Russia to limit oil exports from Dec 1

MOSCOW, Nov 18 : The Russian federation will limit its oil exports from December 1 in order to keep reserves for the winter, according to a government decree published by Tass news agency Sunday, reports AFP.

From December, exports of oil and petroleum products will have to be authorized by Boris Yeltsin's Russian government.

On Friday, Russian Deputy Premier Yegor Gaidar told the republic's parliament that oil export licenses were being suspended to help preserve winter stock for domestic consumption.

The move was essential, otherwise "we will have absolutely nothing to burn this winter," Gaidar said.

Export licenses account for 100 million to 150 million of tons of oil a year, over a third of Russia's output, the minister said.

The Russian government will review all oil export licences over the next 10 days, Tass said.

Russia produces about 80 per cent of all Soviet oil, 30 per cent of it for export.

The Soviet Union was expected to produce some 520 million tons of oil this year, of which 425 to 475 million would be used for domestic consumption, according to western sources.

During the first six month of the year, Soviet exports were down by 50 per cent on last year, to 30 million tons.

Seminar held on processing of hosiery

Star Economic Report

A seminar on 'State of the art processing of hosiery" was organised by the Chemicals Division of Sandoz in Dhaka on Sunday at a city hotel. The seminar was largely attended by Hosiery and Knitwear manufacturers and their technical staff and dealt with such important subjects as pre-treatment of cotton hosiery, criteria for dye stuff selection, shrinkage control etc, says a press release of Sandoz.

L F Poonawalla, Technical Director, Mujtaba Rahim, Product Range Manager and Moazzama Khatoon, Product Manager Dyestuffs presented papers on the subject. By the use of slides and charts speakers highlighted the basic problems of the industry and ways means to overcome these problems.

Farhat Mirza, Regional Director Chemical Division Sandoz in his welcome address expressed the confidence that Bangladesh's hosiery and knitwear industry would soon surpass the industries of many developed nations. He said that the main aim of this seminar is to equip the Bangladesh hosiery industry with tools required to compete in world markets. He said competitive prices and high quality goods will soon put Bangladesh amongst the leading exporting nations of the world.

Food situation critical in Albania

ROME, Nov 18 : Albanian Agriculture Minister Nexhmedin Dumani warned food supplies in his country were critically low and said any slowing of Western aid could have disastrous results, reports Reuter.

An emergency privatisation programme aimed at wiping out the legacy of 40 years of communism has interfered with normal planting and made the food outlook even worse, he said.

"We are in a deep financial crisis," Dumani told Reuters at a United Nations Food and Agriculture Organisation (FAO) conference in Rome.

"The food situation is at its most critical point and because we have no reserves it is vital the chain of international aid is not broken," he added.

Albanians, isolated from the outside world during four decades of Stalinist Rule by the late dictator Enver Hoxha, last year forced his successor, Ramiz Alia, to accept a multiparty system and free polls.

But the situation in the countryside, where nearly half Albania's workforce is employed, remains chaotic, with production levels well below normal.

Official figures show overall farm output was 55 per cent down in first-half 1991 from the year-ago period. Grain was down 60 per cent, maize 50 per cent and tobacco — the main export earner — by 80 per cent.

Food shortages have played a major part in prompting thousands of Albanians to flee the country this year.

Hesitant attempts to privatise the huge collectives led to near anarchy in places, with farmers unwilling to wait for government permission to take over state holdings.

G-7 team to talk Soviet aid

MOSCOW, Nov 18: The world's richest nations sent senior finance officials to Moscow on Sunday for talks on a new aid package and ways of helping the Soviet Union avoid a default on foreign debt repayments, reports Reuter.

The Group of Seven (G-7) industrialised nations, putting the final touches to their support measures, will seek assurances from Soviet Republican leaders on servicing of fresh loans in three days of talks, opening on Monday.

"They have to think about how solidly we are behaving and to what extent we are reliable," Soviet Prime Minister Ivan Silayev was quoted as saying by Interfax news agency.

Silayev said last week that he hoped the G-7 deputy finance ministers would give the country breathing space to implement reforms by agreeing to defer some repayments on the Soviet foreign debt, estimated at 68 billion Dollars.

"If they discover again that we have the same instability as before, then we will be putting up a barrier to food deliveries that will be very difficult to overcome," he was quoted as saying by the Interfax news agency.

Foreign creditors, alarmed by the prospect of the Soviet Union being declared bankrupt, have been holding back funds until they get repayment guarantees.

The United States says it will not announce a new agricultural credit package without assurances that loans obtained with US government-backed credits can be repaid.

Italy has also frozen billions of Dollars in export credits for similar reasons, and French bankers say they will not finance a Franco-Soviet oil-for-food swap without guarantees.

Senior Soviet officials say they expect the G-7 — the United States, Japan, Germany, France, Britain, Italy and Canada — to come to the rescue.

The G-7 held talks last month with the 12 republican leaders and raised the issue again at a subsequent meeting in Paris. But US Treasury Under Secretary David Mulford said last week there was no agreement yet on fresh aid.

The republics have agreed to shoulder the Soviet foreign debt "jointly and severally" and service it through the Soviet bank for Foreign Economic Affairs or its successor.

But that agreement has been cast in doubt by Azerbaijani and Turkmenian statements refusing to repay any share of the Soviet debt. Serious questions remain over debt repayment mechanisms.

Russia, the Ukraine, Byelorussia and Kazakhstan, the four most powerful republics, have rejected responsibility for any new foreign loans negotiated without their approval.

They are ready to take on a share of the debt. But it is not clear how it will be divided or if the existing central debt servicing body, will have any role to play.

Shopkeepers brought out a procession in the city on Monday opposing anti-smuggling drive against their shops. They demanded launching the drive at entry points. — Star photo

Anti-smuggling steps with trade bodies sought

Star Economic Report

Bangladesh Electrical Association (BEA) in a statement on Monday urged the government to formulate and implement anti-smuggling programmes in co-operation with different chamber bodies to avoid harassment of the shopowners.

It said the government decision to take steps against the shopowners will not stop smuggling. It stated that steps should be taken against the fake importers, and the concerned government departments. It also stressed the need for checking the wholesale import of commodities in the name of different projects.

The association viewed that if the reason of smuggling is not addressed, the drive against the retailers would not be effective.

Illegal workers deportion rises in Japan

TOKYO, Nov 18: Japan deported an increasing number of illegal foreign workers in the first half of this year, with the number of Iranians ordered to leave rising more than four-fold, the Ministry of Justice said, report Reuter.

In a report issued on Sunday, the ministry said Japan deported 12,265 such workers in the period, an increase of 31.7 per cent over the same period in 1989.

The number in the first half of 1990 was 23,100, but it was an unusual year because many foreigners volunteered for deportation ahead of a new labour law that increased penalties for employers using illegal workers.

In 1991, Koreans topped the list with 4,221, an increase of 27.4 per cent over 1990, Iranians were second with 2,225, an increase of 470 per cent, followed by Filipinos, Malaysians and Thais.

Nearly half the deported men worked in the construction industry and 35 per cent were in manufacturing.

Of the 3,087 women deported, 52.9 per cent worked as hostesses, with a further 20 per cent working in restaurants and other places of entertainment.

Severe labour shortages in Japan mean many employers are eager to take on illegal workers despite the penalties.

Many workers say authorities turn a blind eye to the problem because many factories would close without the workers.

On the other hand, rising crime committed by foreigners in Japan is putting pressure on authorities to crack down on the illegal workers.

The Nihon Keizai Shimbun newspaper quoted today Justice Minister Takashi Tawara as saying his ministry did not have enough manpower to deal with the increasing number of foreigners entering Japan.

India devalues Rupee

BOMBAY, Nov 18: The Reserve Bank of India today announced a downward revision of the Rupee by 1.20 per cent in relation to the Pound Sterling, making the British unit costlier by fifty-six paise, reports PTI.

The new middle rate now works out to Rupees 46.55 per Sterling as against Rupees 45.99 previously.

The new selling and buying rates for spot delivery are 2.1428 and 2.1536 Sterling per Rupees 100, corresponding to Rupees 46.66 and 46.44 per Sterling respectively.

Hyundai founder refuses to pay penalty taxes

SEOUL (South Korea), Nov 18 : The founding family of the giant Hyundai conglomerate refused Monday to pay a record 184 million Dollars tax claim, setting the stage for a complex legal battle over its alleged illegal stock trading, reports AP.

Chung Ju-Yung, 75, honorary Chairman of Korea's second-largest business group, called the penalty levied against him, nine family members and several Hyundai subsidiaries "unreasonable."

He said Hyundai couldn't afford the penalty and would appeal the decision to the National Tax Arbitration and the Board of Audit and Inspection.

The move represents a rare rift in the normally close relations between the government and business magnates as President Roh Tae-Woo's conservative ruling party looks toward presidential and parliamentary elections in 1992.

The Office and National Tax Administration issued an order November 1 for the back taxes, claiming Chung and nine family members illegally traded shares in Hyundai subsidiaries to evade inheritance and donations taxes. Hyundai was ordered to pay the taxes by the end of November.

Chung, one of the most influential businessmen in Korea, said his group pays taxes and "never tried to evade taxes intentionally." He said his family had paid 35 million Dollars in inheritance and donation taxes on trading the stock in question.

"We regret that we cannot pay the taxes since Hyundai's (financial) situation is too bad," Chung said. Chung said his group cannot raise funds in the sluggish South Korean securities market.

After the news conference, Hyundai public relations officials hurriedly telephoned news offices to say Chung did not mean to indicate the company faced bankruptcy or serious financial trouble.

The Hyundai Group includes 42 separate companies which had sales last year of 30 billion Dollar. Hyundai is a worldwide empire that manufactures cars, ships, computers and has numerous construction projects.

Chung has broken ranks with the South Korean business leadership by raising his voice against the government's economic policies and against politicians themselves. He publicly opposed a multi-billion-Dollar high-speed railway project promoted by President Roh Tae-Wod, saying it was inefficient and expensive. He has also said "There are no trustworthy politicians."

Chung refused to comment on the suggestion that his group was being punished for his criticisms against politicians.

Pakistan to combat financial malpractice

KARACHI, Nov 18: Pakistan's central bank said it planned to check financial malpractice in the country which has been jolted by a multi-million Dollar scandal involving cooperative institutions, reports Reuter.

"We will regulate rules and introduce discipline in the financial institutions," said Sibghatullah, Executive Director of the State Bank of Pakistan (SBP).

New rules would be implemented within three months after talks with 74 non-bank financial institutions in the country.

"It will safeguard the interest of depositors," he said.

He did not mention the cooperatives scandal which has put the government on the defensive because a number of ruling party figures were connected with institutions which collapsed earlier this owing millions of Dollars to mostly small depositors.

Sibghatullah told reporters the central bank wanted to keep the institutions financially sound, viable and on the right track.

Japan considers aid to E. Europe

TOKYO, Nov 18: Japan, following requests by Washington, has started considering investments and loans to Eastern Europe, a Ministry of International Trade and Industry (MITI) official said, reports Reuter.

India to boost export of light aircraft

NEW DELHI, Nov 18 : India is making efforts to boost an export drive for Dornier planes as well as indigenizing these aircraft, local press report said today, reports Xinhua.

Dornier DO-228 is a light transport aircraft manufactured under license from Dornier GMBH of the then West Germany. It is adaptable to a wide variety of roes, namely commuter transport, air taxi, maritime surveillance, paratrooper and logistic support.

One such aircraft was exported to Mauritius last year, and the ideal customers are South Asian countries like Bangladesh, Sri Lanka, Nepal and Bhutan.

The production of DO-228 commenced in 1984 and the plan is to produce a total of 150 aircraft. Thirty-six Dorniers have already rolled out of their hangers.

Lankan economy to grow by 5.8 pc

COLOMBO, Nov 18 : Sri Lanka's average annual economic growth will be 5.8 per cent during 1991-95, against 3.4 per cent in the previous five-year period, a government report says, reports Reuter.

"Growth (Gross Domestic Product) projections made so far indicate an average rate of growth of around 5.8 per cent during the next five years," the Public Investment Programme (PIP) for 1991-95, released last week, said.

The PIP, presented by the Finance Ministry, Explains the government's overall strategy, policies and programmes for a five-year period. A copy of the PIP was obtained by Reuter.

Vermont economists see GDP growth at five per cent this year.

Sri Lanka's economy has been racked by Tamil separatist violence in the north and east since 1983. Billion of Rupees worth of property have been destroyed in the fighting.

The PIP said growth last year, at 6.2 per cent, was quoted satisfactory compared with the three previous years.

Last year's high growth was attributed to an improved political climate in the South of the island— where security forces crushed a three-year-old leftwing revolt— good weather that helped agriculture, a buoyant private sector and more tourist arrivals.

The report said more private foreign capital should be attracted because foreign aid was increasingly difficult to get.

But it noted the assessment by the international business community of the impact of the war on the economy remained unfavourable.

"This underlines the need for a strong promotional campaign to correct the political image of the country, and to convince the prospective investors that their investments in Sri Lanka will be safe," the report said.

Government expenditure, according to the report, would be 114.2 billion Rupees in 1995 against 78.0 billion in 1991.

Revenue has been targeted at 125.8 billion Rupees and 74.2 billion Rupees in the same year.

The report said 43,000 workers retired last year under a scheme to reduce the size of the public service.

A sum of 632.4 million Rupees was also raised from the sale of eight state-owned companies to the public.

The report said another 40 state companies would be privatised.

US-EC farm trade pact likely by weekend

PARIS, Nov 18 : An accord on farm trade between the European Community (EC) and the United States, aimed at relaunching stalled world trade talks, could be ready by the end of next week, EC Commission President Jacques Delors said on Sunday, reports Reuter.

"I hope by the end of next week we will have concluded the terms of an accord with US President Bush," Delors told a news conference he gave jointly with Canadian Prime Minister Brian Mulroney.

Speaking after a meeting that Mulroney described as "constructive," Delors said it was important Canada shared in any accord — but once the EC and the US had reached agreement.

"The United States and the community are the giants of subsidies — the prerequisite (for progress) is agreement with the United States," Delors said.

Talks last weekend between the US and EC, which dominate world agricultural markets with subsidised exports, offered the first signs that trade negotiations known as the Uruguay Round could be saved.

The negotiations, held under the auspices of the General Agreement on Tariffs and Trade (GATT), collapsed last December in a dispute over how far, from what date and over how long a period the farm subsidies should be cut.

New Chairman of ASCOBIPS

M Shariful Islam, Acting Chairman of Shippers' Council of Bangladesh, has been unanimously elected Chairman of the Association of Shippers' Council of Bangladesh, India, Pakistan and Sri Lanka (ASCOBIPS) for a two-year term, reports BSS.

The election was held at the tenth meeting of ASCOBIPS in the Sri Lankan capital Colombo on November 8 with the outgoing Chairman W.T. Ellawalla in Chair. Ellawalla is the Chairman of Sri Lankan Shippers Council, according to a delayed message received in Dhaka Monday.

M E H Mahroof, State Minister for Ports and Shipping of Sri Lanka was the chief guest on the occasion. Representatives of the members of shippers councils of all the four countries also attended the meeting.

Shariful Islam, in his speech, stressed the need for close cooperation between shippers councils in the ASCOBIPS region to protect their interests.

Bush to veto credit-card bill

WASHINGTON, Nov 18: President Bush would veto legislation setting mandatory limits on consumer credit card interest rates but he does want long—term rates and credit card rates to come down, Housing and Urban Development Secretary Jack Kemp said Saturday, reports Reuter.

Interviewed on CNN's Evans and Novak, Kemp said Bush would refuse to sign into law legislation that passed the Senate to limit the amount that banks could charge on credit-cards to 14 per cent down from the current national average of 18.9 per cent.

The interest rate provisions were added by Senator Alfonse D'Amato, a New York Republican, and others to legislation reforming the banking system which is still pending in the Senate.

He would veto the D'Amato Bill, veto an attempt to restrict the supply of credit to credit card purchases, Kemp said.

White House spokesman Marlin Fitzwater had said Bush strongly opposed setting a interest rate ceiling in law, but his statement Friday did not include a threat to veto the legislation should it pass Congress.

Kemp said Congress proposals for mandatory interest rate ceilings were responsible for the drop in the stock market Friday, not Bush's request earlier in the week that banks voluntarily cut the rates.

The Dow Jones Share index ended down 120.31 points on Friday at 2,943.20.

Look, the President was expressing the wish and the hope that interest rates would come down on credit cards. That's a far cry from the cap on credit card interest rates that was passed, Kemp said.

Some democrats in Congress have urged the credit card interest rate provision by removed from the banking bill due to implications it may have for the economy in general.

Philip Corwin of the American Bankers Association said in an interview on CNS newsmaker Saturday that if Congress sets a limit on the rate bank may charge, only the wealthy will qualify for credit cards.

He predicted banks will still offer credit cards, but they will be more selective in their customers, fees to merchants will rise, terms will be stiffer, and bank profits will fall.

Another report adds: US Treasury Secretary Nicholas Brady on Sunday blamed Wall Street's 120-point drop on Friday on the Senate's passage of a bill limiting credit-card interest, but predicted it would never become law.

"This is wacky, senseless legislation. I think the market understands that", he said in a television interview on NBC's "meet the press."

Brady, asked how he expected the market to react on Monday, said: "It will be measured."

"We're in a recovery that's slower than we want it to be. The President is very concerned about it. What we need now is a growth programme enacted by Congress," he said.

"We're coming out of a recession. Don't worry about it". "It always looks dark at the bottom of a recession," Brady added.

Iraq-Turkey pipeline in good shape

BAGHDAD, Nov 18: The pipeline linking Iraq and Turkey is in good condition despite some Gulf War damage and could pump oil again "at the flick of the switch", the Baghdad Representative of the firm that helped build it said on Sunday, reports Reuter.

Ilhan Ildeniz, and engineer with the Istanbul-based Tekfen Construction Company, said some pumping stations had been damaged in the conflict but the pipeline was in good repair.

Ildeniz said the Iraqi government had asked his company to become involved in repair work to its vital oil industry but said such contracts were hindered by United Nations trade sanctions and Iraq's frozen foreign assets.

Asked how long it might take to get the industry back to where it was before the Gulf conflict, he said, "perhaps five years."

Ildeniz dismissed recent published reports saying the twin pipeline was filled with sludge and would take months to clean before it could transport crude, "it is fine," he told Reuter in an interview.

Iraqi Oil Minister Usama Al-Hiti also rejected such reports as baseless in an interview with Reuter last week.

The reports said the Turkish government had told Iraq's Ambassador there that the pipeline was clogged with residue.

Turkey closed the pipeline shortly after Iraq invaded Kuwait in August last year and backed the US-led coalition which drove the occupation army from the emirate.

It has been closed ever since but could be reopened if Iraq accepted UN Security Council resolution 706 allowing Baghdad to sell up to 1.6 billion Dollars worth of crude to pay for war reparations and essential imports such as food and medicine.

Baghdad rejects the resolution as gross interference and an impractical way to sell oil.

Privatisation policies reviewed

The first meeting of the Inter-Ministerial Committee on Privatisation (ICOP) highlighted the government policy on privatisation to foster the growth of market economy with private sector playing the role of cutting-edge in the process, reports BSS.

The meeting held in city Sunday with its Chairman principal finance secretary Khorshed Alam in the chair was also attended by secretaries of textile, commerce, jute, law and works ministries, Member of Planning Commission, Executive Chairman of Board of Investment and Additional Secretary of Industry Ministry.

The meeting referred to the wide-ranging privatisation taking place around the world and emphasised the need for taking a close appraisal of the situation.

The committee reviewed and evaluated the past policies of privatisation. It also took up and discussed privatisation of shares held by the government in various enterprises.

ICOP will be assigned to evaluate proposals of privatisation from various ministries and make recommendations to ECNEC for final decision. The concerned ministries would implement the decision of ECNEC while ICOP will monitor the progress and performance.

The committee requested the concerned ministries to present their past policies of privatisation, evaluate their privatisation policy and make recommendations at the next meeting of ICOP.

Most Asian currencies gain moderately against US Dollar

HONG KONG, Nov 18: Most currencies in the Asia-Pacific region gained against the Dollar for a second consecutive week, though most gainers— and losers— moved only moderately, reports AFP.

Only the South Korean Won, Indonesian Rupiah and Philippine Peso finished lower, while the Australian, New Zealand, Singapore, Hong Kong and Taiwan Dollars all gained ground against the Greenback, as did the Japanese Yen, Malaysian Ringgit and the Thai Baht.

JAPANESE YEN: The Japanese Yen appreciated moderately to close the week 0.46 Yen higher (from the preceding week's 130.23 Yen finish) at 129.77 Yen to the Dollar on the Tokyo foreign exchange market.

Investors refrained from active trading in the absence of encouraging news, dealers said.

AUSTRALIAN DOLLAR: The Australian Dollar finished the week slightly firmer after trading in a narrow range, dealers said here Friday. The currency ended at 78.59 US cents compared with the previous week's close of 78.48 US cents.

Dealers said trading stayed between 78.30 and 78.80, with little commercial or offshore interest.

The trade-weighted index finished at 59.0 points, compared with 59.1 the previous week.

SINGAPORE DOLLAR: The Singapore Dollar strengthened against the US currency at an exchange rate of 1.6745 here Friday against last week's level of 1.6820. The local currency was also firmer against the Pound, the Yen, the Malaysian Ringgit and the Hong Kong Dollar.

The OCBC bank's trade-weighted index for the Singapore Dollar stood at 135.68, up from last week's 135.64. The index is calculated against the currencies of Singapore's top 2 trade partners.

TAIWAN DOLLAR: The Taiwan currency continued its upward trend to close Friday at 25.92 to the US Dollar, up 19.65 Taiwan cents from the previous week's finish of 26.1165.

After opening Monday at 26.058, the local unit steadily picked up momentum and hit a two-year high of 26.9 on Thursday as a result of broad differentials in interest rates between Taiwan and the United States.

SOUTH KOREAN WON: The South Korean Won closed marginally weaker at 752.50 against the Dollar Friday, down from 52.30 a week earlier. Dealers said the Dollar was expected to rise in Seoul this week as demand was increasing to pay for imports.

HONG KONG DOLLAR: The Hong Kong Dollar finished the week at 7.7585-7.7595 to the US unit, stronger than the previous week's close of 7.7625-7.7635.

The Hong Kong currency has been pegged at around 7.80 to the American currency since 1983. The effective exchange rate stood Friday at 111.3 against 111.3 a week earlier.

INDONESIAN RUPIAH: The Indonesian currency finished the week at 1,981 to the Dollar Friday, weaker than the previous week's close of 1,979. It began trading at 1,980 on Monday and lost a further point through the week.

MALAYSIAN RINGGIT: The Malaysian Ringgit ended the week a shade higher at 2.7415 to the Dollar against 2.7435 last week in tight-ranged and listless trading, dealers said.

"The Ringgit was drifting along with a rather stable Dollar trend overseas, and the 0.5 percentage point cut by the Bank of Tokyo in Japan's discount rate to five per cent appeared to have minimal effects here," said one local dealers.

The Ringgit was generally traded between 2.7380 and 2.7420 this week, dealers said.

NEW ZEALAND DOLLAR: The New Zealand Dollar closed Friday at 56.22 US cents, up almost half a cent on the previous week's close of 55.80.

Dealers said they expected the Kiwi to consolidate around current levels in the short term but were divided on its likely direction over the next month. "The Kiwi made a brief try at breaking through the 56.30 cents level but then drifted back to around 56.20 cents," one trader said.