

GNP likely to rise from 0.4 pc to 2.3 pc : ADB

World economy to pick up in '92

MANILA, Dec 8 : World economic growth is expected to pick up next year after virtually stagnating in 1991, with the United States leading the global recovery, the Asian Development Bank (ADB) said in a report according to Reuters.

If forecast that global interest rates would not increase significantly, and that world trade would grow at about 5.0 per cent next year.

In an update to its Annual Asian Development Outlook, the Manila-based Bank said that despite the speedy end of the Gulf conflict, global economic performance in 1991 had fallen short of expectations.

Real growth in world Gross National Product (GNP) was seen falling to 0.4 per cent in 1991, from 2.0 per cent last year, pulled down by recession in the United States and Britain, and dramatic decline in output in the Soviet Union and Eastern Europe.

were better for 1992, and forecast world GNP growth of around 2.3 per cent assuming generally soft commodity prices, no new shocks to the global economy and oil prices of around \$20 a barrel.

It said the turn around would be led by the 'Anglo-Saxon' economies, with the United States posting growth of 3.0 per cent, against a negative 0.3 per cent this year.

Growth in Britain was seen recovering to 1.6 per cent in 1992 from a negative 1.8 per cent this year.

Middle Eastern economies would also bounce back after the shock of the Gulf War, with growth anticipated at 11.2 per cent 1992, against a negative 4.0 per cent this year.

But the report said that both Japan and Germany would see slower growth in the coming year.

The rebound in the U.S. economy will continue to be led by the manufacturing sector, although it will be considerably weaker than the average

of other recoveries in the post-war era," said the 52-member Bank.

"The financial sector and commercial real estate will remain weak and large debt

overhang will continue to constrain investment spending and aggregate consumer demand," the report added.

"There should, however, be some peace dividend later in the year as capital spending on

military hardware begins to be channelled into more labour intensive public sector projects," the ADB said.

"In Japan, it is anticipated that monetary policy will remain restrictive, although there have been signs of some easing during the fourth quarter of 1991," it said.

"However, the wealth effects of declines in land and stock market prices, combined with difficulties in the financial sector will continue to be felt," the ADB said.

It said the growth in Japan's big trade surplus was expected to continue in 1992 as the world economy recovered.

"The composition of the surplus will continue to shift away from the United States toward Europe and Asia," it said.

Major economic difficulties in the Soviet Union meant that "even the most optimistic observers cannot predict positive growth in the Soviet Union for at least another year."

	1990	1991	1992
World	2.0	0.4	2.3
Eastern Europe and Soviet Union	2.6	1.6	3.1
Industrialised countries	2.5	1.3	2.7
United States	1.0	0.3	3.0
Japan	5.6	4.5	3.3
Germany	4.5	3.1	2.0
Canada	0.5	-0.9	3.8
France	2.8	1.3	2.4
Britain	0.8	-1.8	1.6
Italy	2.0	1.3	2.5
Other industrialised countries	2.4	1.4	2.1
Developing countries	2.8	3.4	5.0
Middle East	0.7	-4.0	11.2
Africa	2.1	3.2	3.3
Asia	6.0	6.2	6.5
Latin America	-0.9	1.2	2.2
Eastern Europe and Soviet Union	-3.6	-10.6	-4.4



SWARIGHAT (Dhaka) : Although fish worth millions of taka is transacted through this ghata daily but there is no proper facilities, even a jetty, for the business here. — Star photo

Marxism at any price, vows a beleaguered Fidel Castro

HAVANA, Dec 8 : President Fidel Castro vowed to defend his Marxist revolution at any cost but warned Cubans that great sacrifices will be needed for the fight to succeed, Cuba's state-run news agency AIN said Saturday, reports AFP.

"Our enemies should know that we are ready to defend our ideas at any price," Castro told the closing session Friday of a Congress of student federation. "We are ready to fight without limit."

The collapse of communism in the Soviet Union, which was Cuba's main ally, has caused an economic crisis here and pitted the island nation against a growing number of western states and Cuban expatriates demanding political and economic reform in Cuba.

Referring to a perceived threat of invasion from the United States, AIN quoted Castro as saying: "We are a grenade filled with thorny fragments and if an elephant eats this grenade, it will explode into a thousand pieces."

Castro has reacted to international pressure for change by warning Cubans of the evils of capitalism. But his efforts have been dampened by shortages of fuel, foodstuffs and other essentials as a result of a sharp decline in aid from the Soviet

Union and former communist allies in Eastern Europe.

"If we have to make thousands of sacrifices we will make them," Castro said. We will defend to the last drop of blood the hope instilled by the nation, the revolution and socialism."

In a televised portion of the speech, Castro called those

unwilling to join his fight "cowards... who have never felt the kiss of patriotism, or the idea of justice in your hearts or minds."

He also condemned pressures to return to a market economy, saying capitalism is invariably accompanied by "social injustice, inequalities and prostitution."

In recent months, Castro

has loosened control over investment on the island and has invited Latin American private capital to enter joint ventures with Cuban companies to rebuild the island's once-famed tourist industry.

Reuters adds : The Soviet Union has shipped no oil to Cuba for the month of December and the questioned whether the Soviet government would be able to guarantee future supplies, said Castro.

These are times in which not a single tonne of oil of the quantity agreed for December has been shipped from the Soviet Union to Cuba, Castro told a congress of schoolchildren in Havana on Friday night.

The 65-year-old president, whose remarks were quoted by Cuba's state media on Saturday, did not say whether this lapse in supplies was due to economic problems in the Soviet Union or to a decision by the Soviet authorities to suspend shipments.

A drying-up of Soviet oil supplies would be a heavy blow to the communist-ruled island's sugar-based economy, already reeling under growing shortages of fuel, machinery and food. In the past, Cuba obtained most of them from its traditional ally and supplier, the Soviet Union.

China: Herbal toothpaste hot favourite

BEIJING, Dec 8 : Toothpastes containing traditional Chinese medicinal herb ingredients are now the clear favourite for a growing number of Chinese, today's China Daily reported, says Xinhua.

Three out of our toothpaste tubes sold in China have such extracts in them. In other words, the Chinese consumed a total of 1.2 billion herbal tubes in 1990.

Despite high prices, the herbal toothpaste appeals to customer for their recognized curative effects on various kinds of tooth diseases, an official from the Ministry of Light Industry said.

Fangcao brand toothpaste, developed by Hefei General Daily Chemical Factory in Anhui province, was recently awarded as silver medal by the state technology supervision bureau for its "magic curative qualities."

The bureau noted herbal medicine toothpaste has a positive effect in preventing tooth diseases. It also serves to stanch bleeding and diminish inflammation caused by periodontitis and gingivitis, the most common dental diseases in China.

Lebanon to seek \$ 4.5b WB loan

BEIRUT, Dec 8 : Prime Minister Omar Karami said Lebanon would ask the World Bank for 4.5 billion dollar in post-war reconstruction aid, newspapers reported on Saturday, reports Reuters.

In a speech in his hometown of Tripoli on Friday, Karami said the country needed more than 15 billion dollar to rebuild after 15 years of civil war.

He would put a formal request when he leads the Lebanese delegation to a World Bank conference in Paris later this month.

If granted, Karami said, the money would be used to restore power and water lines, telecommunications and transport.

Malaysia likely to allow overseas workers soon

KUALALUMPUR, Dec 8 : Foreigners may soon be allowed to take up jobs in Malaysian hotels and restaurants if an ongoing study shows a shortage of workers for the sector, Deputy Prime Minister Ghafor Baba said Saturday, reports AFP.

Ghafor said a current ban on foreign workers in local hotels and restaurants would be lifted if the shortage was serious.

The government recently announced it would allow foreign workers to take up jobs as domestic maids and labourers in the construction and plantation sectors because of an acute shortage.

Most of the jobs will go to a flood of illegal immigrants from Indonesia who have up the end of June next year to register themselves for work passes.

Ghafor, Chairman of a government committee on illegal immigrants, said in an interview on government television

that Malaysia was opening up to foreign workers because domestic unemployment had dropped to 4.5 per cent according to official figures and 3.5 per cent according the World Bank.

He said that manpower agreement signed between Malaysia and Indonesia in 1984 had not proven effective in providing for an orderly entry of Indonesian workers because many had chosen to enter Malaysia illegally.

Banker's jail term remains

REUTER FROM LONDON adds: Malaysian banker Lorrain Osman, Britain's longest serving remand prisoner, begins his seventh year in jail on Thursday still fighting legal battle to avoid extradition to Hong Kong.

Osman, 60, last month lost his sixth bid to obtain a writ of habeas corpus from the high

court freeing him from a London jail and the threat of being sent back to Hong Kong, where he faces multi-million dollar fraud charges.

Osman's lawyers say he should not be returned to Hong Kong because the British colony is due to be handed over to China in 1997 and that assurances given by the colony's Governor about his treatment would no longer apply.

He was taken into custody in December 1985 after Hong Kong's Independent Commission against corruption offered evidence he had been involved in alleged corrupt dealings relating to the collapse of Carrian Investments, a shipping and property group.

Osman was Chairman of Carrian's biggest creditor Bumiputra Malaysia Finance, the Hong-Kong based subsidiary of BBMB, Malaysia's largest bank.

Maxwell feared boardroom coup

LONDON, Dec 8 : Executives in the late Robert Maxwell's publishing empire had learned of his financial manipulations before his fatal cruise, and he feared a boardroom coup, a newspaper reported Sunday, reports AP.

The account in the Sunday Telegraph followed other newspaper reports that the offices of some of the same executives at the London Daily Mirror had been bugged.

Lawrence Guest, the Mirror Group Newspapers' Financial Director, had repeatedly challenged Maxwell about 84.5 million dollar that allegedly had been moved Mirror Group into Maxwell's private empire, The Sunday Telegraph said without attribution.

Guest ordered an internal investigation into the alleged transfers, and the publishing magnate feared his executives would try to oust him, the Telegraph said.

Guest was supported by fellow directors Ernest Burrington, now Mirror

Group Chairman, and Victor Horwood, it said.

"Guest was determined to slug it out," the newspaper quoted an unidentified senior banking source as saying. "He saw it as his duty. He said he would see it through even if he ended up in a one-bedroom flat."

The Financial Times, Britain's leading business daily, on Saturday said police were investigating allegation that Maxwell bugged the offices of senior officials and a boardroom in the Mirror building.

"Panels were yesterday removed from the former office of Burrington, to reveal the listening devices," the paper said. Guest's office was also believed tapped, it said. The paper did not attribute the report.

The Financial Times said the discovery of the bugging devices indicates Maxwell was able to eavesdrop on conversations of senior directors who became concerned about the financial health of the Maxwell business in the weeks before he died on

Nov 5."

Maxwell's body was found floating in the sea near the Canary Islands, off Morocco, after he was reported missing from his yacht. An injury into his death is under way.

The Financial Times' parent company prosecution agency, is a potential buyer of Mirror group.

The Serious Fraud Office, a government prosecution agency, is investigating the pension fund allegations. Mirror Group has said 627 million dollars of its pension fund assets were transferred to private Maxwell interests and it is trying to recover them.

Daily Mirror editor, Richard Stott, in an editorial in the paper Saturday, sharply criticized Maxwell: "Far from going down as the man who saved this great national institution (the paper) he will be remembered, I'm afraid, as the man who nearly destroyed it. A thief and a liar."

On Thursday, court-appointed administrators drew up plans to sell pieces of the empire.

\$ 1.57 million gold haul in Punjab

NEW DELHI, Dec 8 : Seven hundred gold biscuits valued at 40.2 million rupee (1.57 million US dollar) have been seized in India's northwest state of Punjab, reports Xinhua.

Custom Collector SP Srivastava told reporters that the gold biscuits were seized by the local excise and customs staff from a truck on the outskirts of Pathankot town of Gurdaspur district on December 2.

He was quoted by local press today as saying that the seizure was the biggest ever in the jurisdiction of the Chandigarh collectorate.

GAAT chief may try own solution if no accord

GENEVA, Dec 8 : GATT chief Arthur Dunkel may have to try to impose his own compromise on long-running world trade talks if US and European Community negotiators fail to resolve farm support differences soon, trade officials said on Friday, reports Reuters.

Diplomats place high hopes on a meeting in the Washington area this weekend between US Agriculture Secretary Edward Madigan and European Community Farm Commissioner Ray Macsharry to try to agree on how to reduce farm support.

The agricultural issue, criti-

cal to politicians and voters from France to Australia, has held up overall progress in the so-called Uruguay round, launched in 1986 under the General Agreement on Tariffs and Trade (GATT) to liberalise trade and spur economic growth.

US officials have met off and on for the last four weeks without succeeding in eliminating their differences, while negotiators in Geneva anxiously eye the end-year deadline set by Dunkel, GATT's Director-General, for overall agreement.

"A lot hangs on the meeting this weekend," one official

said. "But we've got to remember that this is a multilateral process. We can't sit back on the basis of bilateral negotiations indefinitely."

Brazilian Foreign Minister Jose Francisco Rezak, whose country wants farm subsidy cuts so its exports can compete on a level playing field, wanted in Geneva on Wednesday against the possibility of the big powers cooking up an unsatisfactory deal.

"We are concerned that the increasing bilateralisation of the negotiating process could lead to an agreement that does not address our main preoccupations."

Global prices : Brent Crude dips, gold goes mixed

LONDON, Dec 8 : Brent Crude, the benchmark for North Sea petroleum production, fell to a four-month low this week in reaction to growing fears about excess supply at the beginning of next year, reports AFP.

The International Energy Agency lowered its forecast for OECD demand at the beginning of next year because of the weak outlook for economic activity and estimated that OPEC output would exceed 24 million barrels per day in November.

Gold had a mixed week, but prices remained underpinned by political instability in the former Soviet Union. Fears of a new coup, rumours that Gorbachev would resign and, suspension of payments on foreign debt added to these concerns.

On the London Metal Exchange (LME), copper slid sharply after the exchange's management intervened to counteract operations of a major Japanese merchant, which had supported prices by creating an artificial technical tightness on December delivery dates.

Among softs, coffee was hesitant as the market waited for conclusion of an International Coffee Organisation meeting on the possibility of reintroduction of export quotas. Cocoa firmed on hopes for a deficit of production vis-a-vis consumption this season for the first time in eight years.

GOLD : Irregular. Gold was supported by the weakness of dollar and of the Tokyo and London stock markets at the beginning of the week. Instability in the USSR, with the vote in favour of Ukrainian independence and fears of a second coup, contributed to gains.

But prices eased back after Ukrainian independence was recognised by Russian President Boris Yeltsin. Losses were increased by a technical correction and Middle Eastern selling.

Silver : Quiet. Silver moved irregularly in a narrow range, largely following gold. A firmer trend at the end of the week was restrained by continuing worries about lingering recession in the US and Britain combined with a slow-

down in Europe and Japan.

Platinum : Irregular. Platinum moved irregularly, falling on selling by Middle Eastern operators on Tuesday after a steady start in reflection of uncertainties relating to the Soviet situation. Prices fell back in the second half of the week in line with gold.

Copper : Easier. Three-month copper eased 50 pounds per tonne as the premium for cash metal which had kept prices buoyant in the face of a deteriorating fundamental position disappeared. Cash prices had been kept artificially high by a major player in the market holding options covering the majority of stocks in LME warehouses.

The expiry of the December options declaration date in mid-week and the imposition by the LME of a 25-pound-per tonne limit on cash metal prompted the switch into the normal premium for forward metal.

Analysts now expect the metal to drift steadily downwards in reflection of weak demand, abundant LME stocks and the absence of major supply problems.

LME stocks rose 12,375 tonnes to 314,600 tonnes.

Lead : Firmer. Lead prices gained ground as sentiment for the metal improved with the northern hemisphere entering the coldest winter months, encouraging hopes for an up-turn in demand from car battery manufacturers.

LME stocks of the metal rose 1,323 tonnes 119,95 tonnes.

Zinc : Slightly easier. Zinc prices finished down on the week after being lifted earlier by news that Belgian producer ASEC-Union Mintere was shutting a 100,000-tonnes per year smelter. Analysts indicated that the cutback was insufficient to make significant inroads into world over-production and prices began to drift lower towards the week-end.

LME stocks rose 4,750 tonnes to 161,750 tonnes.

Tin : Steady. Tin continued to trade in an extremely narrow range around previous levels. Malaysian production fell 28 per cent to 16,000 tonnes in the first nine months of the year, implying production for the full year is

likely to be 20 per cent below the 28,566-tonne export quota allocated by the association of tin producing countries. LME stocks fell 35 tonnes to 13,060.

Aluminium : Weak. A fresh acceleration in the upward trend in already massive LME stocks weighed heavily on sentiment for the metal. Three-month prices dipped to 1,100 dollars per tonne. The lowest price since the current LME contract was launched in June 1987, and in real terms the lowest ever price for the metal.

LME stocks rose 40,475 tonnes to 877,400 tonnes.

Nickel : Weak. Nickel also fell to a contract low (February 1988), depressed by the prospect of 40,000 tonnes of soviet, metal, currently thought to be awaiting shipment in Rotterdam, finding its way into LME warehouses. LME stocks rose 936 tonnes to 10,350 tonnes.

ment shortages and that production could fall by two million tonnes from 7.6 million last year, supported the trend. The upward movement was however restricted by the sale of four cargoes (10,000 to 12,000 tonnes each) by India.

The implications of Ukrainian independence for the sugar market remained difficult to evaluate, analysts said. The Ukraine accounts for around 60 per cent of Soviet sugar output.

Vegetable Oils : Irregular. Palm oil progressed after US officials in Kuala Lumpur lowered their forecast for Malaysian stocks in the October-December period. The stocks should fall to 825,000 tonnes previously forecast and 719,000 tonnes for the final quarter of last year.

Soya oil remained stable, despite the USSR buying 200,000 tonnes of soya-meal from the US palm oil in was lifted by rumours that India had bought between 6,000 and 12,000 tonnes of this product from Malaysia.

mile winter weather in Europe and the United States, which reduced demand for heating oil, and to fears of excess supply next spring.

The weakness of the mark was illustrated by the fact that rumours of Saddam Hussein's death and a new coup in the Soviet Union had no impact on prices.

The latest report from the International Energy Agency forecast a slowdown in oil consumption in the developed economies due to slowing growth. Demand should increase by three per cent in the fourth quarter of the year but by only one per cent in the first quarter of 1992, compared with an earlier forecast of 1.5 per cent. OPEC compared in November was put at 24.1 million barrels per day, the highest since March 1990 and up from 23.8 million barrels in October.

Rubber : Weak. Prices continued to decline in the absence of support buying by the International Natural Rubber Organisation (INRO). Some traders suggested INRO would wait until its price indicator fell below the 166 Malaysian cents per kilo "must buy" level.

This would represent a fall of around four cents from current levels.

Grains : Easier. Wheat and barley futures were weakened by the strong pound against the dollar. In contrast in Chicago, wheat was supported by a US department of Agriculture announcement that the USSR would use nearly 40 per cent of US credit guarantees of 1.25 billion dollars to finance wheat purchases in fiscal 1991-92.

Tea : Firm. Good demand was unregistered at the weekly London auction. Average prices were unchanged at 190 pence per kilo for quality grade, at 125 pence for medium grade, and at 80 pence per kilo for low quality.

Cotton : Irregular. The price indicator fluctuated irregularly on the Liverpool market as demand from European spinners remained selective. The International Cotton Advisory Committee lowered its forecast of world consumption in 1991-92 to 18.76 million tonnes, up 140,000 tonnes from last year but down one million from previous estimates.