

# India to open film industry to foreign investors

NEW DELHI, Jan 7: India yesterday said it will allow foreign investors into the country's film industry, the world's largest in terms of output, says AFP.

Information and Broadcasting Minister Pramod Mahajan said the move will inject new technology into domestic movie-making and give it an edge over rivals.

"We will welcome foreign capital in to film-making, he said in an announcement in New Delhi, adding that guidelines for foreign investments into the sector would be framed soon.

"Although the government does not expect much inflow of foreign capital in the sector, the development would help in the modernisation of the film industry as also the export of films," Mahajan said.

He also said the Indian gov-

ernment, domestic financial institutions and banks will be encouraged to fund productions.

"At present, there is hardly any public knowledge as to who finances the films and from what source the funds come from," Mahajan said, adding that well-produced movies could earn profits overseas as well.

Indian films would also be able to earn greater foreign exchange given the fact that a large number of Indians are settled abroad, he added.

Experts say foreign investors see India's film industry as a risky venture because of links to the underworld, rising production costs and rampant video piracy.

Bombay, or 'Bollywood' as it is commonly known, is the capital of the Indian film industry. India's south and Cal-

cuttas are the other hubs of the country's movie industry.

Mahajan said the domestic film industry was unable to support itself despite the fact it was granted industry status in May last year.

The industry has not educated itself on commercial lines, and it is not able to support itself because it is still person-oriented and has failed to create an appropriate system, Mahajan said at a function.

India's film producers borrow from private financiers at massive annual interest rates of 48 per cent, with industry status confirmed, they can now, however, receive bank financing at 15 per cent.

India annually produces about 1,000 films, and the movie business is believed to have a turnover of around 50 billion rupees.

More than 10 per cent of the films — the largest chunk — are in the Hindi language, moves made in Bollywood, while the rest are in a variety of regional languages.

Almost all movies are produced by family-controlled businesses. More than 80 per cent of the movies flop at the box office, about five per cent become box-office hits, while the rest just break even.

Some 20 million people which movies everyday in India's 13,000 theatres.

India approved over 8,300 foreign joint ventures in various sectors since opening up its economy in 1991 after four decades of closed-door policies.

# Pakistan, India may settle power deal this month

ISLAMABAD, Jan 7: A Pakistani delegation is expected to visit New Delhi this month to finalise the proposed sale of 2,000 megawatt of electricity to India, a senior official from the Ministry of Water and Power disclosed yesterday, says Xinhua.

Pakistan and India signed an agreement on power purchase during their first round of talks held in Islamabad in October, 1998 and agreed in principle to finalise its modalities in the second round of talks, previously scheduled to be held in New Delhi in December, 1998.

However, the second round did not take place as scheduled as Pakistan had not completed its proposals in this regard, the official said.

Imports dropped 8.5 per cent from a year earlier to 104.74 billion dollars, the ministry said.

The weakening exports cut the overall trade surplus by 22.9 per cent to 5.9 billion dollars, the lowest level in 15 years.

The Pakistani delegation will start its visit after receiv-

ing the new schedule of India and the two sides will finalise affairs relating to the rate of power, guarantee and transmission line during the visit, the official said.

Under the agreement signed in October last year, Pakistan will export 2,000 megawatt of power to India in different phases with 500 megawatt to be supplied in the first phase, starting from the year 2000.

Taiwanese exports fall 9.4pc in 98

TAIPEI, Jan 7: Taiwan's exports fell 9.4 per cent to 110.64 billion US dollars in 1998 in the largest drop since 1955, the finance ministry said today.

Imports dropped 8.5 per cent from a year earlier to 104.74 billion dollars, the ministry said.

The weakening exports cut the overall trade surplus by 22.9 per cent to 5.9 billion dollars, the lowest level in 15 years.

## Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the taka to clients.					
Currency	Selling TT & OD	Selling BC	Buying TT Clean	Buying OD Sight Export Bill	Buying OD Transfer
US Dollar	48.7050	48.7450	48.3100	48.1570	48.0850
Pound Ster	80.6993	80.7656	79.5279	79.2761	79.1575
Deutsche Mark	29.3525	29.3766	28.3611	28.2713	28.2290
Swiss Franc	35.1483	35.1772	34.5887	34.4791	34.4276
Japanese Yen	0.4337	0.4341	0.2660	0.2427	0.2420
Dutch Guilder	26.0509	26.0723	25.1710	25.0913	25.0537
Danish Krone	7.7310	7.7373	7.5457	7.5218	7.5106
Australians	31.1712	31.1968	29.9280	29.8333	29.7887
Belgian Franc	1.4231	1.243	1.3751	1.3707	1.3686
Canadians	32.4960	32.5227	31.5793	31.4793	31.4322
French Franc	8.7516	8.7588	8.4560	8.4293	8.4167
Hong Kong	6.2982	6.3033	6.2221	6.2024	6.1932
Italian Lira	0.0296	0.297	0.0286	0.0286	0.0285
Norway Krone	6.5702	6.5756	6.4560	6.4355	6.4259
Singapore	29.4521	29.4763	28.5065	28.4162	28.3738
Saudi Riyal	13.0227	13.0334	12.8450	12.8043	12.7852
UAE Dirham	13.2972	13.3081	13.1163	13.0748	13.0552
Swedish	6.1341	6.1392	6.0539	6.0347	6.0257
Qatari Riyal	13.4174	13.4284	13.2302	13.1901	13.1704
Kuwait Dinar	167.0559	167.1926	154.9142	154.4236	154.1927
Thai Baht	1.3313	1.3324	1.3176	1.3134	1.3115
Euro	57.4086	57.4557	55.4695	55.2939	55.2112

### Bill buying rates:

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
48.2112	47.9074	47.5048	47.1023	46.6667	45.8945

### US dollar London Interbank Offered Rate (LIBOR) as of January 7, 1999

Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
48.0850	48.7050	USD	5.04	5.06	5.06	5.06	5.09
48.0850	48.7050	GBP	6.19	6.125	5.8125	5.8075	5.8025

### Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.5074/217	50.7250/82	36.2736/37	3.7997/3.8002	7920/8020	1148/1151

### Amex notes on Monday's market

USD/BDT market was very active with high level of dollar demand. The supply side of the greenback has fallen due to shortfall in incoming remittances. USD/BDT rate ranged between 48.6515 and 48.6540.

Call money market was very liquid and call rates ranged between 6.00% and 6.25%.

The US dollar lost its ground against the yen in late Tokyo trade on Thursday as concerns over Latin America flared on new that one of Brazil's states had declared a moratorium on debt payments.

The dollar was also pressured by falls in the euro against the yen in cross trade, which made dealers cautious about dollar yen.

In early Europe trade on Thursday, dollar went down to levels near a 27-month-low against the yen. The down move of dollar was influenced by concerns over a potential looming crisis in Brazil and the impeachment trial of US President Bill Clinton, which is due to start later in the day in Washington.

However, European stocks were expected to trade stronger, buoyed by a record overnight close on Wall Street.

At 9.12 GMT in the international market the USD traded at 113.40/113.50 JPY, 1.3852/3872 CHF, EUR at \$ 1.1666/1.1669 and GBP at \$ 1.6504/6509.

# Kuwait stocks end year 40 pc down

KUWAIT CITY, Jan 7: The Kuwait Stock Exchange (KSE) index closed last day of trading in 1998, 3.8 per cent down on the week and 40.3 per cent down on the year, but analysts predicted 1999 would bring new gains, reports AFP.

The fall to 1,582.7 points rounded off a dismal year for the bourse which has seen an unprecedented series of record lows and has fallen 44.2 per cent since its peak in November 1997.

There is, however, a silver lining to every grey cloud the benefit of hitting the lowest though is that the only outcome is an improvement," said Husam Meshal, senior financial analyst at Al-Shall Economic Consultants.

Meshal predicted that the instability of the bourse will continue for at least three months, though any genuine upward trend will also contain a certain volatility of small ups and downs.

Meshal put the dismal performance of the KSE in 1998 down to a "cocktail of factors," both internal and external.

The fundamentals of the naturally speculative market drove the performance of companies down and profits evaporated of the 75 listed companies, 54 companies registered losses amounting to nine billion dollars," he said.

"General economic fundamentals show that the sagging price of oil coupled with the drop in demand and overproduction of oil have all contributed to a depressed economy in a state dependent on oil revenues.

"Then there are the exogenous factors such as the security and stability of the region, a negative element that could accompany the market into the new year."

The KSE closed last week up for the first time in 13 weeks, but analysts said investors scepticism had returned following the cessation of US-British air strikes against Iraq.

The United States and Britain launched a four-day bombing campaign against Iraq in mid-December after Baghdad's repeated non-compliance with UN weapons inspectors.

# Obuchi gets first-hand look at euro zone

PARIS, Jan 7: Japanese Prime Minister Keizo Obuchi, trying to shore up his country's economy and currency, was getting a first-hand look at the euro zone during a three-country tour that started with a state visit to France, reports AP.

Obuchi, who arrived in Paris Wednesday night, was hoping to restore confidence in Japan's economic policies. But it was unclear whether he would make concrete proposals to ensure dominance of the dollar, the euro and the yen.

There was strong speculation that Obuchi would propose to French leaders a plan to join the euro with the yen and dollar in a monitoring system aimed at curbing turmoil in international markets.

The ideal would be for responsibility to be divided between the three currencies, Obuchi said in a New Year's speech over the weekend.

However, Japanese Minister for Economic Planning Taichi Sakaiya said Wednesday in Paris that his government is not in a position to put forth "concrete proposals" on how to regulate the market to ensure stability of the three currencies.

The Japanese government is making various efforts to make the yen a stable currency...," Sakaiya said. "But we are not embarking on deliberate efforts to make the yen a key currency."

In his first state visit to France, Obuchi was to meet with French President Jacques Chirac Thursday evening and with Prime Minister Lionel Jospin Friday morning before traveling to Italy and Germany.

Japanese leaders will be eager to see that the popularity of the new European currency, launched Monday, won't hurt their recent efforts to increase global use of the yen, analysts said.

Some commentators voiced skepticism about Japanese efforts to boost the stature of the yen, which now has around 5 per cent of the international currency market.

"Japan's sudden effort to make the yen an international currency comes too late and will be difficult to achieve in the current period of crisis," the daily Le Monde said in an editorial published Tuesday.

The Japanese were skeptical about the euro until very recently," said Eric Chaney, European economist at Morgan Stanley in Paris. "Now that it's a reality, they need to see first-hand what's happening in the euro zone."

Another theory was that Obuchi would put forward a plan to craft international financial rules