

India intends to loosen remaining foreign exchange controls soon

NEW DELHI, Nov 1: India intends to loosen remaining foreign exchange controls shortly as it lays the groundwork for a fully convertible rupee, a top central bank official said here yesterday, reports AFP.

The foreign exchange regulation act, which governs transactions in foreign currency, will be rewritten and renamed as part of the liberalisation, said OP Sodhani, Executive Director of the Reserve Bank of India.

The redrafted law will contain "inbuilt provisions for capital account convertibility," setting the stage for a free movement of capital to and from the country, Sodhani said.

Indian companies will be given greater freedom to invest in overseas joint ventures

and open branches abroad when the liberalised rules are introduced, he told a seminar organised by the confederation of Indian industry.

The current limit of two million dollars on Indian corporate investment in a foreign joint venture could be raised to 10 million dollars. Bigger investments would be subject to central bank approvals.

Sodhani said India's foreign currency reserves had swelled to about 19.6 billion dollars, industry had recovered from recession, food grain stocks had soared to a record 31 million tonnes and inflation was under control at eight per cent.

"These factors provide the confidence for dismantling controls," he said, adding that India was steadily moving to-

wards a fully convertible rupee on the capital account.

Foreign investors enjoy virtually all the benefits of capital account convertibility because they have the freedom to repatriate dividends, drop out of joint ventures and transfer the proceeds abroad.

Making the rupee fully convertible would be the last step in foreign exchange reforms introduced by the government of Prime Minister PV Narasimha Rao as part of wide-ranging economic liberalisation begun in mid-1991.

India made the rupee convertible on the current account in August, lifting restrictions on the currency's conversion for overseas travel, medical expenses, gifts and services.

Limits remained to ensure that capital account transac-

tions are not carried out in the garb of current account transactions.

Capital account convertibility in terms of allowing domestic corporate players and individuals to freely raise and invest funds abroad would have to wait until foreign exchange reserves swell further and inflation goes down, the central bank said.

"We have had to go step by step in internationalising the rupee," Sodhani said. "It will take us some more time to make the rupee fully convertible."

Indian economists have predicted that the measure would come in the fiscal 1995-1996 budget to be unveiled in March, citing the steady improvement in foreign exchange reserves.



The certificate awarding ceremony at the end of workshop on 'Advanced Focus Group Research' organised by Population Services International, Washington, in collaboration with the Social Marketing Company was held on October 26 at a city hotel. Photo shows Robert Karam, Country Representative, PSI, speaking on the occasion. Also in the picture are: (L-R), Dr. Judith Timyan, Vice-President, PSI and Coordinator of the workshop, Waliur Rahman, Managing Director, SMC, and Khalid Hasan, Research Manager, SMC.

Asian stock markets close lower

HONG KONG, Nov 1: Asian stock markets closed mostly lower Tuesday, with both share prices and the US dollar falling in Tokyo, reports AP.

The Tokyo Stock Price Index of all issues listed on the first section was down 5.31 points, or 0.34 per cent, to 1,576.35. It had risen 17.34 points, or 0.11 per cent, to 1,584.66 the previous day.

Prices fell moderately on selling by players discouraged by the dollar's weakness against the yen as well as an overnight decline on Wall Street, traders said.

The dollar closed at 96.82 yen, down 0.55 yen from Monday's close in Tokyo and also slightly below its overnight New York finish of 96.85 yen.

In Taiwan, the key index plunged 5 per cent on continued bearish sentiment and fresh rumours that Chinese senior leader Deng Xiaoping was in failing health.

Brokers said investors were pessimistic about the market and the rumors about Deng late in the session accelerated the plunge.

The Taipei exchange's Weighted Index sank 325.26 points to 6,201.21 after Saturday's 78-point drop. The market was closed on Monday for a public holiday.

The Philippine market was closed Tuesday for a public holiday.

29,916.48. On Monday, the index had gained 184.44 points, or 0.93 per cent, closing at 19,989.60.

The Tokyo Stock Price Index of all issues listed on the first section was down 5.31 points, or 0.34 per cent, to 1,576.35. It had risen 17.34 points, or 0.11 per cent, to 1,584.66 the previous day.

Prices fell moderately on selling by players discouraged by the dollar's weakness against the yen as well as an overnight decline on Wall Street, traders said.

The dollar closed at 96.82 yen, down 0.55 yen from Monday's close in Tokyo and also slightly below its overnight New York finish of 96.85 yen.

In Taiwan, the key index plunged 5 per cent on continued bearish sentiment and fresh rumours that Chinese senior leader Deng Xiaoping was in failing health.

Brokers said investors were pessimistic about the market and the rumors about Deng late in the session accelerated the plunge.

The Taipei exchange's Weighted Index sank 325.26 points to 6,201.21 after Saturday's 78-point drop. The market was closed on Monday for a public holiday.

The Philippine market was closed Tuesday for a public holiday.

HONG KONG: Share prices closed lower on profit-taking after Monday's sharp gains. The Hang Seng Index fell 72.85 points to 9,573.40. On Monday, the index had surged 266 points.

WELLINGTON: New Zealand share prices closed lower in moderate trading. The NZSE-40 Capital Index rose 8.95 points to 2,109.32.

SEOUL: Share prices closed mixed in active trading. The Korea Composite Stock Price Index rose 3.11 points to 1,108.73.

SYDNEY: Australian share prices closed lower, hit by declines in the US market overnight and a sharp fall in the price of gold. The All Ordinaries Index fell 16.8 points to 2,028.0.

SINGAPORE: Share prices closed lower. The 30-share Straits Times Industrials Index fell 14.84 points to 2,364.19.

KUALA LUMPUR: Malaysian share prices closed lower on weak market sentiment. The KLSE Composite Index fell 15.27 points to 1,093.58.

BANGKOK: Thai share prices closed higher despite some profit-taking. The Stock Exchange of Thailand Index rose 7.65 points to 1,536.48.

JAKARTA: The stock exchange's Composite Index rose 1.57 points, closing at 524.65.

CASABLANCA, Nov 1: An economic conference aimed at transforming the Middle East got into full swing on Monday with business and political leaders injecting a dose of realism about obstacles to rapid growth essential to make peace work, reports Reuters.

After the euphoria about a new Middle East that could emerge from Arab-Israeli reconciliation, the second day of the high-powered Casablanca conference on regional development came down to earth with a thump.

Poverty, the population explosion, debts, perennial budget deficits, a legacy of state control, trade barriers, inadequate legal systems, age-old regional rivalries, unstable politics and shaky human rights records were among problems listed.

"Despite the presence of oil, the region is not rich," Stanley Fischer of the International Monetary Fund reminded the more than 2,000 participants who have flocked to Morocco for a possible share in a potential Middle East bonanza.

A top businessman, Percy Barnevik of Swiss-based ABB Asea Brown Boveri, said tremendous investment was needed and local governments simply did not have the necessary resources.

Some countries had debts that were bigger than their gross national products "and with low oil prices, this has forced public spending cuts

and led to foreign debt rescheduling," he said.

"We should guard against excessive optimism," said the head of the Arab world's senior development agency, Abdel-Latif al-Hamad of the Arab Fund for economic and social development.

He spoke of the region passing through a watershed where it needed to tackle its urgent problems after failing to realise its full potential. Democracy and human rights were at the core of the region's needs, he said.

Hamed identified water shortage, the population explosion and political instability as the major future challenges.

He said the shortage of water was probably the most serious problem, that could be the flashpoint for regional conflict.

Barnevik said that by the year 2025, the region will only produce some 650 cubic metres of water per capita. Anything below 1,000 is considered scarcity, he said.

Hamad said the region's population, expected to rise above 330 million by the end of the century, was forecast to almost double in 25 years - creating even more severe problems for cities like Cairo, Damascus and Casablanca already suffering what he called an unorganised urban buildup.

Barnevik said there were already 27 cities of more than one million people in the region.

Another sign of warming economic ties Jiang Zemin arrives in Malaysia Nov 10

KUALA LUMPUR, Nov 1: China's President Jiang Zemin will make his first visit to an ASEAN country when he stops by Malaysia next week, in another sign of warming economic ties between the two rapidly developing countries, officials said today, reports AFP.

Jiang is scheduled to arrive in Kuala Lumpur on November 10 for a five-day visit to hold talks with Prime Minister Mahathir Mohamad before attending the Asia Pacific Economic Cooperation (APEC) forum in Bogor, Indonesia on November 15.

"Talks will be wide-ranging, covering bilateral, regional and international issues," said Kamil Jaafar, Secretary General of Malaysia's foreign ministry.

This would be Jiang's first visit to the Association of Southeast Asian Nations region that groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. Chinese embassy officials said.

Analysts said Jiang's stopover is made even more significant as China and

Malaysia appeared to share similar views in not wanting to see a formalisation of a free trade zone within APEC.

The heads of the 18 APEC nations meeting in Bogor are expected to set a date towards the creation of the world's largest free-trade zone at some time between 2002 and 2020, reports said.

Beijing had said it would not accept a binding timetable for free trade in the region, while Kuala Lumpur is expected to favour the creation of an exclusively East Asian grouping, analysts said.

Jiang's visit comes less than a month after China's Minister for Foreign Trade and Economic Cooperation, Wu Yi, was here for talks with several key Malaysian ministers to boost trade further between Beijing and Kuala Lumpur.

Trade between China and Malaysia reached 2.3 billion US dollars last year from 910 million dollars in 1988. For the first half of 1994, bilateral trade was 1.6 billion dollars, officials said.

Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on November 1. (Figures in Taka)

Currency	Selling	Buying
TT & OD	EC	TT
US Dollar	40.3825	40.145
GBP	66.5016	66.5543
DM	27.1927	27.2142
FF Franc	7.9444	7.9506
C Dollar	30.1496	30.1734
S Franc	32.5587	32.5845
Japan Yen	0.4233	0.4236
Indo Rupee	1.3210	1.3036
Pak Rupee	1.3210	1.3036
Iranian Rial	0.0231	0.0233
TT	40.1000	40.0355
Clear	65.0309	64.9263
Sight	26.4164	26.3085
Transfer	7.7171	7.6856
30 Days	29.2321	29.2769
60 Days	31.6655	31.6145
90 Days	0.4066	0.4052
120 Days	1.2722	1.2531
180 Days	1.2988	1.2793
US Dollar Spot Buying Tk	40.0677	
US Dollar Sight bill 3 months forward purchase: Tk	40.0355	
US Dollar Sight bill 3 months forward sale:	40.6145	

A) T. T.(DOC) US Dollar Spot Buying Tk 40.0677				
B) <u>Usance Rate:</u>				
<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days</u>	<u>180 Days</u>
39.7497	39.4656	39.1816	38.8976	38.3295
C) US Dollar sight bill 3 months forward purchase: Tk 40.0355				
D) US Dollar sight bill 3 months forward sale: Tk. 40.6145				

Shipping Intelligence

Chittagong Port
Berth Position and Performance of Vessels as on 01.11.94

D Guilders	24.1110	23.7917
S Krona	5.7119	5.6357
Malaysian Ringgit	15.8522	15.6485
Singapore Dollar	27.4792	27.1131

Shipping Intelligence

Chittagong Port

Berth Position and Performance of Vessels as on 01.11.94

Berth No	Name of Vessels	Cargo	L. Port Call	Local Agent	Date of Arrival	Leaving
J/1	Trans Auto (Roro)	Vehi	Yang	HEA	30/10	2/11
J/2	K Komsoemolets	GI (Copra)	Pena	Russ	28/10	5/11
J/3	Rut Feng	Cement		Rainbow	20/10	5/11
J/4	Kamaleverett		Sing	EBPL	29/10	4/11
J/5	Good Spirit	Sugar (P)	Durb	Seacom	29/10	10/11
J/6	Sonorogorsk	Cement			28/10	5/11
J/7	Qing He Cheng	GI/GI	S Hai	BDShip	23/10	1/11
J/10	Eto Sherin	M Seed	Suez	CCNL	25/10	3/11
J/11	Focsani	SSP Fert	Suez	BSL	21/10	4/11
J/12	Banglar Kiron	Rice(P)	GI Kara	BSC	27/10	8/11
J/13	I Yamburenoi	Cont	Sing	CT	31/10	3/11
MPB/1	Banglar Robi	Cont	Mong	BSC	30/10	
MPB/2	Imke Wehr	Cont	Sing	APL (B)	30/10	3/11
TSP	Lady Lela	R Sulp	Koyal	Seacom	21/10	6/11
RM/6	Bao Wang	Cement	Sing	HSL	R/A	5/11
DOJ	Banglar Jyoti	C Oil		BSC	R/A	1/11
DD	Banglar Urmil	Repair	Indo	BSC	23/10	3/11
DDJ/1	Banglar Asha	Repair		BSC	R/A	4/11

Vessels Due at Outer Anchorage

Name of Vessels	Date of Arrival	Last Port	Local Agent	Cargo	Loading Port
Aghia Sophia	1/11	Sing	Lams	Wheat (G)	
Irene P	1/11	Sing	Lams	C Hill	
Sam Houston	2/11	Cal	Karna	GI (Lash)	
Pratita 25/10	2/11	Sing	AML	Cont	Sing
Andrian Goncharov	25/10	2/11	AML	Cont	Sing
Shaplaeverett	3/11	Sing	EBPL	Cont	Sing
Banglar Moni 27/10	3/11	Sing	EBPL	Cont	Sing
Al Tabith	4/11	Sing	EBPL	Cont	Sing
Meng Kiat 6/10	5/11	Sing	Litmond	Mop	Sing
Kota Bintang 29/10	5/11	Sing	AML	Cont	Sing
Tua Jawa Supply-1	5/11	Sing	CTS	Cont	Sing
Banglar Kakoli	6/11	Cal	Karna	Cont	Sing
Ultima 24/10	7/11	Col	Baridhi	Cont	Sing
Lhotse 29/10	7/11	Col	RSL	Cont	Sing
Fong Yun 30/10	8/11	Sing	BDShip	Cont	Sing
Lanka Mahapala 30/10	8/11	Sing	RSL	Cont	Sing
Olivia	8/11	PSAL	SSP	Cont	Sing
Kalbaras	8/11	PSAL	Cement	Cont	Sing
Nikolay Morozov 31/10	9/11	CTP	BTSA	Cont	Sing
Hua Quan	9/11	Vizak	RTSA	P Iron	Sing
Optima 31/10	10/11	Sing	RSL	Cont	Sing
Vishva Parijat	10/11	Sing	SSI	Cont	Sing
Banglar Doot	13/11	Mong	BSC	Cont	Sing
Evangelos	18/11	Tampa	OWSL	GTSP	Sing

Tanker Due

Global Mars	4/11	TSL	CPO
-------------	------	-----	-----

Vessels at Kutubdia

Name of vessels	Cargo	Last Port	Local Agent	Date of Arrival
Romina G	C Oil	Rast	Eastwest	25/10
Banglar Shourabh	C Oil	Rast	ISC	R/A
Chestnut Hill	Wheat (G)	Sing	Lams	29/10
Africa	Wheat (G)	Sing	Lams	R/A (29/10)
Q Of Heart				

Vessels at Outer Anchorage

Ready On	Cargo	Last Port	Local Agent	Date of Arrival
Bonging Hai	R Phos	Xing	BDShip	29/10
Fong Shin	Cont	Sing	BDShip	31/10
Nei Jiang	GI	Sing	Prog	31/10
Eastern Mars	GI	Hong	Prog	1/11
Zanis Griva	CSDO	ROSA	Royal	1/11

Vessels not ready

Vessels Awaiting Instruction	
Reunion	ESL R/A (27/10)

Vessels Awaiting Instruction

Reunion	BSL	R/A (27/10)
---------	-----	-------------

Vessels not Entering

Shalva Nadibaidze	Scrapping	S Hai	RSSA	26/10
Ocean Transporter	Cement	Lyan	PSAL	26/10
Janashakhti	Scrapping	Col	OTBL	30/10
Couper			Lams	R/A (29/10)
Ph Aspiration	SSP	Sing	Bright	1/11

Movement of vessels for 2/11/94

Outgoing	Incoming	Shifting
J/1 Trans Auto	DOJ Banglar Jyoti	J/12 Nei Jiang To J/5
J/5 Good Spirit	NB Cebony	J/13 Fong Shin To MPB/1-2
CCJ Rut Feng	J/1 Eastern Mars	J/5 Good Spirit
DOJ Banglar Shourabh	J/12 Irene P	
	J/13 A Goncharov	
	NB Wang Ting	
	CCJ Sea Nymph	

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

Dhaka Stock Prices

At the close of trading on November 1, 1994

Turnovers surge

Star Report

Both the turnovers on the floor of the Dhaka Stock Exchange surged on Tuesday. A total of 235373 shares worth Tk 25474734.75 changed hands as against Monday's 108458 shares valued at Tk 11633394.

The changes meant 117.017 per cent and 118.979 per cent increase in volume and value respectively.

The number of issues traded was 80. Gainers outnumbered losers by 43 to 26 while the share prices of 11 issues remained unchanged.

The All Share Price Index reached 803.72352 from 803.56461 with a rise of 0.0198 per cent.

The market capitalisation advanced to Tk 38078451285.74 from Tk 38070922562.69.

Aziz Pipes, Bangladesh Lamps and Leaf Tobacco Co gained significantly in terms of value.

Although Ashraf Textile incurred a loss of Tk 3.35 per share, it became the volume leader of the day. Its 60650 shares were traded.

Other volume leaders were: Quasem Drycells (20600), Bengal Food (4972), Zeal Bangla Sugar (4300), Rupon Oil (17900), Eagle Star Textile (11180), Apex Spinning (5580), Ambee Pharmaceutical (12900), ACI (5000), Pharmaco International (5156).

DSE All Share Price Index



October-November

Company, FV/M (Taka), Closing Rate (Taka)

SAHAM Textile 100/10 100/10

ST M (ORD) 100/10 100/10

Stylcraft 100/10 100/10

Swan Textile 100/10 100/10

Tallu Spinning 100/10 100/10

Tamijuddin 100/10 100/10