

Lankan stocks recovering

COLOMBO, Sept 4: Sri Lanka's tiny stock exchange made a marginal recovery after dipping to a record low following Wednesday's political crisis threatening the ouster of President Ranasinghe Premadasa, analysts said, reports AFP.

The volume of trading went up to 4.8 million Rupees (114,000 Dollars) from the record low of 2.3 million Rupees (54,700 Dollars) on Monday. It compared with 17.35 million Rupees (413,095 Dollars) worth of business Wednesday.

Revised figures of the Colombo Stock Exchange showed that the Sensitive Price Index had fallen to 977.06 on Monday. It recovered to 978.78 on Tuesday.

Earlier the exchange gave Monday's figure as 983.11.

Sri Lanka's fledgling stock market has been bullish in the recent months and just before the crisis deepened on Friday with Premadasa suspending parliament Friday, the index stood at 1010.49 on Thursday.

"Investors are still nervous, today the market recovered very slightly because of rumours of reconciliation within the ruling party," an investor said.

There was also a lull in activity at Colombo wholesale markets where traders complained of little buying interest with the entire country preoccupied with the impeachment motion against Premadasa.

Crisis leads to uncertainty in Soviet oil export

PARIS, Sept 4: The current upheaval in the Soviet Union makes it difficult to predict its level of oil exports in the coming months, the International Energy Agency (IEA) said in a report published here yesterday, reports AFP.

Last month's failed coup in the Soviet Union did not seriously affect oil exports, but "considerable uncertainty surrounds the volume and composition of oil exports in coming months," the Paris-based Agency said in its monthly report.

It cited in particular "the possible extension of decentralisation to the oil industry."

Soviet oil exports in recent weeks have been between 2.3 million and 2.4 million Barrels a day, some 1.4 to 1.5 million of its crude oil, but first indications suggest that exports from the Black Sea ports fell in the first two weeks in August.

Soviet oil exports in the first six months of this year plunged 26 per cent or 0.8 million barrels a day from the same period of 1990 to 2.3 million barrels per day, with crude exports hardest-hit.

Some one million barrels a day was exported via the Black Sea, 0.6 million via the Baltic and 0.7 million by pipeline.

Production has fallen 1.1 million barrels a day from the first half 1990 level to 10.8 million barrels a day, the IEA said.

Soviet oil sales to Organisation of Economic Cooperation and Development (OECD) countries fell 6.5 per cent to 1.5 million barrels a day, while 0.6 million Barrels went to Eastern Europe and 0.2 million to developing countries.

World's largest gas project comes on stream

DOHA, Sept 4: Qatar's North Dome Offshore Gas Field, one of the largest in the world, is to become operational on Tuesday, with initial estimates putting daily output at 265 million cubic metres, official sources said today, reports AFP.

The first phase of the project will produce gas for domestic needs but will also allow Qatar to export 50,000 Barrels of Liquefied Natural Gas per day. The cost of the initial phase was put at 1.3 billion Dollars.

Work began in 1987 to build two pipelines 130 kilometers (80 miles) long linking the offshore field with the Umm-Said industrial zone south of here, as well as eight platforms and treatment facilities.

North Dome was discovered in 1971 and covers an area of 600 square kilometers (240 square miles).

In the second phase a new industrial zone will be built at Raslavan, in northeast Qatar, and more than 20 foreign firms are bidding for construction contracts, according to official sources here.

The North Dome Project should enable this small Emirate of 400,000 people to reduce its dependence on oil revenues. Qatar's oil reserves amount to three billion Barrels, well below those of neighbouring Saudi Arabia, 280 billion Barrels, or the United Arab Emirates, 98.1 billion Barrels.

Perez may favour Iraq to sell \$2.4b crude

UNITED NATIONS, Sept 4: UN Secretary-General Javier Perez de Cuellar is expected to suggest this week that Iraq be allowed to sell up to 2.4 billion Dollars worth of oil in the next six months, sources at the UN said late on Tuesday, reports Reuters.

But his key report on oil sales is not expected to dispute openly the 1.6 billion-Dollar ceiling put on Iraqi petroleum exports by the Security Council in an August 15 resolution.

Instead he will probably recommend that the council review Iraq's need in the next few months, the sources said. Money from the oil sales will go to cover emergency humanitarian needs and other costs.

We are pretty certain the final version will end up not directly challenging the ceiling but point of the latest, higher UN humanitarian estimates

and refer to the review mechanisms, said one source, who spoke on condition of anonymity.

The report is expected to go to the Security Council on Thursday. No Iraqi oil can flow until the 15 member body approves the document, expected next week at the earliest.

An early draft of the report estimates that Iraq's food, health and sanitation needs in the next six months are 1.73 billion Dollars, the sources said.

Iraq also has to pay 30 per cent of its oil revenues into a fund to compensate victims of the Gulf War as well as cover UN costs for scrapping its weapons of mass destruction.

Consequently, the draft report suggests Iraq be permitted to sell 2.4 billion Dollars worth of oil to cover its own needs and pay into the Compensation Funds, the sources said.

The draft also recommends that Turkey should be granted its request of 264 million Dollars to get the pipeline from Iraq in use again. It is expected Ankara will be paid in oil.

Iraq has rejected the resolution which directs all proceeds from oil sales go into a UN account.

The council last month voted to let Iraq sell oil to import food and humanitarian supplies, pay Gulf War reparations and meet other debts arising from its invasion of Kuwait last year.

The Secretary-General's report was mandated by the Council to ensure that food and medicine bought with Iraqi oil money reaches needy civilians and that none is siphoned off by the Baghdad government.

USSR to face food crisis

WASHINGTON, Sept 4: Food shortages could plague the Soviet Union this winter because of a harvest shortfall, US Agriculture Secretary Edward Madigan said Tuesday, reports AFP.

The Soviet Union's harvest is expected to total 190 million Tons, well below last year's near-record 235 million Tons that still did not meet demand in the Soviet Union where citizens faced shortages and long lines for staples.

The recent political upheaval could deepen their woes, said Madigan, who announced plans to personally assess the situation later this month.

"Even with the dimension of last year's harvest there were still some problems with the Soviet Union," Madigan told reporters.

"We would anticipate that with a diminished harvest, those problems would be exacerbated even if the relationship between the Republics (and the central government) was clearly understood today," he added.

It must still be determined, he said, whether Soviet Republics that produce more food than they consume will share the surplus with other republics which do not enjoy that luxury.

American farmers could end up putting less grain in reserve and moving more of it into the international market to help "the Soviet Union meet the shortfall," Madigan said.

Bangkok targets 8.2 pc growth

BANGKOK, Sept 4: Stable economic growth of around eight per cent a year, a fairer distribution of income and a better quality of life are the principal goals for Thailand over the next five years, a government official said Tuesday, reports AFP.

Thailand, seven five-year plan for 1992-96, drawn up by the National Economic and Social Development Board (NESDB), was unanimously endorsed at a cabinet meeting on Tuesday, NESDB Secretary-General Phisit Pakkaseem said.

Among the targets are an annual average economic growth rate of 8.2 per cent, inflation of no more than 5.6 per cent per year and an average per capita income of 71,000 Baht (2,840 US Dollars) by 1996, Phisit said.

The plan gives equal emphasis to the agricultural, industrial and service sectors, Phisit said.

The private sector will be urged to provide the lead in all three sectors with the public sector playing only a supporting and supervising role.

Thailand aims to become a regional centre for finance, trade and tourism, and more liberal policies will be introduced to ensure that Thailand becomes more competitive in global finance and trade, he said.

The plan identifies six groups in both rural and urban areas, including agricultural workers and government employees, who will be signed out with regard to improving the distribution of income.

The plan aims to reduce the total proportion of those defined as "poor" from 24 per cent of the total population to 20 per cent by 1996.

Regarding the development of human resources and improving the quality of life Phisit said the plan aimed to reduce the population growth rate from 1.4 per cent to 1.2 per cent.

Educational opportunities and incentives will be increased with the aim of raising the number of children entering secondary education at the end of the plan, Phisit said.

Pollution control measures and incentives will be introduced and both monetary and fiscal measures implemented for the conservation of natural resources, he said.

BCCI HK depositors enlivened

HONG KONG, Sept 4: Depositors were hopeful today of getting payment of their funds following moves by an Indonesian-backed bank to bail out the local subsidiary of the Bank of Credit and Commerce International (BCCI), reports AFP.

Danny Tang, spokesman for depositors of the BCCI subsidiaries, said many depositors were enlivened by the news that the Hong Kong Chinese Bank (HKCB) had made a tentative agreement to buy the BCCI subsidiary here.

HKCB, backed by Indonesia's Lippo Group, signed a conditional agreement giving it exclusive rights for eight weeks to negotiate the acquisition.

However, Tang said "it's just a conditional or a pre-negotiated agreement."

"I would like to be more optimistic only after the Banking Commissioner approved the scheme," Tang said he could not be more optimistic until after the group had met Banking Commissioner, David Carse.

The Group had earlier written to Carse saying that whatever his decision the money of 46,000 depositors was at stake and added that sale of the bank could help boost public confidence in the government.

Noel Gleason, who was appointed by the Colonial Government in July to wind up the local BCCI subsidiary, said he was optimistic that the Bank's smaller depositors could get their money back soon if the sale went ahead.

HKCB was tightlipped about details of the agreement, saying only that a full review of the BCCI accounts must be completed before further details could be worked out.

The Abu Dhabi Government, which is the major shareholder of BCCI, had earlier pledged to guarantee any unrecorded liabilities the Bank might have if a prospective buyer could be found for the local subsidiary.

Depositors have staged rallies, protests and hunger strikes and sent petitions asking the government to reverse its decision to liquidate the Bank.

Another report from New York said: The Bank of Credit and Commerce International (BCCI) forgave a 150,000-Dollar loan last year to the dormant consulting firm of Andrew Young, a former Mayor of Atlanta, Georgia, according to a published report.

Young, who is also an ex-Congressman and former US Ambassador to the United Nations, told the New York Times that BCCI's action freed him from a personal obligation.

Soviet collapse likely to boost oil market, slump gold

LONDON, Sept 4: A two-Dollar hike in crude oil prices and a slump to 1986 gold values are just two of the potential consequences of the crisis in the Soviet Union for world commodity markets, according to analysts here, reports AFP.

After the storm that swept through world markets in reaction to the abortive coup last month, experts expect the full repercussions of the transfer of power from Moscow to the Republics to take months, if not years, to emerge.

But the impending collapse of the centralised — and for commodity traders, reliable — Soviet import/export and financial agencies has already had a dramatic effect on the gold market.

Prices registered only modest and brief gains on news of the coup bid to topple President Mikhail Gorbachev, then slumped last Friday to a 14-month low of 346.5 Dollars an Ounce on fears that 250 tonnes of Soviet gold, deposited in western banks as collateral on loans, would be released onto world markets.

"With western financial agencies confused about who to deal with and with no guarantee that Moscow or the Republics will be able to honour commitments to rebuy the gold, some people are beginning to say: 'Why don't we sell it?'" said Jon Berghell, an analyst with James Capel in London.

Fears that falling output and the impending winter food crisis will prompt further direct selling of Soviet gold to raise hard currency is also fraying market nerves.

Even though Soviet sales in July actually fell below the previous year's levels, some analysts see prices falling to 335 Dollars, a level last seen in 1986.

In contrast, the contraction of industrial output from the world's biggest oil producer is expected to squeeze crude prices higher over the coming months.

Vagit Alekperov, the acting Oil Minister, forecast last week that Soviet production in 1991 would fall to 10 million barrels a day, its lowest level for 16 years and 1.4 million barrels below 1990 levels.

"The ten million barrels figure is much lower (0.2 to 0.5 million barrels) than most analysts were going for but domestic consumption does not seem to be falling," said Mehdi Varzi, oil analyst at Kleinwort Benson.

As a result, he said, exports from a "major supplier to Western European markets" are bound to fall, pushing prices up. Some analysts have quantified the effect of lower Soviet exports to be worth an extra two Dollars a barrel on crude prices this winter.

Nickel, which jumped 200 Dollars, a tonne on fears for Soviet supplies in the days following the August 19, coup, has since slumped to a 19-month low.

On reflection, and in contrast to oil, rather than anticipating problems with Soviet production (which last year provided 13 per cent of west-



Bunched closely at the "Boot 91" fair in Dusseldorf are the latest motorboats and sailing Yachts. Electronic instruments for radio, radar, and navigation purposes drew much attention to the visitors.

Pakistan exports arms to 30 countries

ISLAMABAD, Sept 4: Pakistan exports light arms worth 16 million dollars annually, a top Defence Ministry official said Tuesday, reports AFP.

Pakistan ships the arms to 30 "friendly" countries the official Associated Press of Pakistan quoted Defence Ministry Secretary F.I. Malik as saying.

The ministry is considering a proposal to manufacture helicopters in Pakistan, he said, adding that some industrial groups and foreign firms were willing to participate in such a project.

Pakistan, which has depended mainly on the United States and China for heavy weapons, recently started manufacturing tanks. Its arsenal also includes two Pakistani-made medium-range surface-to-surface missiles.

Washington suspended some 600 million dollars in annual military and economic assistance to Pakistan in October on suspicion it was developing nuclear arms.

US legislators to move for MFN status for Baltic states

WASHINGTON, Sept 4: Two UN congressmen said on Tuesday they would introduce a bill to give Most Favoured Nation (MFN) trade status to the independent states of Estonia, Latvia and Lithuania, reports Reuters.

Democratic representative Richard Durbin of Illinois said that since Washington had given diplomatic recognition to the three we must now move beyond the question of political status and work to ensure sound economies in the Baltic nations.

His effort is being co-sponsored by Democratic representative Steny Hoyer of Maryland.

New Thai-US treaty on textile export

WASHINGTON, Sept 4: US Trade Representative Carla Hills and Thai Commerce Minister Amaret Sila on Tuesday completed a new three-year agreement regulating Thailand's export of textiles to the United States, reports Reuters.

The old pact ended in 1989 and the United States kept curbs on Thai exports under the global Multi-Fiber Arrangement governing world textile trade pending the new pact.

Agreement on the new pact was reached in June. Hills and Sila completed the accord with an exchange of notes.

Hills said in a statement, "after two years of uncertainty we have reached a good agreement for both the United States and Thailand for this interim period of time until we can implement the results of the Uruguay Round and move toward the eventual elimination of the quota system."

The Uruguay Round of talks under the 108-nation General Agreement on Tariffs and Trade is trying to end global textile quotas as part of a reform of overall world trading rules.

Thailand is the 10th biggest supplier of textiles and apparel to the US Market. Its shipments to the United States for the year that ended last June totalled 594 million Dollars.

OPEC output level highest in August

PARIS, Sept 4: Oil output by members of the Organisation of Petroleum Exporting Countries (OPEC) in August was at the highest level since December at 23.6 million Barrels per Day, the International Energy Agency (IEA) said here on Tuesday, reports AFP.

This represented an increase of 0.3 million Barrels per Day compared with the level in July, the IEA said in its monthly report.

Saudi Arabia had increased its output by 0.2 million Barrels per Day to 8.4 million Barrels, the Agency said.

Excluding output by Kuwait estimated at 0.2 million Barrels per Day and by Iraq estimated at 0.4 million Barrels per Day, OPEC output totalled 23 million Barrels per Day.

OPEC had decided that its overall output ceiling during the third quarter should be 22.3 million Barrels per Day.

The IEA estimated demand in countries, belonging to the Organisation for Economic Cooperation and Development (OECD) at 36.9 million Barrels per Day during the third quarter, representing a reduction of 3.5 per cent or 1.3 million Barrels per Day compared with the level during the same period of last year.

Demand during the second quarter had risen by 0.5 per cent or by 0.1 million Barrels per Day to 37 million Barrels.

During the fourth quarter, demand within the OECD would rise by three per cent or 1.1 million Barrels per Day to 38 million Barrels, the Agency forecast.

World trade fair in Seoul begins September 13

Star Economic Report

Korea Trade Center, Dhaka (KOTRA) announced through a press release on Wednesday that Seoul International Instrumentation Exhibition (Seoul Instrument '91) would be held in Seoul, at the Korea Exhibition Center on September 13-17, 1991. The Ministry of Trade and Industry, and other related organizations in the Republic of Korea will extend support for the exhibition.

The main exhibits will be measuring & checking instruments, controllers, automation systems & computers, scientific & analytical, optical instruments, precision instruments and related items, the press release added.

The exhibition, the KOTRA noted in its press release, will provide a good opportunity for the participants to promote their corporate image, introduce newly developed high-tech instruments and explore new markets.

KTC, Dhaka will be arranging business trips for local interested persons. Interested businessmen have been requested by KOTRA to contact its office at PMP Plaza, Second Floor, 14, Kemal Ataturk Avenue, Banani.

Muktijoddha Trust units earn Tk 4.64 cr

Star Economic Reports

Bangladesh Freedom Fighters Welfare Trust (BFFWT) reported that net profits of its twenty industrial and commercial enterprises stood at Taka 4.64 crore in 1990-91 according to provisional accounts.

The gross turnover of BFFWT units totalled Taka 44.67 crore in 1990-91, representing 92 per cent of the budgeted turnover of Taka 48.41 crore for the year.

A press release of the Trust said that the last fiscal year was a period of "brisk activities" for its enterprises. The BFFWT enterprises contributed an amount of Taka 5.34 crore to the government in the form of taxes and duties during the year.

Provisional accounts for 1990-91 of Tabbari Beverage Co. Ltd. Mimi Chocolate Ltd. Gulshan Film Corporation, Durbar Advertising and Publications, and Purnima Filling and Service Stations — all units of the Trust, showed the recorded highest profits of Taka 6.95 crore, Taka 27.50 lakh, Taka 12.01 lakh, Taka 1.65 lakh respectively in the year since these units came under Trust management.

The figures, as quoted in the press release, indicated that the five units of the Trust alone earned a total net profit of Taka 6.44 crore which was higher than the aggregate profits of all its 20 units. This showed that operational performance of 15 units, other than those which earned the record highest profit, was still not in good shape. Most of such units incurred losses leading to lower amount of profits for the Trust as a whole, than the total profits of its five record-setting units alone.

The press release of BFFWT said that Mimi Chocolate Ltd. under the Trust got for the first time an international award from Madrid (Spain) for its quality products.

ECNEC okays 3 projects

A meeting of the Executive Committee of National Economic Council (ECNEC) was held in Dhaka, Tuesday at the NEC Bhawan with Finance and Planning Minister M Saifur Rahman in the chair, reports BSS.

The meeting approved three projects. The projects are: rehabilitation of power centres, agriculture support service and national minor irrigation development project. Besides, evaluation report on rural development project-4 and B W D B small scheme were also approved.

Agriculture Minister M Majid-ul Haq, State Minister for Energy, Power and Mineral Resources Dr Khandaker Mosharraf Hossain, members of Planning Commission and concerned secretaries were present.

Japan's foreign exchange reserve falls

TOKYO, Sept 4: Japan's foreign exchange reserves fell 633 billion Dollars in August to 66,888 billion Dollars at the end of the month, marking the third decline in a row, the Finance Ministry said yesterday, reports AFP.

The decline coincided with reports of central bank's intervention to stem the Dollar's surge particularly against the German Mark following the coup in the Soviet Union.