

OPEC output hits 23.5m barrels daily

NICOSIA, Sep 9: OPEC production rose to 23.5 million Barrels a day in August, mainly because of a continuing increase in Saudi Arabian output, the Middle East Economic Survey reported Monday, says AP.

The Saudis move is apparently aimed at preserving their dominance of the 13-member Organization of Petroleum Exporting Countries and bolstering strategy of keeping oil prices low to maintain long-term demand for oil.

This will put the Saudis at odds with OPEC hawks, who want higher prices, when the organization all ministers meet Sept. 24 in Geneva to set production ceilings.

The respected oil industry newsletter, published in Nicosia, said most of the 200,000-Barrel-Per-Day increase from July to August came from Saudi Arabia and Venezuela, with Kuwait at the end of the month resuming production for the first time since the Iraqi invasion.

Kuwait is currently producing around 160,000 Barrels a Day, a fraction of its pre-invasion output of 1.5 million Barrels daily.

Output is expected to rise to around 200,000 barrels a day by the end of the year as damaged oilfields and refineries are repaired.

The Saudis averaged 8.4 million Barrels a day in August, but some 400,000 Barrels of that went to topping up their overseas stocks.

The survey noted that the Saudis plan to boost export sales in the fourth quarter to 8.5 million Barrels a day.

New Zealand's retail power system to be privatised

WELLINGTON, Sept 9: New Zealand's retail electricity system is to be privatised in a multi-billion Dollar plan in which every adult will be given shares, Energy Minister John Luxton announced Monday, reports AFP.

A total of 52 local supply authorities retail electricity produced and distributed by the state-owned electricity corporation.

The weekly Examiner newspaper reported recently the retail assets could be worth as much as six billion New Zealand Dollars (\$3.4 billion US).

The retailers, mostly community owned boards or departments of regional councils, are to be turned into corporations under the Luxton plan. They will then have to divest their shares to consumers within five years.

Consumers of electricity, who were the owners of the retailers, would have the shares free of charge, he said.

Estimates have variously put the worth of the shares as between 1,400 and 3,000 Dollars (\$12 and 1,741 US) per adult. Luxton said any single owner would be prohibited from holding more than 10 per cent of a corporation's shares.

WASHINGTON, Sept 9: Tropical forests are disappearing more than 50 per cent faster than 10 years ago, with the earth annually losing forests equal to areas of Austria, Denmark and the Netherlands combined, the United Nations said in a report released on Sunday, reports Reuter.

In an analysis for the World Forest Congress to be held in Paris later this month, the U.N.'s Food and Agriculture Organisation (FAO) said 42 million Acres (16.8 million Hectares) of tropical forests are lost to development each year.

"In short, we run the very real risk of squandering a resource base that is fundamental to the future development of the earth," FAO Director-General Edouard Saouma said in a statement.

Loss of tropical forests results in extinction of plants and animal species, waste of forest resources, encroachment of deserts into once fertile regions, and could contribute to long-term global climatic changes, scientists say.

The FAO report said the loss can be reversed, however, because developed countries actually increased their forest resources by five per cent in 1980-85.

"Tropical forests in developing countries can also be self-sustaining, if properly managed," the report said.

The FAO, the United Nations Development Programme, the World Bank and the World Resource Institute have conducted the Tropical Forest Action Plan (TFAP) since 1985 to halt forest loss and launch programmes to replace resources.

Eighty-six nations have asked to participate in the plan, and 24 have started projects.

For example, the FAO report said, Brazil changed laws to remove subsidies that encouraged the clearing of Amazon forests, and Colombia returned 49.9 million Acres (19.96 million Hectares) of forests to its indigenous inhabitants.

"The TFAP aims to usher in a period of sustainable development of the tropical forests," Saouma said.

The FAO report said in 1981-90, about 70 per cent of deforestation took place in dense rain forests of Latin America, Asia and the Pacific.

30 BCCI officials summoned, held in Abu Dhabi

LONDON, Sept 9: Several senior officials of the disgraced Bank of Credit and Commerce International (BCCI) are reported to have been detained by authorities in Abu Dhabi, British Television said on Sunday, reports Reuter.

The British Broadcasting Corporation said more than 30 officials at the bank closed down after charges of massive fraud were summoned to what was ostensibly a business meeting at the bank's head office in central Abu Dhabi on Sunday.

The BBC quoted witnesses as saying police surrounded the building and officials were taken away in three police minibuses.

The BBC said the arrests took place in front of BCCI staff in the building but the authorities would not confirm that anyone had been detained.

It was understood that the former chief executive of the bank Swaleh Naqvi was among those held, the report said.

BCCI is 77.4 per cent owned by Abu Dhabi and depositors have appealed to its ruler Sheikh Zaid Bin Sultan Al Nahyan, for help in recovering their money.

Last week Abu Dhabi set up an investigating committee to look into BCCI affairs before any rescue package for the failed bank could be organised. Those detained may be helping with the inquiry, the BBC said.

BCCI was closed down on July 5 as part of a worldwide swoop led by the Bank of England after revelations of widespread fraud and loan irregularities subsequent reports

have said the bank channelled money for guerrilla groups and drug barons.

Reuter adds from Dubai: More than 20 senior officials of the disgraced BCCI are being held by Abu Dhabi authorities, possibly for questioning, banking sources in the Emirate said today.

They were detained on Sunday by police who swooped on BCCI's headquarters in the Gulf State.

There was no official confirmation of their removal from the BCCI building where many employees still work, despite the suspension of the bank's global operations on July 5 amid charges of widespread fraud.

The police action followed eyewitness reports that BCCI officials had been summoned to the bank's headquarters ostensibly for a meeting.

The sources said it was not clear if the officials, reported to include Acting President Swaleh Naqvi, had been formally arrested.

Naqvi has been indicted in the United States on money laundering charges along with five other BCCI officials, the U.S Justice Department said on Friday.

A British embassy spokesman declined to confirm if fraud squad detectives from London were in Abu Dhabi.

Sheikh Zaid Bin Sultan Al Nahyan, the ruler of Abu Dhabi and President of the United Arab Emirates, will start an official visit to France on Monday.



Faces of the Soviet deprived that look to a new regime for help: a beggar with a Lenin tattoo begs for money in the streets of Moscow; two shoppers carry home cabbages as Leningrad brings in food rationing; angry Muscovites surge round a bank earlier this year as withdrawals were limited to Roubles 500 a month. Courtesy: Financial Times



IMF forecasts recovery of world economy next year

WASHINGTON, Sept 9: The International Monetary Fund expects the world economy to emerge from its worst performance in nearly a decade and stage a modest recovery next year, diplomats said, reports Reuter.

The fund is forecasting that world economic growth will accelerate to close to three per cent next year after dropping to about one per cent in 1991, they said.

Lower interest rates and oil prices should help spur the recovery from this year's slump, which was triggered by the financial fall-out of the Gulf crisis, particularly the sharp rise in oil prices that followed Iraq's invasion of Kuwait.

The global rebound will be paced by a recovery in the United States, where the economy is expected to expand by about three per cent next year after contracting slightly in 1991.

The new forecast will be officially released in the middle of next month just

before the IMF-World Bank annual meeting in Thailand, the diplomats said.

They said IMF staff appears confident that the US recovery is sustainable and that a "double-dip" recession — where the economy deteriorates again after a brief upturn — is unlikely.

But some private economists are not so sure and believe that further interest rate cuts are needed to keep the US economy moving ahead.

An economic rebound in the United States, Canada, Britain and some other industrial nations should be enough to offset slower growth in Japan and Germany.

Diplomats said the IMF expects growth in Japan to slow to slightly under four per cent next year from slightly over four per cent this year and in the former West Germany to about two per cent from three per cent or more. Reliable economic figures for the former East Germany are not available yet.

UK industry bosses bullish about economic future

LONDON, Sept 9: British Industry bosses are bullish about the country's economic prospects, a survey by the Institute of Directors reported Sunday, says AFP.

The survey, "provides the clearest evidence yet that confidence is returning," said Peter Morgan, Director General of the Institute.

"Thirty-six per cent of the industry chiefs were 'more optimistic' about the future in Britain, the highest proportion, except for a brief period immediately following the Gulf war, in two years of surveys.

"Business performance is still flat for many companies, but directors — the decision makers — can see that the blanket of recession is beginning to lift", said Morgan.

"Inflation is being defeated. Interest rates are coming down and the economy can be expected to show signs of recovery in the final quarter of this year," the Director General added.

City analysts meanwhile Sunday estimated that the August inflation figure to be published Thursday will show a drop to 4.5 per cent from the 5.5 per cent figure in July.

Soviet changes continue to affect metal markets

LONDON, Sept 9: The crisis in the Soviet Union continued to provide the main highlights in commodity markets over the past week, depressing nickel and gold but supporting oil prices, reports AFP.

Gold prices remained close to the 14-month lows touched the previous Friday, as the market continued jittery on the prospect of Western banks selling a part of the Soviet gold stocks they hold as guarantees on loans.

Nickel prices on the London Metal Exchange (LME) meanwhile fell to a 19-month low on fear that Soviet exports would accelerate in response to a need for hard currency.

Gold: Depressed. After edging slightly ahead in the wake of the previous Friday's 14-month low, gold slipped back to this depressed level by the end of the week.

Concern that Soviet gold deposited in Western banks as collateral on loans may be sold

because of the Union's disintegration continued to dominate the market.

Although improved demand from the jewellery industry is expected to bring support in the run-up to Christmas. The most pessimistic forecasts have suggested gold could fall to 335 Dollars an ounce — a level last seen in 1986 — in the near term.

Platinum: Firmer. Platinum prices moved ahead sharply on improved sentiment and then news of the closure of the Bakong North Mine in South Africa because of violence.

But the closure only lasted one day and platinum prices came under pressure against towards the end of the week, although they remained above previous levels.

Silver: Firmer. Silver prices moved steadily ahead, unaffected by the depressed state of gold prices and supported by increasing prospects of a recovery in industrial demand.

Copper: Easier, then recovery. After drifting lower at the beginning of the week, copper recovered most of its losses on concerns about tightness on September delivery dates.

The premium for forward metal over spot metal narrowed to just four Pounds.

Civil unrest in Zaire, the world's fourth largest producer, was an additional supportive factor. LME stocks rose 6,750 tonnes to 310,000 tonnes, their highest level since April 1984.

Zinc: Steady. Zinc prices were steady at around 1,040 Dollars per tonne for three-month delivery, just above recent contract lows. Stocks rose 8,250 tonnes to 147,825 tonnes, a new record high.

Tin: Slightly easier. Tin prices edged slightly lower despite news of a 29 per cent fall in first half output in Malaysia to 10,904 tonnes. LME stocks fell just 25 tonnes to 15,200 tonnes.

Moscow tries to guarantee food supply

MOSCOW, Sept 9: Moscow formed an Emergency Committee on Saturday to try to guarantee that basic food supplies reach the Soviet Capital, Tass news agency reported, says Reuter.

"The catastrophic situation with food supplies dictates such extraordinary measures," Tass quoted the head of the Committee, Vladimir Karnaukhov, as saying.

He said supplies were so poor and agriculture around the city in such a state it was possible Moscow could even be without reserves of potatoes this winter.

The committee was working on agreements with other republics to supply vegetables.

State shops in the city are almost empty and high prices at private markets with plentiful fruits and vegetables leave many Muscovites gasping.

China releases Hong Kong trader

HONG KONG, Sept 9: China on Monday freed a Hong Kong businessman who had served 23 months of a five-year prison sentence for helping pro-democracy activists escape from the country, reports AP.

Lo Haxing, 42, was released in the southern city of Canton four days after British Prime Minister John Major wrapped up a trip to China and Hong Kong.

Beijing is believed to have released Lo as a kind of repayment to Major, who last week became the first Western leader to visit China since its crackdown on a pro-democracy movement in June 1989.

Lo's name was a last-minute addition to a list of political prisoners that Major presented to Chinese Premier Li

Aluminum: Slightly easier. Aluminum edged slightly lower despite indications that Soviet production is set to fall sharply because of hard currency shortages.

In the first quarter of the year, Moscow imported just 30,000 tonnes of bauxite, the raw material for aluminum, compared with 250,000 tonnes in the same period of 1990.

Nickel: Easier. Nickel prices fell to their lowest level since February last year on concerns that an estimated 10,000 tonnes of Soviet metal was about to come onto the market.

After three-month metal touched a low of 7,700 Dollars, prices bounced back slightly and an unexpected fall in LME stocks Friday was expected to continue this trend. Over the week LME stocks rose 288 tonnes to 7,020 tonnes.

Lead: Easier. Lead prices drifted lower in dull trading, the market awaiting the seasonal upturn in demand from replacement car battery markets. LME stocks rose 2,700 tonnes to 95,925 tonnes.

Sugar: Irregular. Raw sugar progressed strongly, supported by hopes for an upturn in sales to the Soviet republics with the impending demise of sugar-for-oil barter arrangements with Cuba.

In contrast, white sugar eased slightly despite a forecast by London tradehouse Czarnikow that production in Europe, the world's leading supplier, could fall to 15.3 million tonnes in 1991-92 from 17 million in 1990-91.

Rubber: Quiet. Trading continued quiet with little consumer interest being seen, traders said.

Prices dipped below the "may buy" level on Friday although no intervention was noted.

Some interest from industrial consumers was noted after the quiet summer period.

Coffee: Irregular. Prices were supported early in the week by a meeting between the Presidents of Colombia and Brazil, the market hoping for a firm commitment to a producers' export retention scheme.

Development costs 42m acres forests a year

climatic changes, scientists say.

The FAO report said the loss can be reversed, however, because developed countries actually increased their forest resources by five per cent in 1980-85.

"Tropical forests in developing countries can also be self-sustaining, if properly managed," the report said.

The FAO, the United Nations Development Programme, the World Bank and the World Resource Institute have conducted the Tropical Forest Action Plan (TFAP) since 1985 to halt forest loss and launch programmes to replace resources.

Eighty-six nations have asked to participate in the plan, and 24 have started projects.

For example, the FAO report said, Brazil changed laws to remove subsidies that en-

couraged the clearing of Amazon forests, and Colombia returned 49.9 million Acres (19.96 million Hectares) of forests to its indigenous inhabitants.

"The TFAP aims to usher in a period of sustainable development of the tropical forests," Saouma said.

The FAO report said in 1981-90, about 70 per cent of deforestation took place in dense rain forests of Latin America, Asia and the Pacific.

The remaining 30 per cent occurred in Africa's grasslands, were arid and semi-arid zones are being over-used by growing human and animal populations.

Africa's situation is critical, the FAO said. For a while forests can recover in humid tropics, but once the protective vegetation is removed in dry areas, the desert moves in.

Terminator 2 hits box office record in Singapore

SINGAPORE, Sept 9: American movie Terminator 2 grossed more than two million Singapore Dollars (1.16 million US Dollars) in its first 30 days here, smashing previous box office records in Singapore, the Sunday Times newspaper said, reports Reuter.

The movie, starring Arnold Schwarzenegger, overtook the American comedy "Home Alone", which grossed 1.77 million Dollars (nearly 1.02 US Dollars) in 64 days earlier this year.

A Chinese movie, Shaolin Temple, had previously held the Singapore record, grossing 1.76 million Dollars (1.02 million US Dollars) in a 45-day run in 1982.

Oil and grain prices firmer

LONDON, Sept 9: The crisis in the Soviet Union provides the main highlights in oil and grain markets ever the past week, reports AFP.

Acting Soviet Oil Minister Vagit Alekperov caused flutters on the oil markets by predicting a significantly sharper drop in Soviet output this year than anyone had been banking on.

Some analysts forecast that the loss of Soviet supplies in Western European markets could put two Dollars a barrel on crude prices this winter, but bearish US stocks data trimmed gains over the past week.

In softs, cocoa rallied to an eight-month high on hopes for the first deficit of production in relation to consumption for seven years and ahead of a meeting of the International Cocoa Organisation (ICCO) Council in London.

Grains: Firmer. Prices firmed generally on hopes for increases in Western credits to

enable the Soviet Union to buy grain this winter to alleviate an impending food crisis.

Moscow Radio reported that Ukraine, the "bread basket" of the Soviet Union, would need to buy five million tonnes of grain from abroad.

Fears of a cold snap in the upper mid-west region of the United States were also supportive.

Oil: Steady. After initially firming on a prediction that Soviet output would fall sharply this winter, prices returned to previous levels on US stocks data.

Vagit Alekperov, the acting Soviet Oil Minister, predicted that Soviet oil output would fall to 10 million barrels per day this year, its lowest level for 16 years and 0.2 to 0.5 million barrels below previous market forecasts.

Vegetable Oils: Irregular. After an easier start vegetable oils recovered previous levels. Coprah oil easier despite a

forecast from Specialists Review Oil World of a seven per cent fall in world production in 1991-92, mainly attributed to falls in Philippines production, following drought problems in 1989 and 1990.

Tea: Firm. Tea prices at the weekly London auction firmed in line with improved demand.

Nominal prices were firmer at 140 pence per kilo for quality grade against 130 pence, and at 75 pence per kilo against 60 pence for low medium, but fell from 115 to 96 pence for medium grade.

Cotton: Slightly easier. Prices eased slightly on the Liverpool market with interest centred on US and Soviet supplies.

The International Cotton Advisory Committee (ICAC) predicted a five per cent rise in world cotton supply in 1991-92 to 121 million bales but said that this would be partially offset by a rise in demand to 91 million bales.

Most Asian currencies stronger against US Dollar

HONG KONG, Sept 9: Most Asian currencies finished the week stronger against the US Dollar amid speculation of a future cut in US interest rates, reports AFP.

The Japanese Yen gained ground as dealers predicted the release of US jobless figures yesterday would result in a cut in interest rates.

The Australian, New Zealand, Singapore, Hong Kong and Taiwan Dollar all posted gains against the Greenback, together with the Malaysian and Thai units.

The Indonesian Rupiah and South Korean Won lost ground, while the Philippines Peso remained unchanged.

Japanese Yen: The Yen firmed against the Dollar amid prospects of easier credit in the United States to close the week at 136.00 Yen to the Greenback, up from 136.88

Yen a week earlier.

It opened the week slightly higher at 136.83 Yen and steadily gained ground amid growing speculation that the release of US jobless figures late Friday would prompt a cut in interest rates.

It touched the week's high of 135.07 Yen on Friday but eased on Saturday amid reports that the Bank of Japan was allowing lower interest rates. But Finance Minister Ryutaro Hashimoto said Saturday he foresaw no immediate cut in the discount rate.

Australian Dollar: Foreign buying boosted the Australian Dollar during the week despite authorities easing cash rates

one percentage point to 9.5 per cent, dealers said Friday.

The currency ended at 78.65 US cents compared to 78.50 US cents a week ago.

It closed at 60.5 against the trade-weighted index compared with 60.4 previously.

Dealers said that after the Reserve (central) Bank acted on Tuesday the Dollar fell more than half a US cent to a low of 77.57 US cents, but had since recovered.

Hong Kong Dollar: The Hong Kong Dollar finished stronger against the Greenback at 7.7555-7.565, up from the previous week's close of 7.7602-7.7680. The effective exchange rate was 113.0.

The Hong Kong Dollar has

been officially pegged at 7.80 to the Greenback since October 1983.

Indonesian Rupiah: The Indonesian Rupiah fell to close at 1,966 Rupiah to the Dollar on Friday from 1,964 a week earlier.

Malaysian Ringgit: The Malaysian Ringgit closed higher at 2.7748 against the US Dollar Friday compared with 2.7853 previous Friday.

The local unit opened Monday at 2.7860 and was traded between 2.7870 and 2.7740 during the week.

Dealers said the central bank intervened in the market for the last three trading days.

They said trading was limited Friday as the market

awaited the release of the US unemployment figures.

New Zealand Dollar: To the horror of exporters the New Zealand Dollar ended a long term downward trend by closing up Friday.

At close of trading the Kiwi was worth 58.04 US cents, up from the previous Friday's close of 57.35 cents.

Brokers said strong buying by investment banks in the United States pushed the currency up half a US cent during Thursday night and dealers said it was now set to go higher.

The Kiwi was bought by overseas investors after encouraging remarks by credit rating agency Moody's

Investors Services about New Zealand's economic policies.

Philippine Peso: The Philippine Peso, which stood at 27 Pesos to the Dollar on August 30, closed unchanged Friday, having remained at the same level all week.

The Peso is widely expected to remain at the same level as the central bank appears committed to keeping it from appreciating too much or falling further.

Singapore Dollar: The Singapore Dollar finished marginally firmer against the US Dollar at an exchange rate of 1.7180 here Friday against last week's level of 1.7215.

Dealers said trading in the Greenback was very low.

The OCBC Bank's trade-weighted index for the Singapore Dollar stood at 136.01 Friday, up from last week's level of 136.00.

The index is calculated against the currencies of Singapore's top 12 trade partners.

South Korean Won: The Won fell from 735.50 Won to the Dollar a week ago to 740.30 Won Friday.

Dealers said the Won continued falling because of South Korea's trade deficit which amounted to some nine billion Dollars for the first eight months of August.

Taiwan Dollar: The Taiwan currency closed Friday at a 15-month high of 26.52 Dollars to

the Greenback, up from the previous week's close of 26.7.

The local unit opened the week at 26.7 and kept on an upward trend throughout the week. Central Bank of China Governor Samuwl Shieh said the government would not intervene "as long as no speculation is involved."

Thai Baht: The Thai Baht slightly strengthened against the US Dollar Friday closing at 25.69 Baht compared with 25.72 Baht the previous week.

The strength of the Baht against the Dollar next week will be affected by the US unemployment figures which were put at 6.8 per cent Friday.

An official had predicted that if the rate was lower than 6.9 per cent, the Greenback should jump against the Baht.