

# Rao seeks more foreign investment in economic infrastructure

DAVOS, Switzerland, Feb 2: Indian Prime Minister P V Narasimha Rao said on Tuesday his country's reform programme would be firmly pursued and called for more foreign investment in its economic infrastructure, reports Reuters.

He told international businessmen at the Davos World Economic Forum the dismantling of the old centralised and state-dominated economy over the past two-and-a-half years had been deliberately gradual to maintain popular support.

"We are now at a point where we can promise you more in a credible manner... the results have been good. That is what has given us greater confidence," Rao de-

clared.

The Indian leader, whose government recently achieved a majority in Parliament, said what was now needed was more foreign and domestic investment in building the infrastructure of a modern state.

"We have to concentrate on power, on petroleum, on roads, ports, telecommunications... we want you to cooperate to give us the huge infrastructure necessary for a large country like India," he declared.

Commerce Minister Pranab Mukherjee told the same forum session in the Swiss mountain resort that 34 industrial sectors had been opened up for foreign investment of up to 51 per cent, and earlier

barriers to outside capital were being removed.

Under the reform programme, he said, inflation had been brought down from around 14 per cent in the middle of 1991 to 8.4 per cent in January this year.

Finance Secretary Montek Singh Ahluwalia, the chief civil servant under Finance Minister Manmohan Singh who did not come to Davos, said the government aimed to bring this rate down further during 1994.

But he gave no target figure. "It is our hope that this decline will also be reflected in a decline of interest rates... as our fiscal deficit is brought under control, there will be a decline in interest rates also," he

declared.

Neither Rao nor his colleagues have any clear indication of major economic moves expected when the government announces its budget later this month. Manmohan Singh has said this must promote an acceleration of reform.

Among measures expected are wider openings for imports and outside investment as well as tax cuts and an extension of the privatisation programme.

The Prime Minister said reform had widespread public support. Even opposition parties and leaders who criticised it in public and in parliament supported it in private, he declared.

# Russia agrees to reduce aluminium production

WASHINGTON, Feb 2: Russia has agreed to reduce production of aluminium by 500,000 metric tons a year in exchange for assistance to its aluminium industry from the governments of other producing countries, reports USIS.

The agreement aimed at reducing the global aluminium glut was announced January 30 from Brussels among Australia, Canada, the European Union (EU), Norway, Russia and the United States.

A text of the memorandum of understanding (MOU) was not released since Russia has asked other participants to consider changes, a US trade official said, adding that the proposed changes would not alter any substantive commitments.

The official, who asked not to be identified, said January 31 that Russia's cutback will last two years, calculated from the November 1993 level of production and phased in with cuts of 300,000 tons by April 30 and 200,000 tons more by July 31.

He said also the EU agreed to end by February 28 its unilateral safeguards, restricting imports from Russia and the other former Soviet republics to 60,000 tons a month.

None of the parties besides Russia made a commitment to impose production cutbacks on its industry; a cartel arrangement would violate US antitrust law, the official said.

Any cutbacks by US producers will result from independent, market-based decisions by individual companies, he said.

# Dhaka Stock Prices

At the close of trading on February 2, 1994

## Index drops by 29 points

The DSE All Share Price Index registered a sharp decline of 29.982 points on Wednesday while trading in both the volume and value terms on the DSE rose significantly.

The price index dropped to 536.25062 from Tuesday's 566.23333, a decrease of 5.2951 per cent.

A total of 72903.50 shares worth Taka 18477181.50 changed hands as against 46303.25 shares valued at Taka 8550911.75. The changes showed increases of 57.447 per cent and 116.084 per cent in the total volume and value respectively.

The Bangladesh Lamps, with a fall of Taka 50.00 per share, led the list of 26 losers out of 53 issues traded while the BCL (Debutent) dominated the list of gainers numbering 19.

The share prices of eight issues remained unchanged.

The BTC, NTC, Beximco Infusion, and the Apex Footwear also experienced significant losses in share prices.

The Bangladesh Oxygen became the top contributor to the total volume with 23719 shares.

Other major volume leaders were: The 6th ICB M Fund (1530), Ambee Pharma (4750), Beximco Synthetic (4540),

Beximco Ltd (13600) and the BGIC (1190).

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Beximco Ltd (13600) and the BGIC (1190).

# India's foodgrain output unlikely to reach target

NEW DELHI, Feb 2: India's foodgrain output in the fiscal year ending March 31 is expected to fall short of the targeted 188 million tonnes due to a poor monsoon, a newspaper reported today, says AFP.

The latest government estimates show that foodgrain production in fiscal 1993-94 was likely to be 179.1 million tonnes, short of the target figure and marginally less than the record 180 million tonnes of last year, The Economic Times said.

Total rice output would be 74 million tonnes, or four million tonnes less than the target, and that of wheat a record 56.90 million tonnes but below the targeted 58.58 million tonnes, it said.

The Times said the production of cereals, pulses, oilseeds, cotton and sugarcane would also fall below the target figures.

Indian farmers depend largely on monsoon rains for irrigation. The Times said the less-than-anticipated rains in parts of the country were worrying the Agriculture Ministry.

# China's defence industry exports civilian goods worth \$ 196m

BEIJING, Feb 2: China's defence industry exported 1.7 billion yuan (196 million dollar) worth of civilian products last year, the official Xinhua News Agency reported, reports AP.

The figure represents 0.2 per cent of China's total exports in 1993 and about 5 per cent of the defence industry's total civilian production.

Xinhua said such exports have increased by 30 per cent annually in recent years. The more than 500 products include sports goods, engineering machinery, and automobiles and motorcycles.

More than 100 foreign companies have started up joint-venture factories with military companies, the report said, without giving details.

About 65-70 per cent of production in the defence industry has been transformed into civilian production over the past decade as the demand for weapons and other military equipment dropped. The military also is financing its purchases and development of modern weapons.

# US dollar rises, stocks fall in Tokyo

TOKYO, Feb 2: The US dollar recovered modestly from a two-month low against the Japanese yen Wednesday, while prices on the Tokyo Stock Exchange fell on profit-taking after a two-day surge, reports AP.

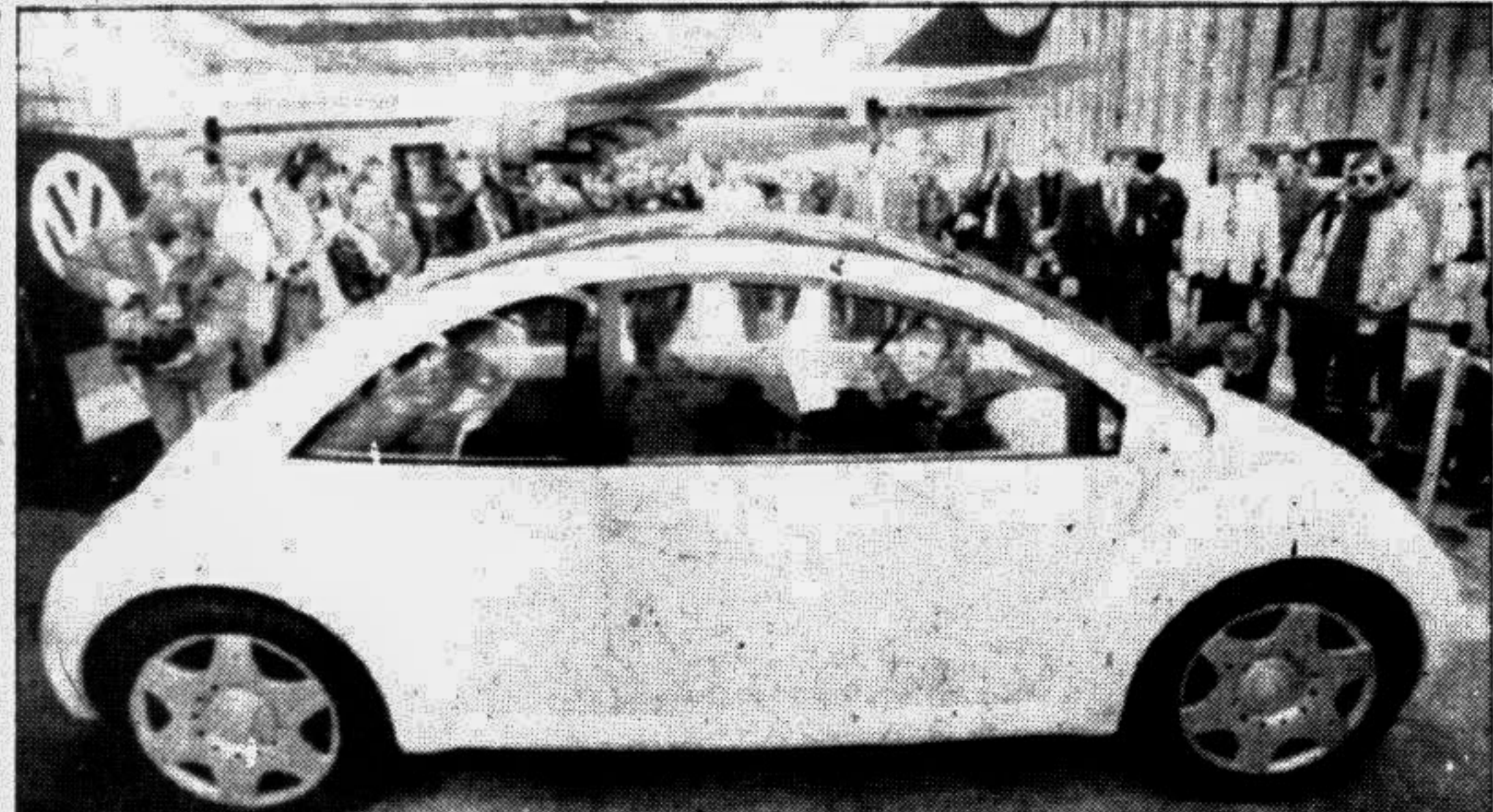
The dollar finished at 108.43 yen, up 0.23 yen from Tuesday's close, the lowest since December 8, and also above its overnight New York close of 107.70 yen.

Dealers said strong buying by Japanese trust banks and pressure to cover short positions helped the dollar after its overnight fall to new lows for the year in New York.

However, there still was fear among investors that the United States might resort to pressing for a higher yen if bilateral trade talks failed to produce progress in time for a February 11 US-Japan summit in Washington, said a dealer at Citibank.

More investor attention was focused on the trade talks, particularly after the arrival in Tokyo Tuesday of US Trade Representative Mickey Kantor, dealers said.

The US government is trying to persuade Japan to open its markets wider to help reduce Japan's huge trade surplus with the United States, which totaled about 50 billion dollar last year.



Journalists surround the model of the Volkswagen "Concept I", parked in front of a Boeing 747 at Frankfurt's airport on Tuesday. The study, designed as a possible successor of the legendary "Beetle", was seen in Germany for the first time after its launch at the Detroit Motor Show. It will be presented in Europe at the Geneva Car Show at the beginning of March.

# Australia overcomes recession

SYDNEY, Feb 2: The battered Australian economy is pulling out of its worst recession since the 1930s, reports AP.

Inflation is down, the Australian dollar is up, the stock market is booming, and the forecast is for sustained growth, pegged to trade with America and the booming new Asian economies with which Australia has forged links.

"Export performance was good through 1993," said Graham Hodges, chief economist for Australia and New Zealand Banking Group Ltd. "That was because more than 60 per cent of our exports go into the Asia-Pacific region."

"There are clear signs that the economy is moving up a gear," said Alan Oster, chief economist of the National Australia Bank, one of the nation's largest private banks. "I suspect we will be looking at an economy growing at an annual rate approaching 3.5 per cent."

By comparison, the economies of the other industrialised nations in the Organisation for Economic Co-operation and Development grew at only 1.1 per cent on average in 1993. Among the 23 OECD nations, only New Zealand's projected 1994 growth rate of about 4.9 per cent is better than Australia's.

Australia slid into recession in 1991, earlier than most other industrial nations, wallowing in high interest rates and unemployment of more than 11 per cent.

But consumer confidence has been rising for months, and the stock market has gone through the roof. The All Ordinaries Index of stock prices has been hovering around 2,300 this week, up about 6 per cent from its January 1 level of 2,173.6. It hit a record high of 2,327.6 on Tuesday.

On Tuesday, Treasurer Ralph Willis released revised budget forecasts that upgraded almost all economic indicators, saying "We have the best conjuncture of economic fundamentals for 30 years."

Growth of the gross domestic product was pegged at 3.5 per cent, up from the earlier estimate of 2.75 per cent.

Inflation projections were reduced to 2 per cent, down from a 3.5 per cent estimate.

Expected creation of jobs in 1994 was doubled to 200,000. However, unemployment is expected to stay over 10 per cent, as discouraged workers who left unemployment rolls emerge to actively seek jobs again.

Business investment was projected to increase 16.75 per cent, up from the earlier

estimate of 10.75 per cent.

In other news which bodes well for the economy: —Commodity prices, which fell through the 1990s, were projected to rise 2 per cent this year. Exports of minerals and grain form the backbone of Australia's economy.

—The Australian dollar, worth about 66 US cents in October, has risen in value to over 71 US cents.

—Opposition Liberal party politicians said the Labour government of Prime Minister Paul Keating cannot claim credit for the recovery, saying Australia was pulled out of its slump by strengthening economic trends in the United States, Britain, and throughout Asia, except for Japan.

Opposition treasury spokesman Alexander Downer also credited Liberal party administrations in the states of Victoria, West Australia and South Australia with leading the recovery.

Months ago, however, opposition leader John Hewson had been predicting a "double dip recession," with the economy taking a new plunge by now.

Keating said the recovery was no accident.

"A quality, low-inflation recovery was not just something that happened overnight," he told Parliament.

# Exchange Rates

The following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on February 2.

Currency	Selling		Buying	
	TT & OD	EC	TT Clean	OD Slight Ex. Bills.
US Dollar	40.1275	40.1575	39.9195	39.8350
Pound Sterling	60.1511	60.1961	59.3708	59.2450
DM	23.2867	23.2840	22.9025	22.8541
F Franc	6.8550	6.8601	6.7494	6.7351
C Dollar	30.3285	30.3492	29.8466	29.7834
S Franc	27.8356	27.8564	27.4025	27.3445
Jap Yen	0.3747	0.3749	0.3652	0.3644
Indian Rupee (AMU)	1.2825	1.2863	1.2722	1.2564
Pak Rupee (AMU)	1.3262	1.3303	1.3155	1.2993
Iranian Rial (AMU)	0.0231	0.0231	0.0229	0.0226

A) T. T. (DOC) US Dollar Spot Buying Tk 39.8772  
B) Usance Rates:  
30 Days DA 60 Days DA 90 Days DA 120 Days DA 180 Days DA  
39.5708 39.2880 39.0052 38.7225 38.1569  
C) US Dollar sight export bill 3 months forward purchase: Tk 39.8350  
D) US Dollar 3 months forward sale: Tk 40.5575

Currency	Selling		Buying	
	T.T. & O.D.	O. D. Transfer	O. D. Transfer	O. D. Transfer
S Riyal	10.7004	10.8889	10.8889	10.8889
UAE Dirham	10.9285	10.8120	10.8120	10.8120
Kuwaiti Dinar	135.0639	133.3305	133.3305	133.3305
Singapore Dollar	25.2374	24.9607	24.9607	24.9607
D Guilders	20.6470	20.4282	20.4282	20.4282
S Kroner	5.1118	5.0525	5.0525	5.0525

Note: AMU—Asian Monetary Union.

# Shipping Intelligence

## Chittagong port

Berth no	Name of vessels	Cargo	Last port	Local agent	Date of arrival	Leaving
J/1	Dooyang Brave	M.secd	Vanc	Royal	23/2	04/2
J/4	Marine Three	Cement	Tuti	BML	21/1	05/2
J/6	Aghios Rafael	TSP (P)	Sfax	SSST	23/1	06/2
J/8	Al Salma	GI	Pena	ASLL	24/1	04/2
J/9	Jiang Cheng	GI	Z.Jiang	BDShip	27/1	04/2
J/10	Dolores			Seacom	R/A	15/2
J/12	Smyrna	Wheat(P)	Sing	Litmond	18/1	07/2
J/12	*Meng Lee	Cont	Sing	AML	31/1	02/2
J/13	Jiang Wan	Cement	S.Lai	BDShip	31/1	08/2
MPB/1	Fong Shin	Cont	Sing	BDShip	30/1	03/2
CCJ	Banglar Asha	Repair		BSC	R/A	05/2
TSP	lokasti	Cement	Tuti	Litmond	01/1	07/2
DOJ	Banglar Shourabh	C.Oil		BSC	R/A	04/2
DDJ/2	Ourania	Repair	Morg	Seabird	09/1	03/2
RM/9	* Banglar Kiron	Repair	Morg	BSC	18/1	02/2

## Vessels due at outer anchorage

Name of vessels	Date of arrival	Last port	Local agent	Cargo	Loading port
Qun Chon Nyon Ho	02/2	Nampo	Litmond	Cement	
* Salem Nine	06/2	Sing	MSA	SSP	
* Imke Wehr 25/1	02/2	Sing	APL (B)	Cont	Sing
Viskva Vikram	03/2	Morg	RKSA GIMom.		P.Sudan
Pu Aspiration	03/2	Sing	PSAL	Cement	
Apj Angud	03/2	Sing	OWSL	Wheat (G)	
Monoco	03/2	Sing	Anchor		
Gold Finch	04/2	Russ	MSA		
Blue Ocean	04/2	Cal	Cross	Pulses	
Banglar Mori 26/1	04/2	Sing	BSC	Cont	Sing
Infinity 26/1	04/2	Sing	CTS	Cont	Sing
Banglar Sampad	05/2	Morg	BSC	GI	B.Abbas
Sonne	05/2	Sing	Ancient	GL	
Fong Yun 27/1	05/2	Sing	BDShip	Cont	Sing
Calatagan	05/2	Wall	Litmond	Dun Peas	
NGS Ranger 31/1	08/2	Sing	BDShip	Cont	Sing
Moskovskiy					
Komsomolets	07/2		ANCL	Cement	
Dortiane	08/2	Hald	MBL	Wheat(P)	
Kota Buara 31/1	08/2	Sing	RSL	Cont	
Shaplaeverett.	09/2	Sing	EBPL	GI	Japa.Fe
Andriyan Gocharov 1/3	11/2	Sing	CT	Cont	Sing
Onyoma 1/2	11/2	Sing	RLS	Cont	Baha
Philia	11/2	Sing	USTC	Cement	
Banglar Robi 1/2	13/2	Morg	BSC	Cont	Sing
I.Yamburenko (Cont) 1/2	14/2	Sing	CT	Cont	Sing
Robert E. Lee	17/2		Karn	GI (ash)	

## Tanker due

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Gemini	03/2	Sing	MSPL	HSD (RM/5)

## Vessels at Kutubdia

Name of vessels	Cargo	Last port	Local agent	Date of arrival
* Ingenuity	Cont	Col	BTSa	31/1
* Samudra Samrat	GI	Kara	SSL	02/2

## Vessels not ready

Ronjey Victory	Cement	Viza	USTC	07/1
Banglar Jyoti	C.Oil		BSC	R/A
Island Sky	D.Peas	Sing	MSA	01/2
Litaa	Cement	Sing	USTC	01/2

## Vessels awaiting instruction

Loyal Bird	Morg	Seacom	15/11
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## Vessels not entering

Akademik Semenov	HSD (P)	Sing	QCSL	27/12
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## Movement of vessels for: 03/02/1994

Outgoing	Incoming	Shifting
MPB-1 Fong Shin	GSJ APJ Angud/2 Imke Wehr to MPB-1	
DDJ-1 Ourania	RM-5 Gemini	
	J/3 V. Bikram	
	CDFJ Monoco	

# Asia wonders if NAFTA a boon or a bane

BEIJING, Feb 2: From the humming textile mills of South China to the shoe factories of Thailand, Asian managers are wondering how the new North American Free Trade Agreement (NAFTA) will hit their share of the lucrative US market, reports Reuters.

"NAFTA, which began on January 1, calls for trade barriers separating the United States, Canada and Mexico to fall within 15 years.

The question for Asian managers is whether this will be a threat to their exports or whether it creates a new, multi-billion dollar opportunity.

China, which has built its recent prosperity on the back of a booming export machine, sees NAFTA as a clear threat because Mexico may become the primer low-cost manufacturing base for the US market.

"NAFTA is a severe challenge to China's foreign trade," the official newspaper of the Ministry of Foreign Trade and Economic Cooperation declared recently.

But other countries take a balanced view of the new trade grouping, foreseeing great opportunities as NAFTA builds business in North America.

"In the really long term, the economies of those regions will grow and this will be positive," no matter what the short- and medium-term risks, said Piamsak Milintachinda, Director of the North Ame-

# QVC, Viacom revise bids for Paramount

NEW YORK, Feb 2: The two bidders for Paramount Communications Inc. revised their offers for the entertainment and publishing concern ahead of a deadline Tuesday for their best buyout proposals, reports AP.

Viacom Inc., whose bid had the backing of the Paramount board before the final round, added securities to its cash-and-stock offer.

QVC Network Inc., the cable shopping channel operator, boosted the cash portion of its 10 billion dollars plus bid by about 750 million dollar while cutting the stock in the second stage of the offer by roughly the same amount.

Paramount said its board would meet later this week to consider the bids, and that its legal and financial advisers will assist in evaluating them.

Paramount shareholders, however, will make the ultimate decision on which offer is better. They have until February 14 to decide.

The companies announced terms of their new offers minutes after the afternoon deadline imposed by Paramount for their best and final offers.

Under the terms of the new bids Viacom left unchanged its offer of 107 dollars a share in cash for 50.1 per cent of Paramount stock while QVC raised the cash portion in its offer to 104 dollars a share from 92 dollars for the same amount of stock.