

Britain leading Europe out of recession

LONDON, Jan 1: Prime Minister John Major said on Saturday that Britain was leading Europe out of recession and could look forward to strong growth and low inflation in 1994, reports Reuter.

"It's time for us to be more confident as a country. To put the pessimists in their box," he said in a new year message to activists in his Conservative party.

Major added: "The plain fact is that we are leading Europe out of recession and we must build on the advantages that gives us."

Painting an upbeat picture as Britain emerges from its longest recession in half a century, he said. "After a difficult period for many people, we now have a tremendous opportunity before us. We are seeing stronger-than-expected growth combined with lower-than-expected inflation."

Inflation has been tamed to a current annual rate of 2.5 per cent but Britons face a host of new taxes over the next few years as the government has pledged to eliminate a 50 billion sterling (74 billion dollar) budget deficit by the year 2000.

Vietnamese legislature commits fast growth

HANOI, Jan 1: Vietnam's National Assembly, in a session ending here, late Thursday, committed the country to fast growth impelled by a "market economy with socialist orientations," and reaffirmed the fight against corruption, reports AFP.

"We are determined to meet the challenges and difficulties of 1994, to carry out our tasks and follow our guidelines," the Assembly's President, Nong Duc Manh said.

Prime Minister Vo Van Kiet, in an economic report to the 390 deputies, set the target of "at least eight per cent" expansion in gross domestic product (GDP) in the coming years, after an average annual rate of 7.2 per cent since 1991. Inflation, he said, had fallen to under five per cent.

However, and the country's political structures, the government came under fire from several MPs who accused their leaders of having drawn a "too rosy picture" of the economy.

One of the chief concerns was surging unemployment, which according to the authorities affects 15 per cent of the workforce, triggered by the restructuring of the state sector.

The number of state enterprises has plummeted from 12,000 in 1990 to around 6,000 today. The successful adaptation of some of the firms to market forces, and the growing number of joint-ventures, funded by wealthy foreign corporations, has widened the gap between rich and poor.

Kiet promised that he would order a government shakeup if corruption continued to be so corrosive in the coming year.

Two other targets were in his sights: Drug addiction and prostitution, phenomena that are chiefly to blame for the spread of acquired immune deficiency syndrome (AIDS). Official figures put the number of Vietnamese with the AIDS virus at 1,600.

Venezuelan economy shrinks by 1pc

CARACAS, Jan 1: After a boom that pushed economic growth to almost 10 per cent, the Venezuelan economy shrank by one per cent in 1993, the Central Bank reported Tuesday, reports AP.

A free-market programme the government launched in 1989 pushed growth to 9.7 per cent in 1991 and 6.8 per cent in 1992.

Growth slowed because the government, which depends on oil revenues but faced plummeting oil prices this year, spent less.

One benefit of reduced growth was a slightly smaller budget deficit. Last year's spending gap was 3.6 per cent of gross domestic product, and this year's was 3.5 per cent.

The high deficit and a new sales tax helped push up inflation, which reached 40.9 per cent at the end of November. Inflation for the year is expected to total 46 per cent.

Another victim of reduced oil revenues was foreign currency reserves, at the beginning of December estimated at 12.4 billion dollar, or 519 million dollar less than last year.

On a positive note, the country's current account fared better this year, totalling a negative 1.8 billion dollar at the start of this month, compared to a negative 3.3 billion dollar in 1992.

The estimated trade balance, excluding services, was a positive 3.2 billion dollar, compared to a positive 1.6 billion dollar in 1992.

Oil revenues are expected to continue low next year, meaning the government has to over-haul its finances, a Central Bank statement said.

Europe launches world's biggest trade zone

BRUSSELS, Jan 1: The new year ushers in a giant new trading bloc—the European Economic Area (EEA) - linking the European Union and neighbouring EFTA and setting the stage for an enlarged EU in a year's time, reports Reuter.

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Inflation has been tamed to a current annual rate of 2.5 per cent but Britons face a host of new taxes over the next few years as the government has pledged to eliminate a 50 billion sterling (74 billion dollar) budget deficit by the year 2000.

While NAFTA is five times

bigger than the EEA in terms of land mass, the EEA has 372 million consumers against 310 million in NAFTA and is two or three times bigger in terms of trade.

It is expected to bring real economic benefits in an area stretching from the Arctic to the Mediterranean.

But the EEA is seen by four of the five EFTA states taking part as just a stepping stone to full EU membership.

The EEA will in particular provide more competition for public procurement contracts and in the banking and insurance sectors and Norway and Iceland both also stand to gain from better access for their electorates in referendums.

The EEA upstages the North American Free Trade Agreement (NAFTA) as the world's biggest free trade zone by extending the EU's single market, celebrating its first birthday, to five out of seven of the EFTA countries—Austria, Finland, Iceland, Norway and Sweden.

But aware of the market's limitations—the EEA does not give the EFTA countries a say in the rules they will have to apply—and leaves customs borders intact—Austria, Finland, Norway and Sweden all started negotiating EU membership in 1993.

They hope to spend new year's even next year crossing its threshold. If they do, that will leave only Iceland, and maybe tiny Liechtenstein which hopes to join shortly, in the EU.

But European Commission President Jacques Delors has said he sees the EEA as a way of integrating eastern European countries into the European trading scene.

And officials warn the January 1, 1995 target date for EU enlargement is ambitious.

Tough negotiations remain for early 1994 for all four applicants and they all have to get backing for membership from their electorates in referendums.

The remaining EFTA country, Switzerland, will not take part in the EEA after its people voted against membership in a referendum last December. It is seeking to cut its losses by negotiating bilateral accords with the community.

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Dollar closes '93 on firmer note against mark, yen

NEW YORK, Jan 1: The dollar bid 1993 farewell on a firmer note against the mark and the yen, reports Reuter.

Price swings were sharply exaggerated by the market's thin volume due to approach of the new year's holiday.

"It was a little volatile and then it slowed down after that and it's been a typical new year's trading session—totally dead," said one New York foreign exchange dealer.

There was economic data except for the "living stone survey" published by the Philadelphia Federal Reserve Bank which said US economic growth in 1994 will run near three per cent and inflation, though restrained, may later pick up.

At 1500 est/2000 gmt, the dollar stood at 1.732/92 marks and 111.80/85 yen after opening at 1.7373/83 marks and 111.5/82 yen.

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per cent growth in the fourth quarter for 1993.

Meanwhile, chartists expect the dollar to start the new year on a strong note, although it is likely to run into a correction sometime in January, as well.

Dealers expect the dollar to hit 1.748 marks, the peak in 1993, in the first half of January.

The dollar/yen is also seen firming due to a weak Japanese economy. Dollar gains will be gradual, however, due to concerns about the Japan's huge trade surplus with the US. A stronger yen would hold trim the deficit because it would discourage US consumers from buying imported Japanese products.

Looking ahead to 1994, market participants next week will start getting final economic data for 1993, such as December auto sales, factory orders and non-farm payrolls data.

The dollar closed at 1.3215/20 Canadian dollar after opening at 1.3248/53 Canadian dollar.

Dhaka Stock Prices

At the close of trading on January 1, 1994.

Aftab Automobiles leads gainers

The Aftab Automobiles dominated the gainers' list with a rise of 8,638 per cent in its share prices while the share price of Aroma Tea lost by 16,666 per cent leading the losers on the floor of the Dhaka Stock Exchange (DSE) on Saturday, the opening day of the week.

Among the issues traded, the Ashraf Textile, the Quasem Drycells, the Beximco, the Quasem Silk and the Monno Ceramic were also very active.

The DSE All Share Price Index leapt from 398.77090 to 397.83651 showing a gain of 6.065 points.

Both the turnover went up. The volume showed a rise of 116,349 per cent and the value increased by 70,055 per cent. A total of 2982 shares changed hands at Taka 3020955.00 as against Thursday's 13786 shares valued at Taka 1776457.00.

The number of the issues reached 44 from Thursday's 36. Of them 24 gained, 11 lost and nine others traded at previous rates.

Trading at a glance

Company's name	Previous price Tk	Closing price Tk	Change (absolute Tk)	Change (%) of share price	Number traded
Issues (24) gained					
IFIC	145.00	147.00	2.000	1.379	16
6th ICB M Fund	74.42	74.50	0.080	0.107	100
Green Delta	214.00	214.83	0.830	0.387	120
Peoples Insurance	304.00	305.00	1.000	0.328	50
Aftab Automobiles	180.00	195.55	15.550	8.638	325
Atlas Bangladesh	42.50	43.00	0.500	1.176	790
Monno Staffers	205.00	216.25	11.250	5.487	20
National Tubes	56.33	57.00	0.670	1.189	60
Quasem Drycells	9.10	9.50	0.400	4.395	5100
Singer BD	1577.50	1650.00	72.500	4.595	5
BTG	90.00	95.00	5.000	5.555	50
Ctg Vegetables	63.00	64.00	1.000	1.587	100
*Ashraf Textile	24.10	24.50	0.400	1.659	1000
Desh Garments	50.00	50.25	0.250	0.500	20
Padma Textile	172.00	175.00	3.000	1.744	220
Rahim Textile	95.00	96.00	1.000	1.082	25
Beximco Infusion	471.75	475.00	3.250	0.686	20
Beximco Pharma	880.00	905.33	23.530	2.673	510
Apex Footwear	326.81	328.10	1.290	0.394	400
Apex Tannery	505.44	519.93	14.490	2.866	75
Bata Shoe	73.00	74.00	1.000	1.369	480
*Beximco	39.01	40.06	1.050	2.691	94.00
Ctg Cement	285.31	292.14	6.830	2.393	770
B Synthetic Deb	240.00	240.54	1.540	0.664	52

Issues (11) lost	198.93	198.00	0.930	0.467	20
United Insurance	208.00	205.00	3.000	1.442	90
BD Autocars	32.50	31.00	1.500	4.615	415
Howlader PVC	103.00	100.00	3.000	2.912	20
Aroma Tea	60.00	50.00	10.000	16.666	10
Dhaka Vegetables	58.00	57.54	0.460	0.793	65
Quasem Silk	2.20	2.18	0.020	0.909	1200
B Synthetic	141.53	138.24	3.290	2.324	5760
Kohinoor Chemical	59.00	58.00	1.000	0.312	155
Monno Ceramic	320.00	312.00	8.000	2.500	2000
Texpic Industries	99.00	90.00	9.000	9.090	10

Issues (8) traded at previous rates	198.93	198.00	0.930	0.467	20

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