.93	Col	BTA	Cont		Cal
Imke Wehr	4.8.93	Sing	ULA	Cont		USA Fe
Kamaleverett	4.8.93		EBPL	GI		Japan Fe
Meng Kiat	5.8.93		AML	Cont		Sing
MTTong AH (Barge: Smit Flores)	5.8.93			Anchor P Equipment		
Rafiah	5.8.93	Niko	Dynamic	M Seeds		
Banglar Doot	6.8.93	Sfax	SSSTSP	(Fert) (P)		
Banglar Mani	7.8.93	Sing	ISC	Cont		Sing
Optima	6.8.93		RSL	Cont		Sing
Jiang Cheng	6.8.93	S Hai	BD Ship	GI		C Ports
Chrysanthi	15.8.93		USTC	Capra		

TANKER DUE

Name of Vessels	Cargo	Last Port	Local Call	Local Agent	Date of Arrival
Ammala-2		Bomb	ECSL		Lube Oil (RM/6)

MOVEMENT OF VESSELS FOR 1/8/1993

OUTGOING	INCOMING	SHIFTING
J/4 Vishva Nandini	J/13 Eponyma (Cont)	
J/7 Stenkirchen	MPB-2 I.Yamburenko	
RM-3 Arcanyev		
CUFJ Ronjay Choomie		

The above were the Saturday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Exchange Rates

The following are the Commercial Banks' BC selling and TT (C), OD transfer buying rates for some selected foreign currencies effective on July 31.

Currency	Selling B.C.	T. T. (C)	Buying OD Transfers
US Dollar	39.8826	39.6587	39.4059
Poundsterling	59.0742	58.7742	58.4194
D.M	22.9013	22.7506	22.6146
FF	6.6788	6.6358	6.5935
S Riyal	10.6607	10.6008	10.5332
D. Guilders	203275	20.1928	20.0641
S. Kroner	4.8395	4.8094	4.7788
Singapore Dollar	24.7027	24.5641	24.4075
UAE Dirham	10.8880	10.8268	10.7578
Kuwait Dinar	132.8977	132.1516	131.3092
Indian Rupee (AMU)	1.2705	1.2648	1.2585
Pak Rupee (AMU)	1.3318	1.3259	1.3193

Authorised dealers will apply T T clean buying rate for purchase of remittances of Bangladeshis working abroad.

Note: AMU-Asian Monetary Union.

Russian hard-line legislators may debate rouble withdrawal

MOSCOW, July 31: Hard-line Russian lawmakers convened Saturday in a special session expected to take aim at President Boris Yeltsin and the central bank's decision to void billions of old roubles, reports AP.

Officially, the Supreme Soviet legislature's agenda lists just one topic: ethnic unrest in Russia's volatile southwestern regions of Ingushetia and North Ossetia.

But lawmakers said the legislature is expected to debate the money crisis, which has given Yeltsin's foes new ammunition in their anti-government offensive.

The session also is likely to defend Security Minister Viktor Barannikov, fired by Yeltsin on Tuesday, and cancel the president's recent decree on privatisation.

The Supreme Soviet, packed by former communists who oppose Yeltsin, has been on an anti-Yeltsin roll in July. It has: — Curbed the president's privatisation drive. — Approved a bloated bud-

get that includes large subsidies to ailing state-run companies. — Approved a corruption probe of a top presidential aide.

Yeltsin's standing was further eroded by the central bank's order of July 24 on the removal of pre-1993 roubles from circulation. Yeltsin's allies say it was a plot to undermine confidence in the government and market reforms. Opponents maintain it betrayed the Cabinet's lack of competence and regard for the people.

Amid the uproar, Yeltsin immediately cut short his vacation and rushed back to Moscow, softening the blow by extending the deadline for exchanging old roubles and increasing the amount that can be swapped.

But it was too late.

Supreme Soviet Chairman Ruslan Khasbulatov, Yeltsin's main political enemy, has vowed to reverse the rouble measure. Other lawmakers demand the removal of Prime Minister Viktor Chernomyrdin, central bank head Viktor Gerashchenko and Finance

Minister Boris Fyodorov.

A likely attack strategy would be to show that Yeltsin and his government were actually behind the bank's move, which in its original version would have deprived many Russians of their savings.

Fyodorov, a leading reformer, says he knew nothing of the plan in advance and also demands the resignation of Gerashchenko, who says in turn that top officials were informed about the measure. Yeltsin has kept silent about the extent of his involvement.

The currency crisis has created huge lines of people facing an Aug. 31 deadline to swap old bills for new. It has also alarmed other former Soviet republics that still use the rouble.

Khasbulatov charged that Fyodorov 'has driven us to this situation with those exchanges of money, these most serious disorders, although he distances himself from that... His is the policy of the International Monetary Fund conducted by Fyodorov.'

Hard-liners often claim the

government is being led in its economic policy by foreign institutions alien to Russia's interests.

Central bank officials say one of its main goals was to soak up an inflationary flood of cash from neighbouring republics. But Russian and foreign economists, including Fyodorov, have warned that the measure would fuel inflation, endanger 28.4 billion dollar aid package from the Group of Seven leading industrial nations and undermine reforms.

The legislature will also debate Yeltsin's order extending the state of emergency in Ingushetia to Sept. 30 and ordering 5,000 more troops to be sent to reinforce the northern Caucasus region.

Ethnic unrest in Ingushetia and neighbouring North Ossetia, provoked by territorial disputes, erupted last year. Russia imposed a tenuous peace, but sporadic fighting has left an estimated 500 people dead and driven 60,000 from their homes.

EC currency grid may collapse

PARIS, July 31: European Community central banks made a last ditch attempt to stop currency traders from ripping apart the exchange rate mechanism, reports Reuters.

Economists said their efforts looked doomed to fail and predicted the demise of the semi-fixed currency grid, one of the community's enduring achievements that was meant to be the springboard to full-blown economic and monetary union.

In dramatic trading on Group's financial markets, the central banks of Germany and France launched heavy volleys of intervention in a vain attempt to support the French franc at the level of 3.4305 franc per mark.

Suddenly, in mid morning, the two banks withdrew from the market. Some dealers were convinced the game was up. Rumours swept the market that Spain and Portugal had quit the grid.

But in fact they were staging a tactical retreat and quickly resumed intervening to buy franc at its lowest permitted level in the ERM of 3.4305 per mark.

The Danish crown and

Spanish peseta also came under heavy pressure and Belgium, until recently a rock of stability, jacked up interest rates to try to help the Belgian franc.

As wave after wave of selling crashed over the French franc, the currency even fell through its floor at one point.

"The market's actually succeeded in breaching the intervention limit," Adrian Cunningham, an economist at Bankamerica in London said.

"It's got to be a matter of time before there's a change of policy," he added.

Conservative Prime Minister Edouard Balladur, who has said he would resign rather than devalue, huddled with socialist President Francois Mitterrand, who has also staked his political credibility on maintaining the strong franc.

No word filtered out after the meeting, but economists said the situation looked increasingly desperate.

Influential US investor George Soros, who made one billion dollar betting correctly last September that the British pound would have to quit the ERM, said it was now futile to

shield the grid.

Goros, who had pledged on Monday not to speculate against the franc because he did not want to be accused of destroying the ERM, said he now felt free to resume trading in the franc.

Many traders said they were convinced exchange rates would be realigned this weekend to enable countries such as Spain, Belgium and France fighting record unemployment to cut interest rates instead of keeping them high to defend their currencies.

"Others were sceptical that the grid, set up in 1979, could last even until then."

William Ledward, an economist at Nomura Research Institute in London, doubted the system would see out the day.

"My bet is that either France or Germany will pull out this afternoon," Ledward said.

He said the most elegant solution would be to withdraw their mark temporarily from the ERM, because it is the punishingly high Germany interest rates, needed to dampen inflationary pressures unleashed by unification, that are at the root

of the crisis.

The mood in Paris dealing rooms was grim, with many traders openly blaming the Bundesbank for refusing to make anything other than a token cut in interest rates on Thursday.

The Bundesbank shaved its Lombard rate, which forms the ceiling for confound the market by leaving its floor rate, the discount rate, unchanged at 6.75 per cent.

"Our traders just have a feeling of disgust for the Germans," one French banker said they really feel the Germans let them down.

Rumours swirled that the Bundesbank might still ride to the rescue of the ERM by cutting its discount rate after all.

But apart from intervention, the only public support for the franc came from German government spokesman Dieter Vogel.

Even that struck some traders as less than a ringing endorsement. "Nothing has changed in our position. We still believe the economic date justify the franc's membership of the ERM," Vogel said.

Dhaka Stock Prices

At the close of trading on July 31, 1993
Mixed trend

On the Dhaka Stock Exchange floor, turnover in volume rose on Saturday while turnover in value fell.

Volume reached 7764 issues from 7734 and value dropped to Taka 623779.75 from Tk 682495.50.

The number of stocks transacted on the floor was 43. Of these 13 gained, 16 lost and 14 others traded at previous rates.

DAY'S TRADING AT A GLANCE

DSE Share Price Index	418.7394
Market Capitalisation (Tk)	15807589978.50
Turnover in Volume	7764.00
Turnover in Value (Tk)	623779.75

Company's name	Previous price	Closing price	Change (absolute)	Change (% over price)	Number of shares sold
Gains (13)					
Shares:					
5th ICB M Fund	98.00	102.00	4.00	4.081	160
3rd ICB M Fund	155.00	159.00	4.00	2.882	25
4th ICB M Fund	156.00	159.00	3.00	1.923	80
Zal Bangla	6.40	6.50	0.10	1.562	806
Eastern Textile	81.49	82.32	0.83	1.018	330
Rahim Textile	99.00	100.00	1.00	1.010	210
Ashraf Textile	29.52	29.70	0.18	0.609	200
Umaria Glass	263.80	265.00	1.20	0.454	35
(H) Lamps	296.80	298.00	1.20	0.404	30
Horizon Infusion	247.00	247.53	0.53	0.214	200
Bextmco	20.16	20.20	0.04	0.198	30
BGC	205.53	205.68	0.15	0.072	170
Debtenture:					
Bextmco Infusion	1722.00	1725.00	3.00	0.174	927

Company's name	Previous price	Closing price	Change (absolute)	Change (% over price)	Number of shares sold
Losses (16)					
Shares:					
National Oxygen	70.00	65.00	-5.00	-7.142	30
Paper Processing	18.50	17.25	-1.25	-6.756	50
IPC	180.00	174.00	-6.00	-3.333	05
6th ICB M Fund	59.00	57.43	-1.57	-2.661	2490
That Aluminium	84.00	83.00	-1.00	-1.190	20
Renwick Jajneswar	86.50	85.00	-1.50	-1.734	05
Bata Shoe	40.00	39.50	-0.50	-1.250	700
Cig Vegetables	64.75	64.00	-0.75	-1.158	60
Pharma Aids	180.00	178	-2.00	-1.111	85
National Bank	100.00	99.16	-0.84	-0.840	182
Green Delta	207.00	205.76	-1.24	-0.599	NA
Cig Cement	202.50	201.50	-1.00	-0.493	45
Moriso Ceramic	289.00	288.08	-0.92	-0.320	125
Talhu Spinning	95.25	95.00	-0.25	-0.262	10
Apex Footwear	176.00	176.02	0.02	0.039	240
Afah Automobiles	177.02	177.00	-0.02	-0.011	15

Traded at previous rates (14)
Shares: City Bank (40), Rupali Bank (10), Azis Pipe (30), Quasem Drycells (400), Tulip Detry (50), Oxygen Ltd (37), Quasem Silk Mills (100), Satham Textile (200), Therapeutics (75), Ibn Sina (60), Apex Tannery Ltd (20), United Insurance (170).

Deb: Quasem Silk Mills (66), Bextmco Pharmaceutical (10).

DSE SHARES AND DEBENTURES

Company	FV/MV (Taka)	Closing Rate (Taka)	Northern Jute	To/50	NT