Enquiry committee on Ghorasal urea plant submits report .

Profitable unit turns into losing concern

Star Economic Report

It is a sad story of a profitable industrial unit which was turned into a losing concern.

Industries Minister Shamsul Islam Khan revealed the findings of Ghorasal Urea Fertilizer Factory Enquiry Committee which suggested that the factory in question was making a net profit of Tk 12 crore annually. But after the rehabilitation programme taking its effect, the factory could be losing Tk 18 crore a year 'as the project was not viable' under the given portfolio of the contract.

The Industries Minister, addressing the newsmen at Shilpa Bhaban on Friday, outlined the summary of the findings of the enquiry committee on the Ghorashal fertilizer factory accident on June 19, 1991 in which eight people had died and 30 others injured.

The high powered committee comprised Dr. Iqbal Mahmud of Bangladesh University of Engineering and Technology (BUET), Habibur Rahman, Secretary-in-charge, Science and Technology Division and Dr. Shah Mohammad Farid, Additional Secretary of the same Division.

The Industries Minister said the Ghorasal fertilizer factory was constructed in 1970 by Toyo Engineering Corporation on a turn-key basis with a production capacity of 1137 tons urea a day. Production started on July 10, 1970 on an experimental basis. The plant ran into trouble soon after five months and production remained suspended for one and a half year. Commercial production started in late 1972 and since then, the plant underwent many troubles on account of faults in its instruments.

The Minister said the factory could utilise only 61 per cent of its production capacity for random faults in its machineries and spare parts. In 1974, another accident in the ammonia control room left five people dead and many others injured.

A rehabilitation programme was taken up with IDA assistance. At an estimated cost of Tk. 53 crore, the project was scheduled to be completed in June, 1985. But due to delay in procurement of some instruments, the project was completed in 1987 with a total cost of Tk 59 crore. The factory , after its rehabilitation, was able to make profit using nearly 111 per cent of its production capacity. Nearly 3.78 lakh tons of urea were produced in 335 days of a year. The gas use per ton was also reduced, the Minister said.

Before the expiry of the rehabilitation programme, Toyo Engineering proposed to the Bangladesh Government to raise the production capacity of the factory to 1422 tons a day from existing 1137 crore through using Advanced Cost Energy Savings (ACES) process in 1985. The company also proposed to enhance the production capacity of the factory up to 2003 tons a day and the production days to be raised to 330 from 300 days.

The Minister noted that factory experts and BCIC did not think the project to be viable initially. The proposal was examined by Japan Consulting Institute (JCI) and Messrs Bressler. JCI recommended the project but Bressler opined that maximum attention should be given to the design of critical instruments of the project as ACES process was not used on a large scale before. At this stage, BCIC decided to go ahead with the project. On December 14, the project was approved by the Planning Commission.

At the initial stage, the project cost should be limited to Tk 210 crore, the Planning Commission suggested. BCIC project proposal estimated the cost to Tk. 316 crore.

The Industries Minister said Toyo, BCIC, Implementation, Monitoring and Evaluation Department (IMED) and Planning Commission experts differed on the increase of urea production. IMED expressed its concern that the project would not be viable from the very beginning.

Without getting approval of ECNEC, BCIC, proposed to the Industries Ministry that a contract to this effect could be signed within Toyo Engineering. Ignoring negative comment of an official of the ministry, the proposal was submitted to the sub-committee on purchase of the Council of Ministers. On the basis of this, a contract was signed between BCIC and Toyo on October 26, 1988 without approval of ECNEC.

The Industries Minister said the project got the President's approval after three months of signing of the contract which was a clear violation of the existing rules. In the face of mounting protests from the workers of the factory, the project received green signal.

The provisions of the contract suggested that the project would cost Tk. 349 crore out of which Tk 100 crore from Government's own resources and the rest was grant from Japanese Government. The Toyo Engineering has already been paid Tk 341 crore as per contract.

The enquiry committee also examined the ACES process discovered by the Toyo Engineering, the Minister noted. The committee found that some critical instruments were required to be installed including carbon di-oxide stripper, designed solely by Toyo. It was found that the process was installed nowhere in the world with such a large magnitude.

In Korea and Spain, the process was introduced with production capacity of 600 tons and 750 tons a day respectively. The Toyo Engineering wanted to introduce the process in 14 projects of four countries. Positive gestures were not available in case of 12 projects. There were no evidences that the process could be adjusted when the question of greater production capacity arises.

The committee felt that the assumptions upon which the BCIC thought the project would be viable were unfounded.

The report of the enquiry committee stressed that the effectiveness of the rehabilitation scheme of 1987 should have been adequately reviewed and it would have been more realistic if a viable and realistic project could be taken up in 1994-95 or a little earlier.

Industries Minister Shamsul Islam Khan was assisted by Prof. Iqbal Mahmud of BUET, Industries Secretary Shafiul Alam, BCIC Chairman Nefaur Rahman in the Press conference.

Indian industrial policy cuts bureaucratic control

NEW DELHI, July 26: Indian business and industry leaders applauded on Thursday a new industrial policy that cuts a swathe through red tape, but warned the budget that followed it could spur inflation, reports Reuter.

"The industrial policy is dramatic and unexpected. It is far beyond our expectations," Federation of Indian Chambers of Commerce and Industry (FCCI) Secretary-General Pai Panandikar said.

However, the delayed 1991/92 budget(April/March), announced hours after the new policy on Wednesday, was not in tune with the industrial reforms, industrialists said. It was inflationary and harsh on the corporate sector, they said.

Consumer price inflation is running at nearly 14 per cent. Finance Minister Manmohan Singh defended his budget, telling a news conference: "The proposals have brought down the fiscal, revenue and budget deficits to contain money supply".

The government promised its industrial policy would "unshackle the Indian industrialist from the cobwebs of unnecessary bureaucratic control".

It does away with most industrial licensing and proposes a law that would free large companies to expand.

At present, companies need licences for proposals involving an investment of 150 million Rupees (5.8 million Dollars) and companies with turnovers exceeding 10 billion Rupees(385 million Dollars) need permission to expand.

"Industry did expect relaxation of these controls but we never expected they would be done away with," Panandikar said.

FICCI President and leading industrialist SK Birla said the policy "is the most welcome and the first major step in what is necessarily a continuous process of deregulating the economy".

The new policy allows majority holding for foreign companies in joint ventures in high priority industries requiring large investments and advanced technology.

Birla said FICCI would try to popularise the new policy and invite major foreign direct investments into the country.

India, which has in the past held up foreign investment applications for years in a tortuous approval process, drew a paltry 75 million Dollars in foreign investment in 1990.

"Most European and American investors would be interested in coming to India," said a foreign banker, who did not want to be named. "The field is now wide open".

It would be unrealistic to expect a rush of foreign investors at a time of tough competition from eastern Europe and neighbouring Asian countries, a government official said.

" We have a reputation for being difficult. Such an image is not going to vanish overnight," he said.

Business leaders said the new policy was not without flaws.

World Bank's earnings rise by 15 pc

WASHINGTON, July 26 : The World Bank Thursday announced a 15 per cent increase in earnings for the year ending June 30 despite a sharp rise in loan loss provisions, reports AFP.

The Bank's net earnings reached 1.2 billion Dollars, up from 1.05 billion Dollars for fiscal year 1990, according to a statement which noted that this year's earning marked the seventh consecutive year that revenues exceeded one billion Dollars.

Senior Vice President for Finance Ernest Stern said that the bank was not seeking to maximise profits but rather to "achieve a level of net income adequate to maintain prudent protection against the risks inherent in lending to developing countries.

Profits rose despite a change in the bank's loan loss provisioning policy which pushed provisions up to two billion Dollars from 1.25 billion Dollars last year, the statement said.

The rise in provisions was due to the new policy rather than an increase in bad loans.

Japan will freeze auto exports to EC states

BRUSSELS, July 26 : Japan would freeze auto exports to the European Community (EC) at their current level of 1.23 million vehicles a year while boosting output from its EC plants under a proposal here, informed sources said Thursday, reports AFP.

The draft agreement put to EC ministers this week by the European Commission would see French imports almost double from 80,000 cars to 150,000 by 1999, after which the European market would be fully opened up.

The other countries which currently impose strict limits on Japanese cars would also see imports rise, to 138,000 for Italy 190,000 for Britain, 79,000 for Spain and 23,000 for Portugal.

But while direct imports would be held at 1.23 million vehicles a year, virtually unchanged from last year's 1.25 million, output at Japanese markers plants in EC countries would grow from the current 260,000 to some 1.2 million.

No quota as such is being officially set for production in Europe, but the commission gave a production forecast based on the planned increase in capacity in the European plants to 1.2 million by the turn of the century.

This gives a combined total of Japanese brand cars, both European-made and imported of 2.46 million, or some 16 per cent of a market estimated at 15.1 million vehicles at the turn of the century.

The current Japanese market share is around 11 per cent. The EC has been negotiating with Japan for some kind of agreement on voluntary restraint on imports until the end of the century to allow the European industry to prepare itself for a fully open competitive market.

EC ministers were generally favourable to the latest proposal when it was put to them in talks on Monday and Wednesday this week, and the commission has asked them for a formal response on Friday.

French Prime Minister Edith Cresson said Wednesday that the talks with Japan would be "completed within days in conditions that will be good for Europe" with quotas on Japanese cars lifted "according to procedures and a rhythm which suits us."

But a senior official from Japan's Ministry of International Trade and Industry said in Tokyo Thursday that the talks were not likely to be completed before September.

Japan was still opposed to the inclusion of European made cars in any quota, he said.

"When the EC requests something about restricting production among Japanese subsidiaries outside Japan, including those in Europe, we cannot agree with this request", he added.

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on July 18 and July 25, 1991.

Company	EV/ML*	July 18 Taka	July 25 Taka	1990-'91 High Taka	1990-'91 Low Taka
BANKS (Ten)					
AL Baraka Bank	1000/1	810.00	805.00	1010.00	725.00
A.B Bank	100/5	185.00	185.00	185.00	135.00
City Bank	100/5	270.00	270.00	275.00	178.00
I.F.I.C	100/5	180.00	183.50	202.00	140.00
Islami Bank	1000/1	1215.00	1345.00	1350.00	1000.00
National Bank	100/5	109.00	107.00	125.00	102.00
Pupali Bank	100/5	110.00	110.00	110.00	90.00
Rupali Bank	100/10	77.00	75.00	110.00	75.00
U.C.B.L	100/5	129.00	129.00	138.00	128.00
Uttara Bank	100/5	214.00	214.00	230.00	193.00
INVESTMENT (Eight)					
I.C.B	100/5	100.00	100.00	100.00	90.00
1st ICB M.Fund	100/5	422.00	422.00	450.00	405.00
2nd ICB Fund	100/5	186.00	186.00	200.00	170.00
3rd ICB M. Fund	100/5	155.00	155.00	168.00	143.00
4th ICB M. Fund	100/10	141.00	140.50	157.00	133.00
5th ICB M. Fund	100/10	124.50	124.50	139.00	115.00
6th ICB M. Fund	100/10	88.00	88.00	100.00	85.00
ICB Unit Cert.					
Sales Price					
Re-purchase					
INSURANCE (Four)					
BGIC	100/10	110.00	110.88	117.50	104.00
Green Delta	100/10	110.00XD	111.50	122.00	104.50
Peoples	100/10	120.50AL	120.00AL	120.50	108.00
United	100/10	116.56	117.00	122.00	105.00
ENGINERING (Nineteen)					
Aftab Automobiles	100/5	197.00	199.00	220.00	184.00
Atlas Bangladesh	1050	39.50	39.50	44.00	36.00
Aziz Pipes	100/5	250.00	250.00	250.00	218.00
Bangladesh Autocars	100/5	102.00	100.00	123.00	100.00
Bangladesh Lamps	105/5	290.00	260.00	290.00	230.00
B.Thai Alluminium	100/10	98.52	100.00	110.00	75.00
Bengal Carbide	100/5	400.00	400.00		
Bengal Steel	10/50	18.00	18.00		
Eastern Cables	100/5	78.00	76.69	109.00	75.00
Howlader PVC	100/10	103.00	100.00	122.00	100.00
Karim Pipe	100/5	117.00	117.00	130.00	110.00
Metalex Corp.	100/5	100.00	102.00	102.00	75.00
Monno Stafllers	10/05	250.00	250.00	250.00	250.00
Monno Jutex	100/5	350.00	350.00	350.00	350.00
National Tubes	100/10	110.00	111.00	137.00	103.00
Panther Steel	10/50	6.00	6.00		
Quasem Drycells	10.50	8.00	8.00	9.30	7.50
Renwick Jajneswar	100/5	67.00	67.00	74.00	48.00
Singer Bangladesh	100/5	1005.00	1005.00	1125.00	1000.00
FOOD & ALLIED (Twenty one)					
A.B Biscuit	100/5	200.00	200.00	200.00	200.00
Alpha Tobacco	10/50	48.00	48.00	48.00	48.00
Aman Sea Food	100/5	36.00	36.00	40.00	36.00
Apex Food	100/5	340.00	340.00	340.00	270.00
Aroma Tea	100/5	50.00	50.00	50.00	45.00
Bangas	100/5	305.00	305.00		
Bengal Food	100/5	148.00	145.00	255.00	140.00
B.L.T.C.	100/5	600.00	600.00	600.00	600.00
B.T.C.	10/50	50.00	47.00	83.00	35.00
Ctg. Vegetable	100/0	100.00	100.00	117.00	92.00
Dhaka Vegetable	100/5	130.00	127.00	175.00	127.00
E.L. Cemellia	100/5	700.00	700.00	700.00	500.00
Frogleg Export	10/50	6.00	6.00	6.75	4.00
Gemini Sea Food	100.00	100.00	100.00	100.00	100.00
Modern Industries	100/5	160.00	160.00	160.00	135.00
N.T.C	100/5	265.00	265.00	280.00	220.00
Rabeya Flour	10/100	NT	NT	-	-
Rupan Oil	10/100	6.00AL	6.15AL	7.50	6.00
Tulip Dairy	100/10	92.00AL	92.00AL	105.00	90.00
Yousuf Flour	10/50	NT	NT	-	-
Zeal Bangla	10/50	8.10	8.00	10.00	7.50
FUEL & POWER (Three)					
Padma Oil Co.	10/50	40.00	40.00	45.00	40.00
Eastern Lubricant	10/50	14.00	14.00	81.50	46.50
Oxyzen	10/50	48.50	49.00	-	-
JUTE (Twelve)					
Ahad Jute	100/10	NT	NT	-	-
Anowara Jute	10/50	NT	NT	-	-
Delta Jute	10/50	8.50	8.50		
Gawsia Jute	10/50	NT	NT	-	-
Islam Jute	100/5	54.00	54.00	63.00	54.00
Jute Spinner	100/5	97.00	97.00	100.00	93.00
Mutual Jute	100/5	100.00	100.00	100.00	50.00
Northern Jute	10/50	NT	NT	-	-
Shamser Jute	100/5	100.00	100.00		
Spetialised Jute	10/50	NT	NT	-	-
Shine Pukur Jute	100/5	94.00	94.00	95.00	94.00
Sonali Aansh	100/5	83.18	83.00	85.00	60.00
PHARMACEUTIC ALS & CHEMICALS (Fifteen)					
Ambee Pharma	10.50	13.75	14.00	15.50	13.50
Bangla Process	100/5	50.00	50.00	68.00	50.00
Beximco Pharma	100/5	173.33	171.37	185.00	149.00
Glaxo	10/50	125.00	25.00	240.00	125.00
I C I	10/50	10.00	10.00		
Kohinoor Chemical	100/5	68.00	66.96	93.00	66.00
Petro Synthetic	10/50	15.50	15.75	16.00	13.00
Pfizer	100/5	110.00	110.00		
Phama Aids	100/5	175.00	165.00	175.00	150.00
Phamaco	100/5	40.00	40.00	42.00	39.00
Progressive Plastic	110/5	45.00	45.00	58.00	45.00
Reckitt & Colman	10/50	240.00	240.00	240.00	240.00
Rahman Chemicals	100/10	35.00AL	35.00AL	60.00	35.00
Therapeutics	100/5	40.00	40.00	40.00	35.00
The Ibnsina	100/10	90.00	90.00	100.00	79.00
PAPER & PRINTING (Six)					
Eagle Box	10/50	13.00	13.25	15.00	11.50
Monospool	100/5	105.00	105.00	125.00	98.00
Paper Converting	100/5	113.00	113.00	113.00	90.00
Paper Processing	100/10	106.00AL	106.00AL	112.00	106.00
Padma Printers	10/50	50.00	50.00	50.00	25.00
Sonali Paper	10/50	55.00	55.00	55.00	55.00
SERVICE (Two)					
Bangladesh Hotel	10/50	12.00	12.00	-	-
Bd. Service	10/50	NT	NT		
TEXTILE (Eighteen)					
Alhaj Textile	10/50	NT	NT	-	-
Arbee Textile	100/10	NT	NT	-	-
Ashraf Textile	10/50	32.00	32.00	33.00	27.00
Chand Textile	10/50	NT	NT	-	-
Chand Spining	10/50	NT	NT	-	-
Desh Garments	100/10	68.00	67.00	100.00	80.00
Dulamia Cotton	100.10	85.00AL	85.00AL	104.00	69.00
Eagle Star	10/50	34.00	34.00	36.50	30.00
GMG Ind. Corp.	10/50	13.00	13.00	13.00	10.00
Modern Dying	100/5	35.13	34.00	44.00	32.00
Quasem Silk	10/50	6.00	6.00	8.00	6.00
Quasem Textile	10/50	8.25	8.25	9.25	7.50
Rahim Textile	100/5	46.00	46.00	65.00	46.00
Saiham Textile	100/10	78.00	77.00	90.00	77.00
S.T.M. (ORD)	100/5	17.00	17.00	17.00	12.00
Stylecraft	100/5	100.00	100.00		
Swan Textile	100/5	60.00	60.00	73.00	60.00
Tallu Spinning	100/10	114.25AL	113.50AL	126.50	101.00
MISCELLANEOUS (Fourteen)					
Apex Tannery	100/5	144.00	145.00	150.00	138.00
Aramit	10/50	NT	NT	-	-
Bata Shoe	10/100	37.25	37.00	47.00	36.50
Beximco	10/100	9.00	8.50	10.50	8.25
B.S.C	100/5	45.00	45.00	45.00	45.00
Chittagong Cement	100/5	162.50	163.05	166.00	129.00
G. Q. Ball Pen	10/50	55.50	55.50	64.00	51.00
Himadri Ltd.	10/100	NT	NT	-	-
Milon Tannery	100/5	30.00	30.00	39.00	26.00
Monno Ceramic	100/5	142.00	139.00	160.00	127.00
Pheonix Leather	100/5	90.00	90.00	100.00	90.00
Savar Refractories	100/5	104.00	105.00	132.00	104.00
The Engineers	100/5	100.00	100.00		
Usmania Glass	100/5	135.00	135.00	150.00	123.00
DEBENTURES (Four)					
Apex Tannery (17% 1992)	1000/1	990.00	986.49	1040.00	950.00
Bengal Food (18.5% 1992)	1470/1	875.00	875.00	1230.00	875.00
Beximco Pharma (17% 1997)	1714/1	1555.00	1560.00	1735.00	1540.00
Quasem Silk (17% 1994)	2000/1	1590.00	1590.00	1600.00	1400.00

** FV = Face Value* ML= Market Lot NT= Not Traded, AL=Allotment Letter XB= Ex.Bonus/ XD= Ex. Dividend

* Trading was closed on February 21 because of 'Shaheed Day'

Marcus W Brauchi, Tokyo Correspondent, The Wall Street Journal and The Asian Wall Street Journal, interviewed Mohammad Mosharraf Hossain, President, BGMEA on July 23 on the growth of industry and its socio-economic impact on Bangladesh by providing job opportunities and earning of foreign exchange. They also discussed the impact of the closure of the BCCI on the export-oriented garment industry of the country.

UN money frozen in BCCI branches

NEW YORK, July 26 : The United Nations said on Thursday about 500,000 Dollars of UN money was frozen in branches of the failed Bank of Credit and Commerce International in two African countries, the New York Times reported in its early today edition, reports Reuter.

The Economic Commission for Africa, part of the economic and social council, and the United Nations High Commission for Refugees maintained accounts in BCCI branches in Cameroon, according to Francois Giuliani, spokesman for Secretary-General Javier Perez de Cuellar, the newspaper said.

The Refugee Commission's account contained 12,000 Dollars, Giuliani said. The New York Times said the amount in the Economic Commission's account was not immediately available.

In Sierra Leone, UNICEF, the United Nations International Emergency Children's Fund, maintained an account with "less than 400,000 Dollars," the New York Times quoted Giuliani as saying.

Giuliani said the amounts in the two BCCI branches were small in terms of what the UN programmes spend in those two countries. He said the accounts had been frozen with the worldwide closing of the bank this month

Senate adds strings to US foreign aid

WASHINGTON, July 26 : The Senate moved Thursday to attach strings to US foreign aid that would require recipients to buy American goods and technology with the money they get from Washington, reports AP.

No Senator spoke against the amendment, which was added to a two-year foreign aid bill providing 14 billion Dollars for friendly countries next year, and a like amount in 1993. The vote was 99 to 0.

Several difficult issues remained to be dealt with on the foreign aid bill, including debates over US military aid to El Salvador and the financing of world population agencies that include abortion counseling in their services.

The "buy-American" amendment is opposed by the Bush administration, which sees the provision as an unwieldy constraint on its conduct of foreign affairs.

"Why in the world don't we help ourselves while we're helping them at the same time?" argued the measure's chief sponsor, Senator David Boren on the Senate floor.

Kuwait Embassy deposited $60m into BCCI account in London

LONDON, July 26 : The Kuwaiti Embassy here deposited 60 million Dollars into an account at the Bank of Credit and Commerce International during a period when the Abu Nidal Palestinian Guerilla faction was squeezing Gulf states for contributions, the Daily Guardian reported Thursday, says AFP.

It appeared certain that Gulf states made "forced contributions to Abu Nidal's Fatah Revolutionary Council (FRC) to ward of attacks, although there was no concrete evidence", according to a French secret service report quoted by the Guardian.

The paper did not specify if the BCCI account which received the Kuwaiti deposit was directly linked to the FRC.

"Certain countries like Kuwait, which were for some time targets of the Fatah Revolutionary Council, now seem to enjoy relative peace," according to the February 1988 report based on information from British intelligence.

The French report said that Abu Nidal's account at BCCI was in the name of FRC commercial network head Samir Najmeddin.

Japan cool on Malaysian trade grouping plan

TOKYO, July 26 : Japan's powerful International Trade and Industry Ministry is cool towards Malaysia's controversial plan for an exclusive regional trade group, a senior ministry official said Thursday, reports AFP.

"Although Japan can understand the background or the feeling of Malaysia, we cannot subscribe to the exact ideas", he said, refuting remarks by a senior Foreign Ministry official last week that Japan had warmed to the proposal.

The official, who asked not to be named, said the exclusive membership of the proposed east Asian economic grouping risked being dominated by Japan.

"Free trade may not work in this area because of difference of competitiveness of industrial goods," the official said. "In the Asian area, although some companies can be compensatory and some can be horizontal.

Snippets

Bombay stock markets up

BOMBAY, July 26 : Indian stock markets is the year's peak Thursday, reflecting investor enthusiasm for the governments pragmatic budget and its decision to decontrol much of the private sector, reports AFP.

In a day of trading, stock prices shot through the roof on the Bombay Stock Exchange (BSE), whose sensitivity index, or Sensex, was within striking distance of the record 1,559.43 it hit on October 9, 1990.

The Sensex gained 95.77 points Thursday in post-budget trading to close at 1,555.43. The BSE's National Index was up 36.89 points to 754.29.

Poland to buy Saudi oil

WARSAW, July 26 : Poland is to buy 1.2 million tons of Saudi oil, marking the first time that Warsaw has signed a deal with the Middle East country with which it has not diplomatic relations, the Express newspaper reported Thursday, says AFP.

The first delivery of 105,000 tons, destined for a at plock, 120 kilometers (75 miles) north of Warsaw, will be made in Gdansk by a Norwegian Tanker, the paper said.

The price worked out between Saudi Arabia and the Polish company Petrolipex was "very advantageous, compared to that for Soviet oil, still less expensive than oil sold on western markets", said the newspaper.

Dollar rises, Yen plunges

LONDON, July 26 : The Dollar rose mainly due to technical factors here Thursday while the Yen plunged in reaction to a Japanese market stock scandal and fears Japanese interest rates would be cut, reports AFP.

Investors were losing confidence in Japan's ruling Liberal-Democratic Party following revelations that security firms' favoured clients received almost one billion Dollars compensation for trading losses in violation of Finance Ministry guidelines.

The Dollar closed at 1.7520 German Marks, up from Wednesday's 1.7360 Marks, and at 138.45 Yen against the previous 137.40 Yen.

Pak ECNEC okays $678m projects

ISLAMABAD, July 26 : The Executive Committee of the National Economic Council (ECNEC) of Pakistan approved development projects worth 16.6 billion Rupees (678 million US Dollar) in a meeting here on Thursday, according to official sources here today, reports Xinhua.

These approved projects, the sources said, include 11 schemes in the transport and communication sector, five projects in water sector, and projects in physical planning and housing, agriculture, education, energy, health and mass media sectors.

UN Council talks Iraqi oil sales

UNITED NATIONS, July 26 : The UN Security Council reached an informal agreement Thursday to tightly monitor any Iraqi oil exports it permits to assure the benefits go to suffering Iraqi civilians and not to Saddam Hussein, reports AP.

The 15-member council recessed after closed consultations without deciding whether to allow the sales. No date was set for a new meeting.

The US government wants a complete accounting of Iraq's goods, currency and food reserves before deciding to permit an oil sale, said US Ambassador Thomas R Pickering. He said Iraq ordered 2 million tons of foodstuffs last May and presumably had money to pay for it.

US firm to lay off 9,000 workers

BOSTON, Massachusetts, July 26 : Digital Equipment Corporation said Thursday it would lay off nearly 9,000 workers, close plants and restructures, resulting in an 871.3 million Dollar fourth-quarter loss, reports AFP.

Digital, the world's second largest computer firm, racked up a 1.1 billion Dollars charge against earnings, wiping out a 62 per cent gain in operating profit per share for the fourth quarter, or 7.08 Dollar per share.

The restructuring charge was well above what analysts had expected and it caused the company to report a net loss of 617.4 million Dollars for its fiscal year that ended June 29 — the first annual loss in Digital's 34-year history.

"It always hurts to downsize, but that is the cost of improvement and efficiency."