

'Rising salaries in Indian private sector may affect growth'

NEW DELHI, Nov 24: Surging corporate salaries ushered in by the 1991 policy of liberalisation could affect growth. Indian Finance Minister Manmohan Singh said in remarks published today, reports AFP.

Singh, the architect of the market reforms, told senior industrialists here Wednesday that the rising salaries in the private sector could set off a chain reaction in the government and stunt growth, the Times of India said.

Top executives in India earn as much as 13,000 dollars a month, compared with an average of just 1,600 dollars before the launch of the reforms.

Indian civil servants, who earn a fraction of what their counterparts in private firms get, have demanded steep pay rises, Singh said.

A Federal Commission had recommended a steep rise in government pay packets. Singh said, but bureaucrats are demanding even larger increases, he added.

Indian industry, however, is largely unimpressed with the warning.

"I can understand Singh's concern of a cascading effect, said textile tycoon Bharat Ram. "But Indian industry has to protect itself from multinationals who are stealing their good men."

Dollar edges up, stocks tumble in Tokyo

TOKYO, Nov 24: The US dollar edged up against the Japanese yen Thursday, while share prices on the Tokyo Stock Exchange tumbled following a series of steep declines on Wall Street, reports AP.

The Nikkei Stock Average of 225 selected issues fell 261.75 points, or 1.38 per cent, closing at 18,701.24.

On Tuesday, the key index had shed 158.73 points, or 0.83 per cent, closing at 18,962.99. It was the first time the Nikkei had fallen below the psychologically important 19,000-point level since February 18.

Japanese financial markets were closed Wednesday for Labour Thanksgiving Day, a national holiday.

Traders said Tokyo's declines were partly a result of continued sharp declines on the New York Stock Exchange, in Europe, Hong Kong and elsewhere.

On Wall Street Wednesday, stock prices dropped for the fifth straight day, adding to sharp losses on selling driven by investors moving their money out of stocks and into the bond market.

In Tokyo Thursday, foreign investors returning from the holiday were not sellers.

"Selling pressure from foreign investors helped knock down prices," said Toshiaki Yui of Nomura Securities.

Overseas investors, who had been driving Tokyo share prices higher so far this year, were beginning to sell Japanese stocks, partly to buy US dollars following an increase last week in key US interest rates, Yui said.

The Tokyo Stock Price Index of all issues listed on the first section was down 18.76 points, or 1.25 per cent, to 1,484.16. It had lost 9.46 points, or 0.62 per cent, to 1,502.92 on Tuesday.

Mitsubishi Electric reports profit increase

TOKYO, Nov 24: Mitsubishi Electric Corp said Thursday the company's pretax profit had a 35 per cent rise to 48.40 billion yen (491.9 million dollars) for the half-year ended September 30, reports AP.

The third largest electric machinery maker of Japan said its net income was 207 billion yen (210.4 million dollars), up 144 per cent from a year earlier, on net sales of 1,533 trillion yen (15.58 billion dollars), which represented a 3.6 per cent increase.

Mitsubishi Electric was the sixth of Japan's top electronics companies reporting larger profits for the April-September period, weathering the adverse effects of the sharply higher yen.

The other companies were NEC, Mitsubishi Electric Corp, Toshiba Corp, Hitachi and Fuji.

The yen's value has increased nearly 20 per cent over the last year to about 98 yen per dollar, hurting Japan's export-dependent economy by making its exports less competitive in price. It also has eaten away at the realization of profits made overseas.

The electronics makers all report that cost-cutting and stronger overseas sales helped their companies' net profit rises.

OPEC output freeze unlikely to boost oil prices

BENPASAR, Indonesia, Nov 24: World oil prices are unlikely to race up next year despite a decision by OPEC ministers to maintain current production levels in the face of rising global oil demand, oil analysts said on Wednesday, reports Reuter.

Ministers of the Organisation of Petroleum Exporting Countries (OPEC) left the Indonesian island of Bali today optimistic that their new accord to freeze oil production for the next 12 months will spur a recovery in weak oil prices.

This agreement is expected to raise oil prices gradually but not to the OPEC target level of 21 per barrel. OPEC President and Indonesian Oil Minister Ida Bagus Sudjana told reporters Tuesday after the deal was clinched.

"I think 18 dollar to 19 dollar per barrel will be achieved for the time being," Sudjana said.

Oil prices, which jump at any attempt by OPEC to adjust production, have climbed by 30 cents since Friday in reaction to the new output agreement but still remain little better than before the Arab oil embargo of 1973.

OPEC has held its oil production ceiling to 24.52 million barrels per day (BPD) since September, 1993, but prices have remained weak.

Now, with world oil demand also surging, OPEC members hope they have a better chance of price gains.

North Sea Brent crude oil was trading around 17.13 in London at 0930 GMT Wednesday, up another three cents, but analysts said sharp price increases are unlikely until traders have a better feel for northern winter demand.

Mild temperatures, as seen so far in the United States, Europe and Asia, could leave refineries with huge inventories in spring which would weigh on oil prices. A frigid northern winter, on the other hand, could rapidly send oil prices higher.

"Crude prices could collapse by 1 dollar per barrel if the weather stays warm," one Singapore trade said. But he added the first signs of cold could push prices 50-80 cents higher.

The market has to be convinced that it would get cold before it supports prices," a trader with a investment bank in the Britain and Russia.

Production is also swelling from rising south America oil stars such as Colombia, which could pump an additional 500,000 BPD by 1997.

cheating are likely to cap any gains in oil prices next year, analysts said.

OPEC can do little about any of those factors, though ministers called on chronic quota cheaters several times during the Bali meeting to twist their oil taps tighter.

Barring unusual weather, US light crude oil is expected to stay in a 17-20 US dollar per barrel range next year, said Michael Rothman, Senior Energy Futures Analyst at Merrill Lynch said. West Texas crude oil fetches about 17.80 dollar now.

The new OPEC agreement will translate into the maintenance of the current sideways (price) trend," Rothman said.

The Paris-based International Energy Agency (IEA) estimates total world oil demand will increase by 1.2 million barrels per day (BPD) in 1995 to 69.3 million BPD.

Crude prices could collapse by 1 dollar per barrel if the weather stays warm," one Singapore trade said. But he added the first signs of cold could push prices 50-80 cents higher.

"Crude prices could collapse by 1 dollar per barrel if the weather stays warm," one Singapore trade said. But he added the first signs of cold could push prices 50-80 cents higher.

The market has to be convinced that it would get cold before it supports prices," a trader with a investment bank in the Britain and Russia.

Production is also swelling from rising south America oil stars such as Colombia, which could pump an additional 500,000 BPD by 1997.

China says No more concessions for GATT re-entry

HONG KONG, Nov 24: Chinese Foreign Trade and Economic Cooperation Minister Wu Yi said yesterday that China would not make any further concessions on its application to re-enter the GATT, reports AFP.

She told reporters after addressing a trade seminar here that Beijing was "prepared for the worst" if its application failed this year.

Should the resumption of China's GATT seat prejudice the process of China's reforms and opening, it will not make any sense to regain this GATT seat," Wu told the one-day trade and investment seminar.

The dollar also fell against other European currencies, to 5.3305 Tuesday, 1.3155 francs (1.3195) and 0.6359 pounds sterling (0.6373).

The fall in the dollar was partly due to news of a 1.5 per cent fall in durable goods orders in October, against expectations of a 0.2 per cent rise, said a trader with a nationsbank.

The announcement that Republican Senate leader Bob Dole would back the GATT world trade pact came to late to affect trading, he added.

Wu, who arrived in Hong Kong on Tuesday from Hanoi, where she accompanied Chinese communist party Secretary Jiang Zemin on a four-day visit, also warned that all agreements and promises reached with GATT during the past eight years of negotiations would be invalid if China failed

Dollar falls against major currencies in New York

NEW YORK, Nov 24: The dollar fell back against other major currencies in New York yesterday in fairly quiet trading ahead of Thursday's thanksgiving holiday, reports AFP.

Gold rose 1.10 dollars an ounce from Tuesday's closing level to \$384.70 dollars.

At 1:45 am (1845 GMT) the dollar was trading at 1.5515 German marks against 1.5535 Tuesday and at 98.30 yen against 98.37.

The dollar also fell against other European currencies, to 5.3305 Tuesday, 1.3155 francs (1.3195) and 0.6359 pounds sterling (0.6373).

The fall in the dollar was partly due to news of a 1.5 per cent fall in durable goods orders in October, against expectations of a 0.2 per cent rise, said a trader with a nationsbank.

The announcement that Republican Senate leader Bob Dole would back the GATT world trade pact came to late to affect trading, he added.

Wu, who arrived in Hong Kong on Tuesday from Hanoi, where she accompanied Chinese communist party Secretary Jiang Zemin on a four-day visit, also warned that all agreements and promises reached with GATT during the past eight years of negotiations would be invalid if China failed

Safiazaman Chowdhury, Managing Director of Aramit Limited, speaking at the 23rd annual general meeting of the company at Hotel Sonargaon in the city recently. Khairul Huda, Chairman of the management board of Aramit Ltd and General Manager of Investment Corporation of Bangladesh, presided over the meeting.

US agri trade balance falls to \$17b in fiscal '94

WASHINGTON, Nov 24: Record US imports of agricultural production helped cut the country's agricultural trade surplus to 17 billion dollars in fiscal year 1994, down 600 million dollars from the previous year, reports AP.

The US Agriculture Department says the surplus dropped to 1.2 billion dollars for September, the final month of the fiscal year, a decline of 102 million dollars from August.

Exports in September increased 1 per cent over the previous month to 3.6 billion dollars. Imports totalled 2.4 billion dollars, up 148 million dollars over August.

Overall, exports for the fiscal year totalled 43.5 billion dollars, 900 million dollars above 1993 and near the record of 43.8 billion dollars set in 1981. Gains were posted for poultry meat, cattle, cotton, vegetable oil, fruits, nuts and vegetables.

However, the strength of exports was offset by imports of 26.4 billion dollars, 1.9 billion dollars, or 8 per cent, higher than 1993's previous record.

Coffee imports valued at more than 2 billion dollars in 1993 contributed strongly to the record year.

Marking a 13 per cent rise over the previous year, wheat exports totalled 3.2 million tons in September. Wheat finished the fiscal year with ex-

ports of 31.1 million tons, the lowest level since 1991 and 14 per cent below fiscal 1993.

Top buyers for September included Japan, China and Egypt.

September corn exports fell 17 per cent from the previous year to 2.9 million tons. The

soybean exports in September jumped 41 per cent over the previous year to 1.2 million tons. Despite a bumper crop, fiscal year exports of 16.4 million tons still trailed the 1993 level by 20 per cent.

Shipments of cotton in September posted a 33 per cent increase over 1993 at 72,000 tons. At the end of the year, cotton exports ended with the strongest showing since 1980 at a total of 1.6 million tons. This was 441,000 tons higher than the previous year.

For fiscal 1994, 10 countries accounted for 66 per cent of agricultural purchases from the United States.

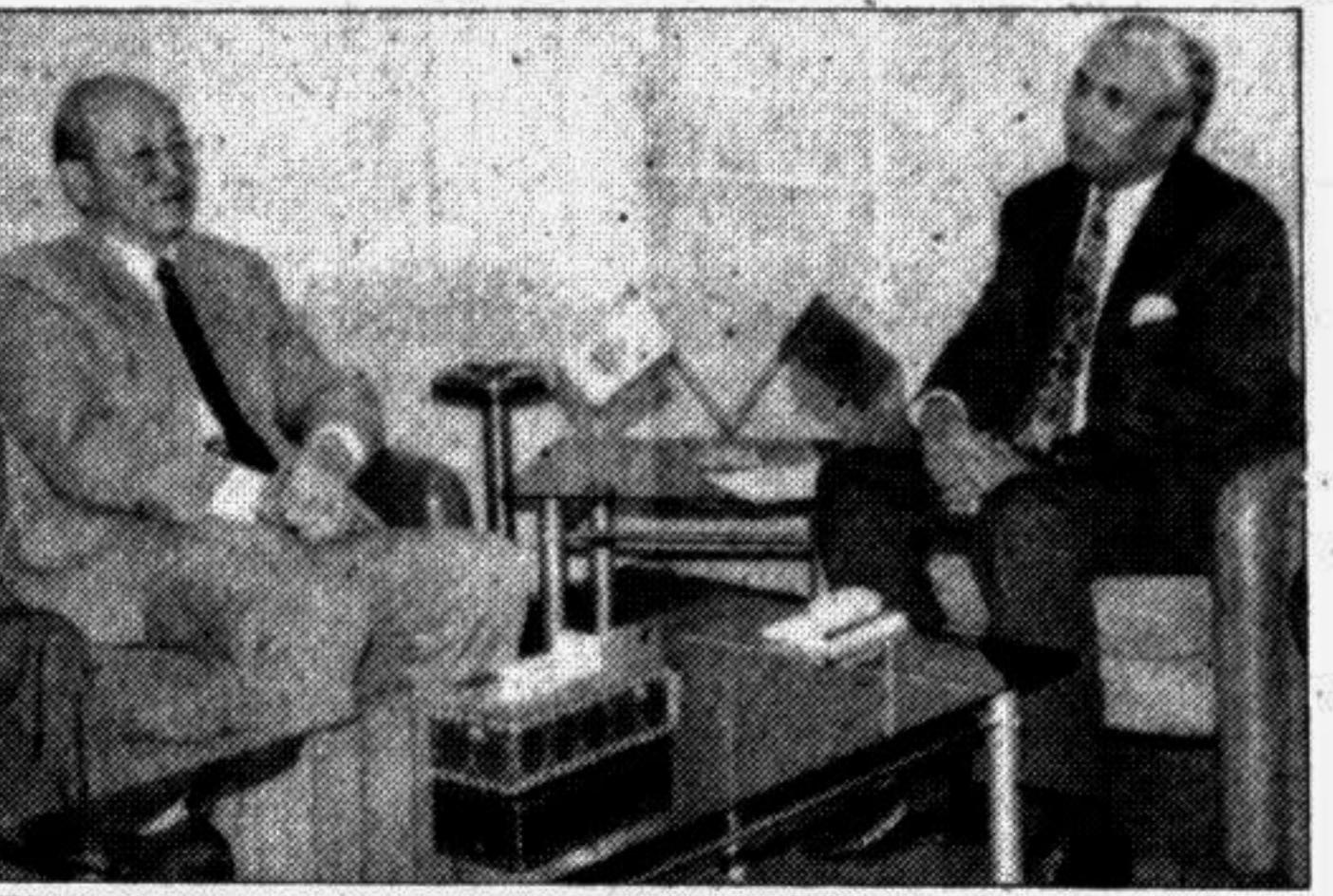
Japan topped the list of buyers at 9.2 billion dollars, nearly 21 per cent of US export value. The European Union was next with imports of 6.6 billion dollars, 15 per cent of the total. Canada came in third with 5.3 billion dollars or 12 per cent.

Other major importers of US agricultural goods included Mexico, South Korea, Taiwan, the former Soviet Union and Hong Kong.

Also, sales to China more than doubled over the previous year, climbing from 300 million dollars to nearly 800 million dollars.

The yen's value has increased nearly 20 per cent over the last year to about 98 yen per dollar, hurting Japan's export-dependent economy by making its exports less competitive in price. It also has eaten away at the realization of profits made overseas.

The electronics makers all report that cost-cutting and stronger overseas sales helped their companies' net profit rises.



Zhang Xujing, Ambassador of the People's Republic of China, called on Salman F Rahman (R), President of the Federation of Bangladesh Chambers of Commerce and Industry, at the FBCCI office in the city yesterday. They discussed various issues relating to promotion of bilateral trade, investment possibilities and economic cooperation between the two countries.

Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on November 24. (Figures in Taka)

Currency	Selling		Buying		DSE All Share Price Index
	TT & OD	BC	TT Clean	OD Sight	
US Dollar	40.3810	40.4125	40.1000	40.0355	885.78060
GBP	63.6096	63.6593	62.2044	61.8507	Market Capitalisation Tk
DM	26.2096	26.2301	25.5037	25.4626	Turnover in Volume
F Franc	7.6362	7.6421	7.4301	7.3878	Total issue trade
C Dollar	29.6833	29.7064	28.8720	28.8256	Issues gained
S Frane	30.9327	30.9569	30.0864	29.9153	Issues incurred losses
Jap Yen	0.4167	0.4171	0.4012	0.3989	Issues unchanged
Indian Rupee	1.2939	1.3036	1.2722	1.2531	12
Bangl. Taka	1.3189	1.3288	1.2967	1.2772	
Iranian Rial	0.0233	0.0235	0.0228	0.0225	
A T. T.(DOC) US Dollar Spot Buying Tk	40.0677				
B) Usance Rate:					
30 Days	60 Days	90 Days	120 Days	180 Days	
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. 40.6125

|
<th rowspan="
| |