

Taiwan to invest in S Africa

JOHANNESBURG, Aug 15: The Taiwan government is to invest 20 million Dollars in a South African petro-chemical plant, its single biggest investment yet in the Republic, respected Business Day newspaper reported yesterday, reports AFP.

A formal agreement between China Investment and Development Company (CIDC) and South African Chemicals Company Sentrachem is to be announced in September, the report said, quoting CIDC President Shin Ta-Shao.

Taiwanese trade officials here were unavailable for comment.

The plant would produce about 100,000 tons of di-ethyl hexanol annually, which would then be shipped back to Taiwan, the report said. The material is used in products such as plastic films and sheets.

Sentrachem Managing Director John Job confirmed the group was involved in discussions with the CIDC, but said it was only one of many companies involved in discussions.

The plant is likely to be situated at Mossel Bay in Cape province so as to utilise a gas liquid cracker plant installed as part of the Mossagas Offshore Oil and Gas Exploration there.

The investment is the first following Tuesday's announcement by South African Trade and Industries Minister Org Marais of greatly expanded trade, investment and technological ties between South Africa and Taiwan.

Indonesia, China to set up shipping consortium

JAKARTA, Aug 16: Indonesia and China plans to set up a commercial shipping consortium soon to support trade between the two countries. The Head of the Indonesian Association of Shipping Companies (INSA) said Thursday, reports AFP.

INSA Chairman Muntaga was quoted by the Antara news agency as saying that the consortium, expected to be set up this month, will involve seven Indonesian shipping companies.

Antara did not say how many Chinese companies will be involved in the consortium. Muntaga said that the consortium will serve the sea trading lane between the two countries.

Indonesia and China resumed diplomatic ties in August 1990, five years after direct bilateral trade was resumed between the two countries' Chambers of Commerce.

GEC invents light alloy for jet engine

WASHINGTON, Aug 18: The metallurgical engineer at General Electric Company has invented a light titanium alloy that cuts the weight of jet engines by about 100 pounds and improves efficiency according to the New York Times yesterday, reports Xinhua.

The alloy consists of titanium, aluminum and niobium, a combination of elements that R Grant Rowe, Engineer of the company, said has attracted considerable interest among aviation engineers for many years.

The problem, he said is that the alloy always seemed to pose trade-offs that made them hard to use. Alloys containing about 13 per cent niobium are brittle at room temperatures. While alloys containing higher concentrations lose their strength at high temperatures.

In the new alloy, however, the researcher discovered a fluke: at a much higher concentration of 25 per cent niobium. The metal proved both strong and flexible enough to resist fracture.

The difference, Rowe said, is that the new proportion of niobium forms a crystal structure that gives the alloy a new set of properties.

LONDON, Aug 18: Liquidation by Japanese investors and the high level of Soviet exports to the West saw platinum prices slump to 340 Dollars an ounce this week on the London commodity markets, reports AFP.

The slide could take the metal down as far as 325 Dollars, some analysts forecast.

On the London Metal Exchange (LME), the continuing strike at Chile's El Teniente Mine brought little support to an oversupplied copper market. The extent of the surplus was reflected in a further rise in LME stocks to a seven-year high.

GOLD: Quiet. Gold prices eased slightly in quiet trading due to European jewellery in-

Only 2,000 BCCI depositors could apply for loans

Star Economic Report

BCCI (O) Ltd Depositors Association in a meeting on Sunday said most of an estimated 70,000 depositors of the Bank of Credit and Commerce International (BCCI) branches in Bangladesh failed to apply for advance payment by the Government due to different problems.

Speakers of the meeting said only 2000 depositors applied for the advance of Taka 10 crore although Taka 70 to 80 crore have been earmarked for giving advances to them.

The problems which impede the application procedures are the issues related to the maturity of the fixed deposits, lack of directives on the conditions of foreign currency (F/C) account and traveller cheques.

The speakers also alleged that the Bangladesh Bank is dilapidating with the depositors' demand. They also questioned the delay in auditing the branches of BCCI.

The speakers urged the

Government to take steps to undertake the responsibilities of BCCI and not to wait for talks with the representatives from the United Arab Emirates (UAE).

They said if the government starts normal functioning of the bank, the depositors would continue their banking with it as usual. They said the UAE would then be interested to take over the bank spontaneously.

Course on bank management ends

A month long advanced course on bank management, conducted by the Bangladesh Institute of Bank Management (BIBM), concluded in Dhaka on Sunday. BIBM press release said, reports BSS.

Fifteen officers from different banks and financial institutions participated in the course.

BCCI staff favour Pak buyers

KARACHI, Aug 18: Workers in Pakistan for the scandal-hit Bank of Credit and Commerce International (BCCI) proposed on Saturday that they help to buy out its operations in the country, reports Reuter.

They said in a statement that a takeover bid could be structured with the support of the bank's Pakistani customers which would be far superior to a proposal received from Abu Dhabi.

Bankers in Abu Dhabi have sent a letter to Pakistan's central bank showing interest in buying the BCCI's branches in Karachi, Lahore and Rawalpindi.

The BCCI is still operating in Pakistan on the central

bank's instructions. Its operations in many countries were shut down on July 5 following reports of massive fraud.

"It is expected that the government of Pakistan shall now evaluate the two proposals strictly on merit," the workers' statement said.

Pakistan has launched a privatisation programme and sold the Nationalised Allied Bank Limited to its employees this week.

The BCCI workers' proposal provides for a local private commercial bank to be incorporated as a public company with a pre-subscribed capital of 300 million Rupees (12 million Dollars).



CHEMNITZ (Germany): During the night of August 16-17 some unknown pranksters placed a trabant car on the stone pedestal where formerly a Soviet T34 tank stood in memory of the capitulation of Germany 1945, and the trabant in memory of the former East German 2 stroke car, "A Legend on Wheels" which will cease production at the end of 1991.

— AFP/UNB photo

US industrial output up

WASHINGTON, Aug 18: US industrial production rose 0.5 per cent in July, the fourth consecutive monthly rise, the Federal Reserve Board reported Friday, reports AFP.

Analysts had generally expected a 0.4 per cent increase. In June, output went up a revised 0.6 per cent following a 0.7 per cent hike in May and 0.5 per cent in April.

Before the April advance, industrial output had dropped for six straight months from October through March as the economy sank deeper into recession.

The Fed said automobile production rose 10 per cent in July. But excluding that sector, output still went up 0.4 per cent. Hikes were also reported in construction supplies and industrial materials such as steel, textiles and paper.

Bid to win Asian food markets

SYDNEY, Aug 18: Experiments in Tokyo and Sydney have revealed a surprising Japanese fondness for Australia's beef but a distaste for its biscuits and chocolate, scientists said here, reports AFP.

Research started simultaneously in the two cities earlier this year is already proving more than just the obvious — that significant differences exist in the taste sensitivities of the two nations.

Analysts say it has also been revealing what Japanese people like, why there is no great market in Japan yet for some Australian products and what producers and processors must do to improve their prospects.

The research, by Australia's Commonwealth Scientific and

Industrial Research Organisation (CSIRO), is aimed at helping Australia's food industry gain a bigger slice of Asian food sales, especially the rich Japanese market as it deregulates.

Similar research will begin next year in other Asian cities such as Hong Kong, Singapore and Bangkok.

The researchers, including three scientists, a food technologist, two psychologists and a Japanese-speaking computer expert, intend to help food processors tailor their products to suit Asian tastes.

The first phase, which involved panels of taste testers at the Chuo University in Tokyo and in a Sydney laboratory, sampled sweet foods and cereals without labels or indications of origin.

While the Japanese biscuits were equally popular with both panels, the Japanese samplers found Australian biscuits less to their liking.

"This was related to their butteriness, but as well they were not considered to be as fresh as the Japanese biscuits, even though they both equally fresh," said Castro Sensory scientist David Lang.

"Australian chocolate was found to be much harder, less sweet and didn't melt in the mouth as Japanese chocolate does, so the Japanese preference is for softer, sweeter chocolate."

"Australian jam, on which we have done a fair amount of analysis, tends to be much thicker and the marmalade more bitter than the Japanese tend to like," he said.

Japan-US trade war again

TOKYO, Aug 18: In the first half of this year Japanese bureaucrats thought they might have cured their worst trade headache — the surplus with the United States, the country's most pugnacious trading partner, reports Reuter.

Signs now are that the surplus may start growing again after steady declines since February.

"There is no doubt that, when the US economy picks up, Japanese exports will follow suit very rapidly," said Teizo Taya, Chief Economist at Daiwa Research Institute. "It is potentially a dangerous situation."

The rate of decline in the US-Japan trade gap slowed in July. Even most worrisome for the bureaucrats, trade figure released on Tuesday showed the first year-on-year increase

in exports to the United States in more than six months.

"This reflects the fact that the US recovery may already be showing up in trade flows," said Kazuko Mixuno, economist at Baring Securities (Japan) Ltd.

The White House, in a report to the US Congress released on Tuesday said there were clear signs the country was emerging from recession.

US retail sales, a key barometer of consumer attitudes, grew for the third straight month, although analysts said the growth was still too weak to indicate a vigorous recovery.

Things had looked better for Japanese officials in the first six months of the year.

While Japan's overall trade surplus has climbed for the last seven months, jumping 25

per cent to 6.68 billion Dollars in July, its surplus with the United States fell, narrowing to a 3.01 billion Dollar overhang in July, from a revised 3.07 billion surplus a year earlier.

The US recession dampened demand for Japanese consumer goods, such as televisions, video cassette recorders and automobiles, which account for most exports.

Economists agree that growth in the surplus hinges on the extent of the US economic recovery, but some say even a small US rebound could mean strong growth in exports.

Daiwa's Taya calculates that, for a one per cent increase in US incomes, Japanese exports increase between three to four per cent.



Salt Mill Owners' Association members addressing a press conference at National Press Club on Sunday.

— Star photo

Mill owners demand right to import salt

Star Economic Report

Bangladesh Salt Mill Owners' Association on Sunday condemned the government decision to import crushed salt through Trading Corporation of Bangladesh (TCB) and said import of crushed salt instead of boulder salt would cost the country 30 lakh dollar higher.

Mohammad Shahidullah, President of the Association, addressing a Press conference at the National Press Club demanded that the government should allow the mill owners to import salt. They said import through TCB or any other indentors would push the price of salt two to three taka higher per kg in the retail market.

He said import of crushed salt would virtually lead to the

shut down of the salt producing units. He said these units which employ about five lakh people operate by crushing boulder salt.

The Association said there is a shortage of about two lakh metric tons of salt this year. Mohammad Shahidullah said this quantity of salt should be imported by the mill owners as raw materials. Import through TCB would raise the price of salt because of a middle-man role of TCB. Moreover, the Association expressed the fear that the salt would not be available in time.

The Association said the stocks of the mills are already empty. The mills would close down within a very short time causing an artificial price hike of salt.

Prices reduced losses in the wake of Chicago, traders judging this new figure too high. Lined oil remained weak, despite specialist review oil

LONDON, Aug 18: Oil prices reacted calmly to the UN's decision to authorise Iraq to sell oil for six months and up to a value of 1.6 billion Dollars, or around 500,000 barrels per day, for humanitarian reasons, reports AFP.

Details of these sales — which will also contribute to compensation payments outlined under the terms of the Gulf cease fire — still have to be finalised and Iraqi oil will not be on the market for several weeks, by which time the onset of winter will bring an upturn in demand.

VEGETABLE OILS: Irregular. Soy oil eased after the USDA forecast a smaller-than-expected fall in US production of Soy in 1991. The USDA lowered its forecast for the harvest of soybeans by five per cent, which represents a three per cent fall on the 1990 harvest.

Prices reduced losses in the wake of Chicago, traders judging this new figure too high. Lined oil remained weak, despite specialist review oil

Commodity prices mixed

world forecasting a fall in world production from three million Tonnes in 1990 to 2.6 million this year.

Groundnut oil also eased after oil world lifted its forecast of world production to 16.9 million Tonnes in 1991/92 against 16.6 million Tonnes estimated previously.

Coprah oil eased initially on profit-taking after July gains had taken prices to a two-year high. But the market then stabilised.

SUGAR: Weak. Prices fell Monday, depressed by Moroccan buying at particularly low levels and by sentiment that the USSR had covered its immediate needs and had withdrawn from the market. Estimates of recent Soviet buying in the form of barter arrangements against oil, vary from 300,000 to 600,000 Tonnes. The prospect of the arrival on the market of the

Argentinian harvest and rumours of Mexican selling also weakened the trend.

GRAINS: Irregular. Wheat prices firmed on the futures market in London because of concerns about the quality of the British harvest. But barley was weakened by good harvest prospects.

Due to the drought which affected crops, the USDA lowered by 10 per cent, to 188.4 million Tonnes, its forecast of US maize (corn) production in 1991. This would represent a six per cent fall from last year. The estimate of wheat production was left virtually unchanged at 55.33 million Tonnes, which would be a 26 per cent fall from last year.

TEA. Firm. Demand remained firm on the weekly auction, where average prices were stable at 135 Pence per kilo for quality grades and at 100 Pence for Medium Grades,

but fell from 78 to 76 Pence per kilo for low-medium.

WOOL: Quiet. The trend in Bradford was supported by firmer prices at the last Australian sale, which followed two weeks of falls.

COTTON: Easier. The Liverpool market's price indicator eased in the wake of New York, after the USDA lifted by more than eight per cent to 17.6 million Bales its estimate for the US cotton harvest in 1991. This would be an increase of 14 per cent from the last year. This harvest will be the second-highest on record, after the 1937 crop.

RUBBER: Quiet. Natural rubber prices remained depressed in Europe by holidays in the industry. The price indicator of the International Rubber Organisation (INRO) fell below the "may-buy" level but the organisation made no purchases. Prices

Most metal prices decline in London markets

dustry summer holidays. The metal was little affected by platinum's slump, the market having developed a tendency to dissociate the two precious metals, an analyst with UBS Phillips and Drew said.

A strike at Chile's El Indio Mine, which produced 220,000 ounces of gold last year as well as 27,000 tonnes of copper, continued. The strike began August 1.

PLATINUM: Weak. Platinum fell to 340 Dollars an ounce in London, its lowest level since December 1985, taking its losses over the past

month to 10 per cent. Selling by Japanese investors on the futures market in Tokyo and the high level of Soviet exports of both platinum and rhodium continued to weaken the market.

Analysts forecast that the metal could fall to a low of 325 Dollars before bouncing. In the short term, buying from Japanese jewellers (who could be attracted by the low level of prices) is questionable, given a clouded economic outlook there, while the continuing weakness of the automobile market in the United States

has ruled out an early recovery of demand from catalytic converter manufacturers.

SILVER: Quiet. Silver moved in a narrow band, resisting the weakness of platinum at the end of the week despite the two metal's traditional tendency to move in concert.

COPPER: Slightly easier. Prices edged slightly lower despite miners' unexpected rejection of the latest management offer at the strike-bound El Teniente Mine in Chile. Although El Teniente is the world's second-largest mine,

analysts believe the strike will have to look like lasting for several weeks before it has much impact on an over-supplied market. Chinese buying at lower levels was a supportive factor.

The oversupplied state of the market was highlighted as LME stocks of copper rose 8,475 Tonnes to 288,575 Tonnes, their highest for seven years.

LEAD: Unchanged. Prices were virtually unchanged in extremely thin trading. LME stocks of the metal rose 2,775 Tonnes to 89,700, also a fresh

seven-year high.

ZINC: Slightly firmer. Zinc edged slightly higher, boosted by improved housing start data in the United States which encouraged sentiment that the most important metal-consuming economy was emerging from recession. The threat of a strike at Mineroperu, the Peruvian state-owned mining and refining company, was also a supportive factor. The strike was due to begin August 20 and could bring the giant Cajamarquilla Zinc Plant to a standstill.

LME stocks of zinc rose

2,175 Tonnes to 128,525 Tonnes.

TIN: Slightly easier. Reflecting the overall lacklustre tone of the base metals market, tin prices drifted slightly below previous levels.

Reviewing recent developments, including the closure of the Bom Futuro Wildcat Mine in Brazil, Billiton Enthoven Metals analyst Angus Macmillan said: "Fundamentally there remains no reason for this market to move much on the upside in the near term, given that the demand outlook remains poor

Aquino cuts import levy

MANILA, Aug 18: The Philippine government, heeding the call of big business and major trading partners, lopped four points off a controversial nine per cent import levy in the hope it would help pull the economy out of recession, reports AFP.

Aquino imposed the levy in January to raise revenue after Congress refused to pass new tax to stem the growing budget deficit. She had pledged to gradually abolish the levy by August next year.

Executive Secretary Franklin Drilon announced the cut to businessmen here.

"We do hope that this reduction, along with the earlier reduction of oil prices, will spur economic activity, fill up the slack in the capacity of major factories, and generate economic growth in the next six months," said Drilon, Aquino's Chief Aide.

Aquino and other Philippine officials had earlier acknowledged business criticism that the levy dampened the investment climate here and reduced the competitiveness of exports.

Iraq loses \$17b for UN embargo

BAGHDAD, Aug 18: Iraq lost 17 billion Dollars because of the United Nations embargo in the five and a half months leading up to the Gulf war, Planning Minister Samal Majid Faraj said today, reports AFP.

Faraj said lost oil production alone accounted for 10 billion Dollars from the time Iraq invaded Kuwait on August 2, 1990, until the Gulf War began on January 17, according to the Iraqi News Agency (INA).

He put losses incurred by a total or partial halt in other productive sectors at four billion Dollars.

Iraq had lost 948 million Dollars as a result of an increase in production costs and 710 million Dollars because of delays to development projects.

Steps to curb money laundering in Berne

BERNE, Aug 18: Switzerland will sign a Council of Europe Agreement on money laundering to tighten up its drill as on confiscating funds generated by criminal activity, the Justice Ministry said yesterday, reports Reuter.

The existing international agreements only partially cover the confiscation of money arising out of crimes the ministry said in a statement.

Therefore a new agreement that deals specifically with this problem and the related theme of money laundering has been developed by the Council of Europe with the active cooperation of Switzerland.

Switzerland which outlawed money laundering in August last year is trying to break from its international reputation as a haven for drug cartels and other criminal organisations which can hide behind the country's banking secrecy laws.

were recovering at the end of the week, which ruled out chances of intervention.

COCOA: Recovery after easier start. Prices were supported by announcement of reforms of the Ivorian cocoa sector. The reforms will lead to a severe cut of government subsidies to producers — which should sharply reduce production.

The market had initially been taken lower by a slump in New York as traders awaited firmer indications of falls in the 1991-92 harvest of the Ivory Coast, Ghana and Brazil.

COFFEE: Firmer after easier start. The announcement of a meeting of coffee officials from Brazil, Columbia, Honduras, Costa Rica, Guatemala and El Salvador, Thursday and Friday in New York, kick-started the market at the end of the week after an easier start.

The representatives were thought to discuss a system involving the retention of 10 per cent of their harvests, originally proposed by Colombia.

and stock levels are still high." LME stocks of tin rose 60 Tonnes to 14,825 Tonnes.

ALUMINIUM: Easier. The continuing rise of aluminium stocks finally began to pressure aluminium prices which at the end of the week were forecast to test recent life-of-contract lows. LME stocks rose 22,650 Tonnes to 565,175 Tonnes. Another record high.

NICKEL: Easier. Continuing weak demand from stainless steel producers and the absence of significant supply threats established nickel on a steady downtrend. The imminent expiry of the labour contract at Falconbridge's huge subsidiary plant in Canada did not appear to concern