

India-Singapore trade gets boost

SINGAPORE, Dec 29: Backed by India's recent economic reforms, Singapore's trade with that country is projected to exceed a record two billion dollars this year, the government said Thursday, reports AP.

Non-oil exports to India, which surged 37 per cent to 1.4 billion Singapore dollars (one billion dollar), led the growth in the two-way trade, the Trade Development Board said.

The statement comes as Prime Minister Goh Chok Tong prepares to visit India from Tuesday through Friday. Goh will be accompanied by his trade minister and 31 businessmen. He is scheduled to address a business conference in the eastern city of Calcutta on Friday.

The TDB said the total trade in the first 11 months of 1994 reached an all-time high of 2.8 billion dollars (1.9 billion dollars) representing a 19 per cent increase over the same period last year.

Imports from India also increased by 10 per cent to 1.1 billion dollars (753 million dollars), a TDB statement said.

There are more than 42 joint ventures between Singapore and Indian companies in Singapore. Besides, Singapore's total investments in equity value has reached 69 million dollars, making it the 13th largest investor in India, the TDB said.

Gulf Arab states may trim lavish subsidies

DUBAI, Dec 29: Gulf Arab states may be on the verge of doing what was once unthinkable — trimming the lavish state subsidies made possible by massive oil revenues, reports Reuters.

Weak oil prices, billions of dollars in debts arising from the 1990-91 Gulf crisis, grandiose development plans and the cost of maintaining cradle-to-grave welfare systems are finally beginning to take their toll on their coffers.

But the economic story of Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Oman and Qatar is not one of rags to riches and back to rags again. It is, officials say, a question of adjusting to new economic realities.

They say the economies of the six countries, grouped in the Gulf Cooperation Council (GCC), remain strong and any cuts in subsidies are part of a new approach to running their economies that had for decades depended heavily on oil revenues.

They remind sceptics of a simple fact: The six between them sit on nearly half the world's entire oil reserves.

The six nations face a deficit estimated at 17 billion US dollars and on-going cuts in budgetary expenditure and

moves towards privatisation would to a large extent ease financial pressure.

But economists and bankers say the six need to do more. They say they should introduce excise taxes on luxury items, raise power, water and fuel prices and make free health-care and education available only to low-income residents.

Some Gulf officials agree some of these measures may be needed and say governments are beginning to wonder why wealthy citizens should get free health-care and education.

"Relaxing the welfare system will bring extra revenue. A more economic pricing of utilities and services should be considered and subsidies reviewed," one economist said. "In a sense the governments should do less, pay less for utilities and subsidies and introduce taxes," he said.

But taxation is not popular in the Gulf, where governments are keen to keep the social and political status quo unchanged amid signs of dissent, albeit limited, in recent months.

Tax has never been a popular matter, but whoever wants to protect a country must take action, said economist Jassem Saadoun, who advises Kuwait's

parliament on economic issues.

The problem is how to balance between the political practice of buying political affection and its impact on the state finance," he said. "A shift from welfare states has become a necessity," he added.

A former Kuwaiti finance minister and head of the Arab Fund for Economic and Social Development, Abdullah Al-Hamad, said recently that imposing taxes implied a level of democratic and popular control over state funds that some Gulf states might not be ready to establish.

"The imposition of new taxes is technically feasible but are the GCC countries ready to accept the political and social implications of such action?" he asked.

Though none of the states has decided to impose taxes, most are taking measures to scale down some social subsidies.

Saudi Arabia, the wealthiest of the six states, has so far refrained from basic cuts in subsidies. Saudis pay no tax and enjoy such perks as extra-cheap petrol, free local telephone calls, cheap electricity and free education and health services.

Vietnam's GDP grows by 8.5 pc

HANOI, Dec 29: Vietnam's gross domestic product (GDP) has reached 170,000 billion dong (15.4 billion dollars) this year, growing 8.5 per cent over last year, a report from the Central Statistics Office said today, reports AFP.

The report said growth had been half a percentage point higher than predicted for the year, and was the highest rate since the 8.6 per cent growth registered in 1992.

Per capita GDP was put at "more than 240 dollars" by the statistics office although this assumes an exchange rate of 10,000 dong to the dollar and a population of 70 million.

Real exchange rates are 11,000 dong to the dollar and the population is around 72 million, putting the per capita GDP at around 215 dollars, among the lowest in Asia.

The oil port and tourist centre of Vung Tau in the south of the country has the highest per capita GDP at 1,500 dollars followed by Ho Chi Minh city at 810 dollars and Hanoi at 616 dollars, the year-end report said.

Gross Domestic Product measures the total output of goods and services minus foreign income. It does not include any measure of activity in the black economy, thus underestimating wealth and economic growth in countries such as Vietnam.

India okays new venture in TV soap programmes

NEW DELHI, Dec 29: The Indian government Wednesday approved a new venture to produce television programmes between a domestic newspaper, one of the world's largest media groups, and a major Hong Kong television station, reports AFP.

The Hindustan Times and Britain's Pearson Plc. will join Hong Kong's Television Broadcasts Ltd. (TVB) in the 25 million dollar collaboration to produce television soap programmes and information and education packages here for domestic and overseas entertainment markets, the officials said.

The Hindustan Times, which is published simultaneously each day from two Indian cities, is one of the country's largest circulating English-language newspapers.

The three partners have given an undertaking to the Indian government that they will not undertake any activity relating to the print media, officials from the Finance Ministry said.

The Indian newspaper will hold a 50 per cent stake in the venture, which has yet to be named, while Pearson has been allowed a 30 per cent equity.

The remainder will be held

by TVB which will work with the two other partners in setting up studios here to develop, commission and compile television programmes.

India's print-media barons have been spearheading a campaign to keep foreign media out of the country since the 1991 launch of sweeping economic reforms here to open the market to competition.

Newspapers on Wednesday said the Pearson-Hindustan venture was likely to open the gates to other firms hoping to carve a niche in India's huge media industry, comprising thousands of publications and TV networks.

Business Standard, India's number three financial newspaper, is also waiting for government clearance to jointly set up a newspaper here with Britain's Financial Times, which is owned by Pearsons.

The British Broadcasting Corp and America's Central News Network have also sought permission to launch broadcasting agreements with India's state-owned Doordarshan Television station.

Foreign investors have pledged more than five billion dollars since Finance Minister Manmohan Singh loosened up the market three years ago, dismantling four decades of quasi-socialist policies.

Bahrainian aid to Pakistan

MANAMA, Dec 29: Faysal Islamic Bank of Bahrain E.C. said today it had arranged a 100 million US dollars finance package for the state-owned water and power development authority of Pakistan, reports Reuters.

A bank statement said the six-month deal, guaranteed by Pakistan's central bank, was signed in Islamabad on Sunday and that 14 international financial institutions took part in the syndicated finance.

The Bahrain-based bank which has offices in Saudi Arabia and Pakistan, is 48 per cent owned by Saudi investors and 52 per cent by the Bahamas-based Dar Al Mal Al Islami Trust.

El Al to begin Tel Aviv-Delhi flight on Jan 9

NEW DELHI, Dec 29: The Israeli airline El Al is to begin weekly flights between Tel Aviv and New Delhi in January, airline officials said.

Reuven Barash, El Al's General Manager for Thailand, India and Southeast Asia, said the first Tel Aviv-Delhi Bangkok flight would begin January 9.

El Al currently flies twice a week from Tel Aviv to Bombay

Taiwan-China trade reaches \$13.24b

TAIPEI, Dec 29: Trade between Taiwan and China amounted to US \$13.24 billion dollars in the first 10 months of this year, Taiwan reported Thursday, says AP.

The Board of Foreign Trade said Taiwan's exports to China in the period totalled US \$11.82 billion dollars, up 11 per cent, while imports from China rose 80 per cent to US \$1.42 billion dollars.

Officials attributed the rise in imports from China to the government's easing of restrictions on imports of Chinese semi-finished products.

The agency also predicted that trade between Taiwan and China this year will reach US \$16 billion dollars, with Taiwan expecting to post a surplus of US \$2 billion dollars, up 4.27 per cent from a year earlier.

Taiwan, seat of the ruling Nationalist government which fled the Chinese Communists takeover of the mainland in 1949, bans direct links with China, so trade has to go through a third country, mostly Hong Kong.

Romanian economic mission arrives in Pakistan Jan 8

KARACHI, Dec 29: A 20-member Romanian economic mission, comprising public and private sector companies, is arriving here on a week long visit on January 8, reports AFP.

They will hold meetings with FPCCI members the following day at federation house.

Ion Stolan, Economic Counsellor Embassy of Romania, told this at a meeting with S M Muneer, President, FPCCI Wednesday.

Stolan said that Pakistan cement with the collaboration of Romania is putting up a cement plant near Islamabad. The letter of credit has been opened for the import of the plant which will have capacity to produce 3,400 tons of cement per day and the civil construction has started at the site.

He said that trade between Pakistan and Romania was picking up and items like rice, textiles, leather garments, items and animal casings have been exported to Romania. He suggested that more aggressive efforts were required to boost exports.

Israel's GDP increases by 7pc in '94

JERUSALEM, Dec 29: Israel's gross domestic product (GDP) increased by seven per cent in 1994, double the previous year's rise, according to figures published Wednesday by the national statistics office, says AFP.

Meanwhile fixed investments rose by 17 per cent, civilian imports by 12 per cent, and exports by 11 per cent.

But the growth was accompanied by a 14.5 per cent inflation rate, compared with a target of eight per cent set by the government in its 1994 budget.

The economic growth was attributed mainly to the influx of 78,000 immigrants during 1994.

Unemployment has continued to fall to 7.5 per cent in the third quarter of 1994, compared with 10 per cent in the same period last year.



An agreement was signed in the city yesterday between Metropolitan Chamber of Commerce and Industry, Dhaka and the China Council for the Promotion of International Trade, Jinan Sub-Council, to promote mutual trade and investment. The picture shows Latifur Rahman, President, MCCI and Vice-Chairman, Jinan Sub-Council, signing the agreement. The Chinese Ambassador in Bangladesh Zhang Xujiang was present at the signing ceremony.

Asian stock markets close mixed

HONG KONG, Dec 29: Asian stock markets closed mixed Thursday, with the key indexes rising in Tokyo after two straight days of declines, reports AP.

Tokyo's 225-issue Nikkei Stock Average finished up 87.45 points, or 0.44 per cent, to 19,752.98. On Wednesday, the average fell 45.83 points, or 0.23 per cent, closing at 19,665.53.

The Tokyo Stock Price Index of all issues listed on the first section was up 2.55 points, or 0.16 per cent, to 1,554.34. The TOPIX closed at 1,551.79 on Wednesday, down 3.26 per cent, or 0.21 per cent.

Traders said prices rose mostly on buying by arbitrageurs, who take advantage of gaps between prices on the spot and futures markets.

Futures prices rose in part on the perception that Japan's stock market may be ready to move higher in the new year.

Despite the gains in the indices, declining shares outpaced advances 597 to 398, while 157 issues were unchanged.

Meanwhile, at late afternoon, the US dollar was quoted at 99.93 yen. That was 0.56 yen lower than its level late Wednesday in Tokyo, but 0.72 yen higher than the 99.21 yen quote in New York late Wednesday.

In Hong Kong, share prices closed slightly lower in thin trading. The Hang Seng Index, the

Hong Kong market's key indicator of blue chips, fell 72.20 points, or 0.8 per cent, to 8,196.02. On Wednesday, the index fell 43 points.

US dollar falls sharply

PARIS, Dec 29: The dollar fell sharply, the mark slipped and European bonds were noticeably weak in early trading today in reaction to concern in New York about a financial crisis in Mexico, reports AFP.

The dollar fell here to 5.3892 French francs from 5.4340 at the close Wednesday and to 5.5900 marks from 1.5717 and to 99.85 yen from 100.17 yen.

In New York Wednesday the dollar had closed at 5.3370 francs from 5.4410 Tuesday.

The mark fell to 3.4543 French francs from 3.4560 Wednesday. Sterling was being quoted at 8.3829 French francs from 8.3950. The yen fell to 5.3991 francs for 100 from 5.4167.

AP from Tokyo says: The US dollar was lower against the Japanese yen in Tokyo Thursday, though it rebounded from its sharp fall overnight in New York.

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WELLINGTON: New Zealand share prices closed lower in quiet trading, with brokers expecting the market to drift. The NZSE-40 Capital Index fell 10.45 points to 1,909.37.

MANILA: Share prices closed slightly on buying of selected second-line issue late in the session. The Philippines' PSE index of 43 selected issues rose 8.03 points to 2,785.81.

TAIPEI: Share prices closed higher in active trading. The market's Weighted Index rose 79.60 points to 7,027.43 points after Wednesday's 24-point decline.

SYDNEY: Australian share prices closed mostly lower, dragged down by the lower US market and a general lack of buying interest. The All Ordinaries Index fell 2.7 points to 1,932.8.

KUALA LUMPUR: Malaysian share prices closed lower in thin trading. The KLSSE Composite Index fell 8.83 points to 967.14.

SINGAPORE: Share prices closed slightly higher in lacklustre trading. The 30-share Straits Times Industrials (STI) index rose 8.87 points to 2,243.02.

BANGKOK: Thai share prices closed lower in moderate trading. The Stock Exchange of Thailand (SET) index fell 10.35 points to 1,352.89.

13.5m homeless in US!

WASHINGTON, Dec 28: A new study says 13.5 million people in the United States have been homeless at least once in their lives, suggesting that the phenomenon is greater than believed, reports AFP.

The Columbia University study appearing in yesterday's American journal of public health suggests that government estimates of homelessness may be low.

In 1990, the US Census Bureau said there were 400,000 homeless people in the country. Advocates for the homeless estimate there are between 700,000 and three million.

The administration of President Bill Clinton said as many as 600,000 people may be homeless at any given day, but officials and social workers say any "snapshot" figure is misleading because the numbers change daily.

The new study led by Columbia Professor Bruce Link said 13.5 million people have been homeless for at least a few days in their lives, with many drifting in and out of homelessness.

Yale University Professor Robert Rosenheck said in an editorial accompanying the study that it refutes the argument that homelessness affects a small group on the fringes of society.

The study suggests that many people living in poverty are homeless for a time. Michael Horowitz of the Hudson Institute said the figures may be exaggerated because of the methods of the study.

Some 1,500 people surveyed by telephone were asked if they had even slept in the streets, in shelters, abandoned buildings or someone else's home.

Filipino economy seen to grow stronger in '95

MANILA, Dec 29: The Philippine economy, showing its most robust growth in years, is expected to gain further strength in 1995. Economic Planning Secretary Cielito Habito said Thursday, reports AP.

The gross national product is expected to post a 5.5 per cent growth for the whole of 1994 and grow by 6-6.5 per cent next year due largely to strong investments and exports, Habito said.

GNP grew by only 2.3 per cent in all of 1993 after a decline two years earlier. "This strongly indicates that the Philippines is indeed on a steady path towards becoming a newly industrializing country by the end of the decade," Habito said.

Habito projected investments to grow by 7.4 per cent by the end of 1994. That would be lower than last year's 10.5 per cent growth, which was mainly due to spending for power facilities to beat a massive electricity shortage in 1992-1993.

Local and foreign investments, however, are expected to pick up in 1995, growing by 10.7-11.3 per cent as manufacturing firms spend more for plants and equipment, Habito said.

Exports are expected to expand 20.5 per cent this year because of economic recovery of the country's major trading partners — Japan and the

United States — and increased trade within Southeast Asia. But exports are expected to slow down slightly to 18.5-19 per cent in 1995, he said.

Habito said the inflation rate is targeted to be pruned down to 6.5 per cent for the whole of 1995 from about 9.3 per cent in 1994.

Unemployment rate went down from 8.9 per cent last year to 8.4 per cent this year, according to a government survey in October, he said.

The growing strength of the economy was felt in labour market as more stable, full-time and higher-paying jobs accounted for a greater proportion of the employment generated this year, Habito said.

Habito said the economic growth was due to structural reforms initiated in 1994, such as tariff reductions for capital equipment and spare parts, allowing the entry of more foreign banks, deregulation of Telecommunications and liberalization of domestic shipping.

He also said improved law and order and political stability helped in the economic recovery.

The government will aim to maintain fiscal discipline especially in disbursing the budget. It will also implement tax reform measures to broaden the tax base, Habito said.

Indonesia will turn to nuclear energy

JAKARTA, Dec 25: An Indonesian minister said yesterday the country had no choice but to turn to nuclear energy if it was to gain access to the vast amount of electricity needed to power progress, reports AFP.

"It appears like we will not be able to avoid that by early next century, at the latest by 2003 or 2004," said Research and Technology Minister Bacharuddin Jusuf Habibie prior to a year-end cabinet meeting on the economy.

There will be no other way but for us to use nuclear energy," he said.

Habibie said the country's two potential energy sources — coal and geo-thermal energy — would not be able to generate enough electricity to meet the country's rapidly growing needs.

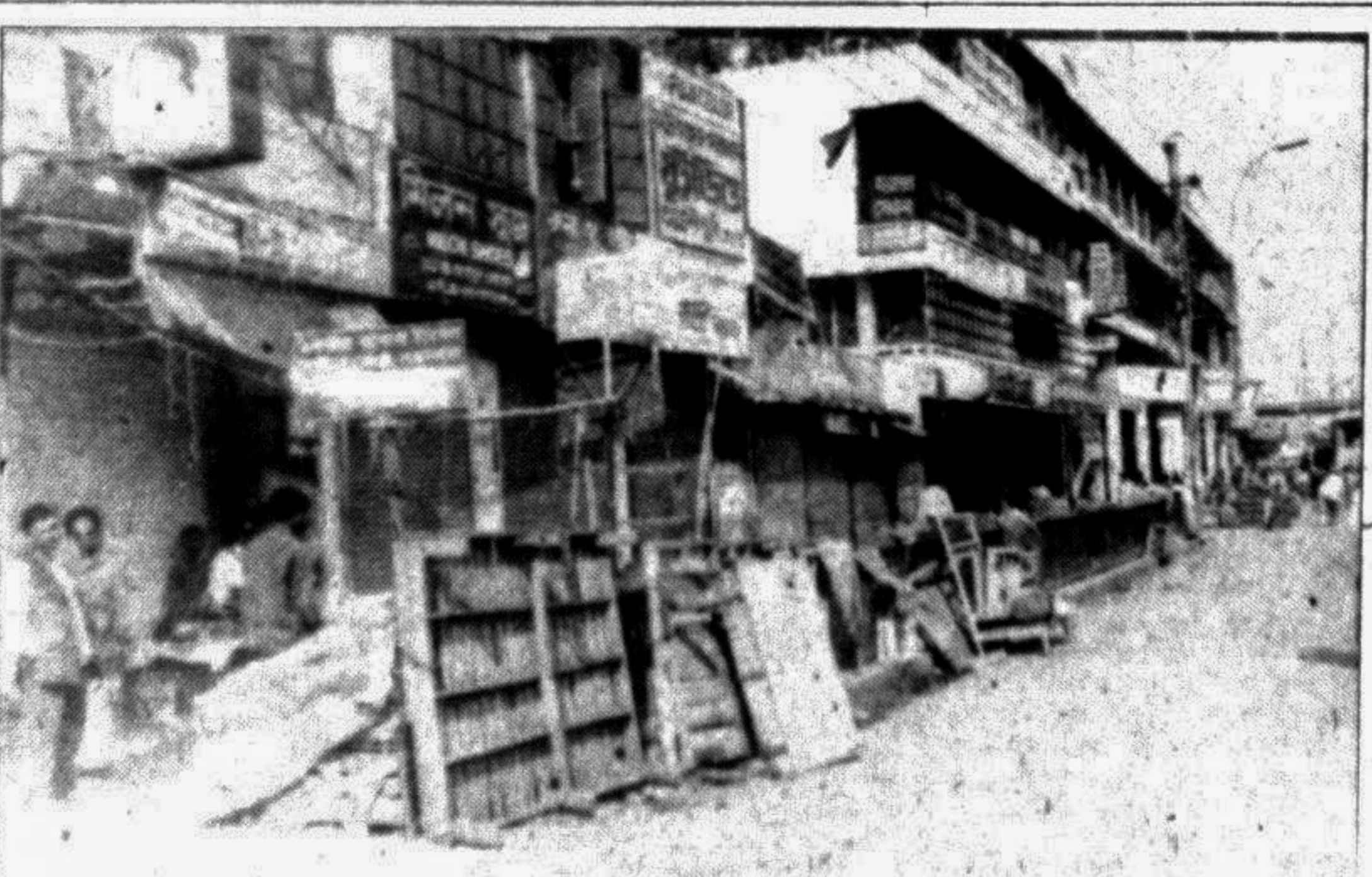
About 2.8 million people join the country's workforce each year and only industrial development could absorb such a huge number, he said.

That expanded industrial base would require electricity and the government had to act fast to meet the rapid growth of power needs.

Habibie said current coal reserves would only last another 30 to 40 years.

Officials have said Indonesia produces about 1.5 million barrels per day of oil, but will be come a net importer of oil by the turn of the century.

Indonesia, which currently relies on hydro, coal and fuel generated electricity, is considering starting construction of its first nuclear plant in the 2000 to sustain its industrialisation drive.



Shops at Farmgate in the city during yesterday's hartal hours.

Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on December 30 (Figures in Taka)

Currency	Selling		Buying		Transfer
	TT & OD	EC	TT Clean	OD Slight	
US Dollar	48.3750	40.4050	40.0950	40.0100	39.8750
GBP	63.3608	63.4079	61.9426	61.8112	61.6027
DM	26.2496	26.2691	25.5431	25.4890	25.4030
F Franc	7.6080	7.6136	7.3987	7.3830	7.3581
C Dollar	29.0447	29.0663	28.2520	28.1921	28.0970
S Franc	31.0980	31.1211	30.2477	30.1836	30.0817
Jap Yen	0.4102	0.4106	0.3952	0.3943	0.3930
IRS	1.2915	1.3012	1.2697	1.2506	—
Pak Rupee	1.3147	1.3246	1.2925	1.2731	—
Iranian Ryal	0.0232	0.0234	0.0228	0.0225	—
A) T.T.(DOC) US Dollar Spot Buying Tk. 40.0557					
B) Usance Rate:					
30 Days	60 Days	90 Days	120 Days	180 Days	
39.7447	39.4607	39.1767	38.8927	38.3247	
C) US Dollar sight bill 3 months forward purchase: Tk. 40.0100					
D) US Dollar sight bill 3 months forward sale: Tk. 40.6050					

Indicative Rates

Currency	Selling		Buying	
	T.T. & O.D.	O.D. Transfer	O.D. Transfer	O.D. Transfer
S Riyal	10.7656	10.6302	10.8559	10.8559
UAE Dirham	10.9937	10.8559	10.8559	10.8559
Kuwaiti Dinar	134.5199	132.8016	132.8016	132.8016
D Gulders	22.8807	22.5831	22.5831	22.5831
S Krona	5.3983	5.3159	5.3159	5.3159
Malaysian Ringgit	15.7522	15.5500	15.5500	15.5500
Singapore Dollar	27.5972	27.2352	27.2352	27.2352

Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 28.12.94

Berth No.	Name of Vessels	Cargo	Port	Local Call	Date of Arrival	Date of Leaving
J/1	Crest	Rice (P)	Kara	OTBL	23/12	01/01
J/3	Banglar Asha	Wheat (G)	—	EBG	R/A	29/12
J/4	Silver Kris	Cement	Sing	Litmond	23/12	01/01
J/5	Kamaleverjet	Cont	Sing	EBPL	27/12	02/01
J/6	Imke Wehr	Gst	Sing	APL (B)	28/12	31/12
J/7	Ikan Selar	M Seeds	Vanc	Royal	21/12	31/12
J/9	Ming Jiang	Gst	Sing	Prog	19/12	30/12
J/10	Meng Kiat					