

Pakistan's exports to Japan show 13.9 pc increase

ISLAMABAD, Sept 27: Pakistan's exports to Japan have shown an increase of 13.9 per cent to 421.1 million US dollars during the first ten months of 1993-94, reports Xinhua.

This was stated by Director General of Japan External Trade Organisation (JETRO) Hiroto Ishibashi at the inaugural session of the seminar on 'How to improve quality of plastic parts and components for automobiles' jointly organised by JETRO and Pakistan Board of Investment (BOI) in Karachi yesterday.

He said on the other hand, Pakistan's imports from Japan declined 28.2 per cent to 853.8 million US dollars during the same period.

He said two-way trade volume between Pakistan and Japan has surpassed the one-billion mark annually for so many years, keeping his country as one of the largest trading partners.

Ishibashi said the concrete and steady investment and export promotional activities of his office are contributing to the healthy trend of balanced expansion of bilateral trade.

India, Oman reach accord on long-term gas supply

MUSCAT, Sept 27: Oman and India have agreed on the principal terms of a long-term gas supply contract that involves laying a 700-mile-long (1,130-kilometer long) pipeline more than two miles under the Arabian Sea, reports AP.

Officials termed the pipeline, which at points would be 3,400 meters (11,500 feet) under the sea, would be the deepest of its kind in the world.

The agreement reached late Monday is to be signed next July.

The pipeline from Oman to Gujarat in western India will transmit one billion cubic feet per day of natural gas and is expected to be completed by the middle of 1999.

The project will consist of an onshore pipeline from central Oman to the coast, a compression plant to increase gas pressure, and a 24-inch (61-centimeter) diameter submarine pipeline crossing the Arabian Sea.

The pipeline will cost 2.8 billion dollars. A second pipeline is envisaged at a later

stage with the total cost reaching five billion dollars.

Project financing will be completed by the end of next year, with more than half expected to be extended by foreign banks, executives said.

The deal stems from an agreement in March 1993 to commission a feasibility study which determined the pipeline's route, among other things.

Oman and India have agreed on market-based parameters for determining the price of the gas, and also defined the ceiling and the floor prices, according to a statement from the Indian delegation led by Satish Sharma, India's Petroleum and Natural Gas Minister.

Variations in the price of the gas will be linked to a basket of crude, fuel oil and other petroleum products to be mutually agreed at the time of signing the long-term supply contract, according to the statement.

This will insulate the users from violent fluctuations in the international prices of crude and also make the gas price

competitive with other fuels," the statement said.

The other principal terms agreed include the period of contract, quantity, the delivery point, the quality of gas and modalities of payment. It did not specify what period the contract would cover, but sources put the time frame at 20 years.

The current production of natural gas in India is around 55 million cubic meters per day while the demand for natural gas is around 260 million cubic meters per day.

"The demand-supply gap is likely to increase unless major new sources of supply, either domestic or imported, are established," said the statement.

The power sector will be the major consumer of imported gas together with fertilizer plants and other industrial units.

Qais bin Abdul-Moneim al-Zawawi, the Deputy Prime Minister for Financial and Economic Affairs, and Oil Minister Saeed al-Shanfari signed for Oman.



BEIJING: Workers arrange a flower display in front of a huge poster showing Chinese paramount leader Deng Xiaoping superimposed onto a view of the Shenzhen Special Economic Zone and other sites in the economically booming region of southern China, on Monday as part of an exhibition for the October 1 National Day holiday.

— AFP photo

Manufacturing managers confident of US economy

NEW YORK, Sept 27: Managers of manufacturing companies gave the American economy their biggest vote of confidence since March but believed it has reached a peak, said a monthly survey released Monday, reports AP.

Despite a belief that economic growth will be slow, a majority of the 400 business managers polled in the Cahners Business Confidence Index indicated plans to expand their operations.

"It's hard to predict the future, even in the short term, so they're heading their bets," said Kim Kennedy, senior economist with Cahners Economics in Newton, Mass.

The group's confidence index, a calculation based on survey results, rose 2.8 points in September to 69.4, the highest level since a 69.6 reading in March.

Over the next three months, 65 per cent of the managers polled said they expect to raise production, 51 per cent expect to introduce new products and 44 per cent will increase employment or number of hours worked.

They survey polled managers in four areas of manufacturing: electronics and computers, consumer products, equipment manufacturing and construction products.

"The level (of confidence) is up. However, the level is up with some cautionary notes, and that's because we think we're at the peak of the business cycle," Kennedy said.

When the survey hit its previous peak in March, respondents were much more confident of the economy's future, Kennedy said.

The electronics and computer industry expressed the highest level of confidence. Construction product manufacturing has been hit hardest by interest rate hikes and its managers were least confident, according to the survey.

The survey said the West gained confidence from last month, bolstered by strong gains in the Rocky Mountain states. The Northeast indicated the least amount of confidence because of slow economic recovery in New England and the Mid-Atlantic states, the survey said.

India to project reform success at IMF-WB meet

NEW DELHI, Sept 27: India will project its recent reform success in the forthcoming IMF-World Bank's annual meeting of the board of governors in Madrid, Spain, reports Xinhua.

The successes include the stable foreign exchange reserves position, lower inflation rate, increased revenue realization and fiscal consolidation.

According to an official press release, the focus of the address to be delivered at the meeting by Indian Finance Minister Manmohan Singh, leader of the Indian delegation, will be the increased opportunity for private sector investments, particularly in the infrastructure areas like power, hydro-carbon, roads and ports.

Kuwait favours maintaining current OPEC output ceiling

KUWAIT CITY, Sept 27: Kuwait Oil Minister Abdel Mohsen Medaj said yesterday he favoured maintaining the current OPEC production ceiling of 24.52 million barrels per day (BPD) in 1995, reports AP.

But he told the daily Al-Anba that any renewal of the ceiling had to be accompanied by a stabilisation of current crude prices.

Medaj said the Organisation of Petroleum Exporting Countries (OPEC) was exceeding the ceiling by 30,000 BPD, but added it was only a limited increase compared with others in the past.

A depression in the oil market has kept crude prices below OPEC's benchmark of 21 dollars a barrel since it was fixed in July 1990.

The Cyprus-based specialist newsletter Middle East Economic Survey said crude prices fell in August for the first time in 17 months to 16.55 dollars a barrel, after reaching 19.41 dollars earlier in the month.

The United Arab Emirates and Qatar also said they favoured retaining the current ceiling, during a tour of the Gulf by OPEC President Abdullah Al-Badri.

Badri, who is also Libyan Oil Minister, has been in Bahrain since Sunday and is due to visit Kuwait, Saudi Arabia and Oman.

Japanese banks give China's oil co \$50m loan

BEIJING, Sept 27: Five Japanese banks have given China's oil industry a 50 million dollar loan to explore reserves in the South China sea, an official report said Tuesday, reports AP.

The money will be used to develop Lushua 11-1 oil field in the eastern part of the South China Sea, and two fields off the coast of south China's Guangdong province, the China Daily said.

Lushua 11-1 is one of China's largest and was discovered in cooperation with the American Amoco Corp.

It has 150 million tons of verified oil deposits that require 650 million dollars of investment. It is expected to become productive in April 1996 and produce 2.7 million tons annually, the report said.

The other two fields require 300 million dollars of investment over a three-year construction period and are expected to go into operation next September, producing 1.5 million tons each annually.

Singapore's investment policy changes to match Hong Kong

SINGAPORE, Sept 27: Singapore's new policy allowing private sector management of state investment companies' funds signalled a bold effort by the island republic to catch up with Hong Kong as a top regional financial hub, analysts said Monday, reports AP.

"This could well be the last chance for Singapore to catch up with Hong Kong, and offer itself as Asia's most viable alternative to Hong Kong," said Chan Kok Peng, an economist with stock brokerage Smith New Court (S) Pte Ltd.

Chan said foreign fund managers would be enticed to set up shop in Singapore because they would stand a chance of managing the mountain of cash tied up in the state-managed Central Provident Fund (CPF) and government investment arms.

Some 80 billion Singapore dollars (53.3 billion US) could be available for fund managers following the sweeping policy changes announced on Saturday to free CPF savings and government agency surpluses for private sector management, news reports said.

Most of Singapore's statutory boards and government-linked RPT companies have enormous funds which were not fully exploited due to conservative investment strategies, analysts said.

"At the end of the day, there will be too much savings from both the private and public sectors that could translate into asset price inflation. And the government wants to deflate this," Chan said.

Senior Minister Lee Kuan Yew, in outlining the changes, said the government would allow state investment, arms and government-linked companies to seek fund-management services and tap funds from the local capital market.

For a start, the government of Singapore Investment Corporation (GIC) and Temasek Holdings, the main state investment arm, would allocate more funds from their east Asian portfolio to be managed by fund managers out of their Singapore offices, Lee said.

The GIC largely manages Singapore's huge official foreign reserves of about 80 billion Singapore dollars (53.3 billion US dollars).

Under the policy changes, CPF contributors could initially invest in foreign stocks and

bonds traded on the Stock Exchange of Singapore (SES), moving on to stocks traded in regional markets and then to stocks traded in bourses outside Asia.

Some analysts said the relaxation of investment rules could be part of a government bid to lure Hong Kong-based fund managers wanting to relocate part of their operations outside the territory as a post 1979 insurance.

"The changes introduced by Singapore would give a fillip to private fund management and investment banking and gives it a good chance of being better known as a financial centre than Hong Kong after 1997," said Varadachari Sudersan, a bank of India manager here.

Sudersan said the changes would also enable government-linked companies to reap more returns from the booming stock markets in the Southeast Asian region.

"Although CPF savings were released for investments in the Stock Exchange of Singapore (SES) in 1986, only seven billion Singapore dollars (4.66 billion US dollars) of a potential 26 billion Singapore dollars have been invested so far.

day in active trading.

MANILA: Share prices closed lower in trading. The Philippines' unified composite index of 31 selected issues fell 9.93 points to close at 2,934.27.

SYDNEY: Australian share prices closed lower because of a late selloff in gold stocks and a decline in share price index futures. The All Ordinaries Index fell 16.2 points to 2,013.8.

SINGAPORE: Share prices closed lower for the second straight day. The 30-share Straits Times Industrials (STI) Index fell 9.97 points to 2,289.84.

KUALA LUMPUR: Malaysian share prices closed lower ahead of the US Federal Reserve credit policy meeting later Tuesday. The Kuala Lumpur Stock Exchange's Composite Index fell 7.58 points to 1,149.68.

BANGKOK: Thai share prices closed slightly higher, snapping a three-day losing streak. The Stock Exchange of Thailand (SET) index rose 6.53 points to 1,502.25.

JAKARTA: The stock exchange's Composite Index fell 2.946 points, closing at 507.239.

Asian stock markets close lower

HONG KONG, Sept 27: Asian stock markets closed generally lower Tuesday, with share prices falling in Tokyo for the third straight session, reports AP.

Tokyo's 225-issue Nikkei Stock Average fell 345.47 points, or 1.74 per cent, closing at 19,468.89. On Monday, the benchmark index had lost 19.31 points, or 0.10 per cent, to 19,814.36.

The Tokyo Stock Price Index of all issues listed on the first section was down 22.46 points, or 1.42 per cent, to 1,562.75.

In Hong Kong, share prices closed lower in light trading. The Hang Seng index, the Hong Kong market's key indicator of blue chips, fell 33.39 points, or 0.3 per cent, closing at 9,610.24. On Monday, the index had gained 11 points.

SEOUL: Share prices closed higher on renewed expectations that the authorities will ease the limit on foreign stock ownership, with the index rising to an all-time high for the second straight day.

WELLINGTON: New Zealand share prices closed higher in quiet trading.

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Japanese Prime Minister Tomichi Murayama (L) uses a personal computer as he visits Japan's NEC headquarters in Tokyo on Monday to inspect electro communication systems.

Chinese telecom co to sell shares to foreign investors

SHANGHAI, Sept 27: Shareholders of Shanghai Posts and Telecommunications Equipment Company have approved the sale of 60 million shares to foreign investors, the international coordinator of the flotation said Monday, reports AP.

The crosby securities official said the go-ahead was given at a shareholders meeting last week and was subject to the approval of Securities Commission, which regulates the stock market.

"We expect to hear from them within this week," the official said, adding that trading of the so-called A shares on the Shanghai Stock Exchange would take place two weeks after obtaining the Securities Commission's approval.

He said the shares, which were priced at 10 to 11 times the company's prospective

1994 earnings, would be placed out to institutional investors.

Shares for local investors or shares of Shanghai Posts and Telecommunications Equipment Company are already listed on the Shanghai stock market.

The B share issue was expected to raise between 20 to 25 million dollars which would be used to expand existing manufacturing facilities and fund new projects including the production of automated teller machines.

Shanghai stockbrokers said the B share issue was the first by a Chinese telecommunication company.

Shanghai Trust and Investment Corporation, the stockbroking arm of people's construction bank of China, is the lead underwriter for the issue.

World economy poised for strongest growth

WASHINGTON, Sept 27: The world economy, after struggling through a painful recession and extremely sluggish recovery, is poised to enjoy the strongest growth since the late 1980s, the International Monetary Fund predicted Sunday, reports AP.

However, IMF officials warned that world leaders need to correct some of the mistakes of the last recovery period if they are to launch their economies onto a period of sustained growth.

That was the assessment being given as the 179-nation IMF and its sister lending agency, the World Bank, prepared for their annual meetings, getting under way this week in Madrid, Spain.

This year's sessions are part stockholders meeting and part birthday bash — both institutions are celebrating the 50th anniversaries of their founding.

The two agencies are the biggest suppliers of economic assistance to the Third World and have taken a leading role

in helping Russia, Poland and other former communist countries join the capitalist system.

However, both institutions find themselves facing critics who charge that their harsh prescriptions for economic reform often fail to take into account their adverse impacts on the poor and the fact that the economic development funded by billions of dollars in loans often harms the environment.

IMF officials said they were looking for growth in the industrial world of 2.6 per cent this year and 2.7 per cent in 1995, the best performance since 1989.

But a senior IMF official, who briefed reporters in Washington about the agenda for the upcoming meetings, said that world leaders must avoid the mistakes made during the last period of prosperity.

In the 1980s, the United States, in particular, continued to run up huge budget deficits even though it was in a period of rising growth, while Europe

failed to take advantage of the recovery to tackle its problems with high unemployment.

"We must avoid the mistakes of the past recovery when we did not take advantage of that period for budget consolidation and introduction of more flexibility in labour markets," said the IMF official, who spoke on condition that his name not be used.

"Our mission in Madrid is to make the best, the wisest use of the current recovery," he said.

The IMF official said his agency was also seeking to make changes needed to respond to growing worldwide demand for scarce capital resources to support economic reform in Russia and other former communist countries and to help combat wrenching poverty in Africa and other developing countries.

One proposed change would allow the IMF to bolster the official reserves of its member countries, IMF Managing Director Michel Camdessus

has been pushing for creation of the equivalent of 52 billion dollars in new reserves, known as Special Drawing Rights.

However, German officials, fearing the impact such an addition to global reserves could have on inflation, have opposed the move.

The United States and Britain have put forward a compromise proposal that would create a much smaller reserve that would be worth the equivalent of 17.6 billion dollars to 23.4 billion dollars and aimed primarily at the 37 members, mainly in former communist countries, that have joined since 1981.

The senior IMF official said he welcomed the US-British proposal as a step in the right direction, but he said he hoped the final outcome in Madrid would be closer to Camdessus' more generous proposal.

"The challenges are so immense that I hope we can go the extra mile," he said.

issue has blocked two other proposals pending before the IMF to increase access to IMF loans by increasing the amount each country could qualify for both in the regular loan program and in an emergency program created in 1993 to help Russia and other communist countries.

Developing countries are effectively blocking the boost in loan amounts that the West wants to speed more resources to former communist countries until they get agreement for the larger allocation of new reserves that would benefit them.

If the various changes are approved, Russia stands to receive as much as 7 billion dollars in additional loans.

The IMF official praised what the government of President Boris Yeltsin has been able to accomplish this year in getting inflation and its budget deficit under control and suggested that new IMF loans for Russia could be approved by the end of this year.

Exchange Rates

Following are the Sopali Bank's dealing rates to public for some selected foreign currencies effective as on September 27. (Figures in Taka)

Currency	Selling		Buying	
	TT & OD	EC	TT Clean	OD Sight Transfer
US Dollar	40.3860	40.4150	40.0850	40.0365 39.8700
Pound Sterling	63.8854	63.9313	62.4232	62.3476 62.0883
DM	26.2957	26.3146	25.5664	25.5355 25.4293
F Franc	7.6962	7.7017	7.4847	7.4757 7.4446
C Dollar	30.2438	30.2655	29.4022	29.3666 29.2445
S Franc	31.7554	31.7782	30.8826	30.8452 30.7170
Jap Yen	0.4168	0.4171	0.4013	0.4008 0.3991
Indian Rupee	1.2940	1.3037	1.2722	1.2531 —
Pak Rupee	1.3210	1.3309	1.2988	1.2793 —
Iranian Ryal	0.0232	0.0234	0.0227	0.0224 —

A) T. T. (DOC) US Dollar Spot Buying Tk. 40.0607
B) Usance Rates:
30 Days DA 39.4509 90 Days DA 39.1669 120 Days DA 38.8830 180 Days DA 38.3151
C) US Dollar sight export bill 3 months forward purchase: Tk. 40.0360
D) US Dollar 3 months forward sale: Tk. 40.6150

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 27-9-94.

Berth No	Name of Vessels	Cargo	L Port	Local Agent	Date of Arrival	Leaving
J/1	Kapitan	M Seeds	Yalta	Seacom	20/9	28/9
J/4	Black Whale	GI	Kaus	Prog	24/9	28/9
J/5	Tug Monaco	GI	Sing	Movo	20/9	27/9
J/7	Banglar Sampad	Rice (P)	Kara	ESC	11/9	30/9
J/9	Jiang Cheng	GI	Mong	Bdshp	24/9	29/9
J/10	Samudra Raj	idle	—	SSL	R/A	30/9
J/12	Tina (24)	GI	Call	Prog	26/9	27/9
J/13	Kota Bintang	Cont	Sing	CTS	24/9	28/9
MPB/2	Lhotse	Cont	Sing	RSL	24/9	28/9
CCJ	Comsomolets	Cont	Sing	RSL	24/9	28/9
	Roslit	c clinker	Okha	Seacom	8/9	1/10
GSJ	Banglar Asha	Wheat (G)	—	ESC	R/A	29/9
DOJ	Banglar Jyoti	Repair	—	ESC	R/A	28/9
DD	Continent-1	Repair	—	CLA	R/A	28/9
RM/9	Banglar Shourabh	Repair	—	ESC	R/A	29/9
CUFJ	Banglar Gourab	GI	—	ESC	16/9	1/10

VESSELS DUE AT OTHER ANCHORAGE

Name of Vessels	Date of Arrival	Last Port	Local Agent	Cargo	Loading Port
Blueprint	30/9	Sing	HSL	Cement	—
Fong Shin	28/9	Sing	BDSHIP	Cont	Sing
Karabieverett	28/9	Sing	EBPL	GI	—
Al Anfushu	28/9	Mong	MMI	for Bunkering	—
Optima	28/9	Sing	RSL	Cont	Sing
Svein-99	28/9	—	ILA	—	—
Zang Su Bong	28/9	Yang	Rainbow	Cement	—
Ultima	30/9	Col	Baridhi	Cont	Col
Nadel					