Shipping tycoon Y K Pao dead

HONG KONG, Sept 24: Sir Yue-Kong Pao, a former banking clerk from Shanghai who fled communism 42 years ago and built up one of the World's largest shipping fleets, died Monday from respiratory failure, his family said. He was 73, reports AP.

Pao, former Chairman of World-Wide Shipping and Wharf Holdings, died peacefully at home, the family statement said.

Born in Ningpo, in China's Zhejiang province, Pao fled from Shanghai to this British colony in 1949 just before the Communists won control of China.

Starting with a 8,700-ton coal-burning second-hand freighter that he bought in 1955, Pao became owner of some 20 million tons of ships by 1980.

His associates attributed his meteoric rise to ambition and self-discipline.

Pao, who had no formal education after high school, seldom if ever ordered a ship without first signing a charterer to a long-term contract. "I do not take unnecessary chances," he said. "We have built up a solid reputation with our long-term business."

Asked why he chose to go into shipping, he replied that it was difficult to break into other well-established businesses in Hong Kong at the time.

"I did not want to be an employee of any firm or bank. Shipping is a worldwide business with floating, movable assets that can be shifted to any part of the world," he said.

He had no previous experience in shipping and studied the business from any book he could find that had anything to do with shipping.

As a former banker, Pao won the support of two Hong Kong financial house that set him on his blitz course to become a leader in world shipping.

When he retired in 1986, Pao's son-in-law, Peter Woo, was appointed to succeed him as Chairman of both World-Wide Shipping and Kowloon Wharf Holdings.

S. Korea looks to Europe, USSR for technology

SEOUL, Sept 24: South Korea has become overly dependent on Japanese and US technology and should look towards the Soviet Union and Europe for technology, the Korea Development Bank said today, reports AFP.

Over-reliance on Japanese and US technology is creating more dependence and Seoul should turn to the Soviet Union, the former East Bloc and the European Community for technology which Japan and the United States denies it, the bank said in a report carried by Yonhap news agency.

From 1962 to 1990 Japan accounted for 50.9 per cent of technology transfers to South Korea while the United States accounted for 26.3 per cent, said the report presented to the Finance Ministry.

Asian 'Tigers' warned against trade blocks

WASHINGTON, Sept 24: US trade representative Carla Hills warned Asia's 'four Tigers' Monday against creating protectionist trading blocks and said Washington had 'a serious problem' with the loss of intellectual property rights in China, reports AFP.

Speaking at the Korean Economic Institute here, Hills said the extraordinary economic success of South Korea, Singapore, Hong Kong, and Taiwan would continue in the 1990s if they 'resist protectionist impulses.'

"We caution against the construction of protectionist trading blocs," Hills said. "They are particularly unsuitable for Asia since the region is so dependent on access to overseas markets in the United States and Europe."

She scored South Korea's 'frugality campaign' as a 'euphemism for anti-import activity but praised Singapore, Hong Kong Taiwan for making efforts to open their markets and protect intellectual property rights.

In South Korea, she said, 'The initial campaign resulted in importers reducing orders and retailers limiting shelf space for a wide variety of consumer goods, appliances of all sorts, cars, cigarettes, fruit, textiles, and wine — just to name a few'.

"The Korean government should take steps to ensure fair and open competition between foreign and domestic firms, not only in good times, but particularly in times of slower growth", Hills said.

She said an agreement was near completion with Singapore that would establish a bilateral trade and investment council to negotiate market access and provide enforcement of copyrights and patents.

Hills expressed hope that such an accord would 'spur our other trading partners in East Asia to commit to even greater market access and to the protection of intellectual property rights.'

China poses the same problems to controlled markets and an even more widespread practice of intellectual theft, Hills said, but US President George Bush may take steps to stop it.

"We suffer an enormous loss of our patents, trademarks, copyrights and trade secrets in China," she said.

"There too, the President has asked that we look at the statutory remedies available to us," she added.

Growing trade relations between China and the United States had been interrupted by repressive measures taken since the June 1989 military crackdown on pro-democracy demonstrators in Tiananmen square, she said.

Panelists from Bangladesh participating in a Worldnet Dialogue with Washington guests on "US-Bangladesh Trade". The panelists from Washington in the programme held at the USIS American Centre September 23 were Ms Julia K Huges, Divisional Vice President of the Associated Merchandising Corporation, Washington, DC and Dr Mancur Olson, Professor of Economics and director of the centre for Institutional Reforms and the Informal Sector (IRIS) at the University of Maryland. Participants from Bangladesh were, from left to right, Mosharraf Hossain, President, Bangladesh Garment Manufacturers and Exporters Association; Hamed Shafiul Islam, Secretary General, Federation of Chambers of Commerce and Industry; Moazzem Hossain, Economic Editor, The Daily Star, and Dr Ayubur Rahman Bhuiyan, Professor of Economics, University of Dhaka. USIS Information Officer Robert Hilton (far left) moderated the programme. — USIS photo

Dollar falls sharply against Yen

TOKYO, Sept 24: The US Dollar fell sharply against the Japanese Yen Tuesday, helping to push up Tokyo stock prices, dealers said, reports AP.

The Dollar closed at 132.97 Yen, down 1.75 Yen from Friday's close and its lowest closing since 131.95 Yen on Feb. 28. It was up slightly, however, from its New York close of 132.84 Yen on Monday, when it plunged on overseas markets.

The Dollar opened at 132.92 Yen Tuesday and ranged between 132.78 Yen and 133.12 Yen.

Dealers said Dollar buying was dampened by expectations that the US Federal Reserve Board would cut its discount rate further from the current 5 per cent. The Fed lowered the key lending rate by 0.5 per cent earlier. In the Stock Exchange, the 225-issue Nikkei Average rose 140.96 points, or 0.61 per cent, closing at 23,333.70. It fell 139.57 points Friday.

The Tokyo Stock Price Index closed at 1,797.62 up 0.54 per cent. It fell 7.79 points, or 0.43 per cent, on Friday.

First section volume was estimated at 320 million shares, down from Friday's 460 million. Advancing issues outnumbered declines 577 to 425, with 157 unchanged.

Share prices rose on intermittent index-linked buying by foreign investors and arbitrageurs, traders said. "Growing expectations for lower domestic interest rates and the Yen's stability supported stock prices," said an Okasan Securities Co. analyst, speaking on condition of anonymity.

Insurance Assoc chief greets Khaleda

M Moyeedul Islam, Chairman, Bangladesh Insurance Association greeted Begum Khaleda Zia on Tuesday, on her assumption of the office of the Prime Minister, says a press release.

Moyeedul Islam recalled the courageous leadership of Begum Zia during the historic mass movement against the autocratic regime.

Kuwait to cost $1.42b for capping oil fires

KUWAIT CITY, Sept 24: The cost of putting out oil wells set ablaze by retreating Iraqi forces earlier this year may could reach 483.6 million Dinars (about 1.420 billion Dollars). Oil Minister Hammoud Al-Raqba said in a statement published here Monday, reports AFP.

He told the Kuwaiti Daily Al Fajr Al-Jadid that his country had no intention of increasing the number of teams charged with fire fighting operations, noting that 30 such groups, including one Kuwaiti unit, were extinguishing the blazes.

Raqba said 426 of the 790 wells set on fire or damaged had been capped, adding that Kuwait's production capacity currently stood at 2,22,738 barrels of oil a day.

In another development, Kuwait has told contractors from allied Gulf states to wait for a year if they want to contribute to post-war reconstruction, a Gulf contractor said on Monday.

Ahmad Balhasa, Chairman of the United Arab Emirates (UAE) contracting association, said during talks here this week that Kuwaiti officials welcomed Gulf companies seeking a share in rebuilding the Emirate.

Costa Rica willing to extradite BCCI employee

SAN JOSE (Costa Rica), Sept 24: Costa Rica is willing to extradite a former Peruvian employee of the Bank of Credit and Commerce International (BCCI) if Peru requests it, a government official says, reports AP.

The two countries do not have an extradition treaty, and the official said Monday that Peru has not filed a formal extradition request.

Regulations in some of the 69 countries where Luxembourg-based BCCI operated are investigating allegations of money laundering, fraud and corrupt banking practices. The bank, which had 20 billion Dollars in assets, was shut down in the United States, Britain and other countries in July.

Brian Jensen, who once was Peru's representative to the World Bank, is accused of channeling 3 million Dollars in bribes to Peruvian officials in exchange for depositing foreign currency reserves in BCCI.

Luis Fishman, head of public security, confirmed in a radio interview that Jensen is in Costa Rica. Fishman said Jensen, 46, arrived on Sept 16 from Miami, but said he did not know Jensen's whereabouts.

Costa Rican officials said they did not know whether charges have been officially leveled against Jensen.

IMF ban on Pak SAF loan goes

ISLAMABAD, Sept 24: Pakistan freed up nearly one billion Dollars in emergency loans when it persuaded the International Monetary Fund (IMF) to pay the final tranche of a structural adjustment loan, reports AFP.

Finance Minister Sartaj Aziz and IMF Chief Negotiator Shakkor Shilan announced at a press conference here yesterday that IMF had finally agreed to release the third installment worth 140 million Dollars, of the four-year Structural Adjustment Facility (SAF).

Payment has been held up since October last year because of Pakistan's alleged failure to implement a long list of conditions. These included measures to cut the budget deficit from 8.5 per cent of Gross Domestic Product (GDP) in 1989 to 4.5 per cent of GDP in 1992.

Although Pakistan recently introduced market-oriented fiscal and monetary reforms, increased the domestic prices of petroleum, gas and electricity by nearly 40 per cent and expanded its exports by 25 per cent to six billion Dollars in the fiscal year ending June, its budget deficit remained around 6.3 per cent.

An IMF team which came here in July left dissatisfied after tough negotiations with Pakistani officials. The present delegation has apparently accepted Pakistan's case for lifting the embargo on emergency assistance.

The decision to release the last tranche of the SAF loan totalling 604 million Dollars of which 464 million Dollars were disbursed in two earlier tranches will entitle Pakistan to a 352 million Dollars Contingency Compensatory Financing Facility (CCFF) as a Gulf war affected country.

The move also clears the way for a 400 million Dollars financial sector loan by the World Bank as well as similar loans by the Asian Development Bank (ADB) and other agencies, analysts said.

Aziz welcomed the IMF decision, saying it vindicated the market- oriented fiscal and monetary policies

Dubai's first oil refinery to produce 1.5 lakh BPD

DUBAI (United Arab Emirates), Sept 24: Dubai's first oil refinery will have a production capacity of 1,50,000 barrels per day (BPD), the semi-official daily Al-Ittihad reported today, says AFP.

It said the US construction company Bechtel had completed a feasibility study on the project, to be built in Emirate's Jebel Ali free zone.

"The Dubai government is studying eight bids for the project, which will be implemented next year, and have a production capacity of 1,50,000 BPD," the paper said.

It added that oil companies in the United Arab Emirates (UAE), of which Dubai is a member, would contribute to financing the refinery.

It will be Dubai's first refinery but the third in the UAE, which also groups Abu Dhabi and five other smaller Emirates.

Dubai produces around 420,000 BPD of oil but imports petroleum products from Abu Dhabi and other Gulf countries.

Al-Ittihad said the new refinery would cover Dubai's needs but did not mention the project's cost.

Israel monopolises water resources

AMMAN, Sept 24: A UN agency monitoring economic and social development accused Turkey and Israel on Monday of monopolising scarce water resources which it said could spark a Middle East war, reports Reuter.

A study by the United Nations Economic and Social Commission for Western Asia (ESCWA) said Turkey and Israel must cooperate with other countries to ensure water and food security for all.

"As oil-rich countries were never allowed to monopolise oil, the same yardstick should be applied to water resources and applied to Turkey and Israel," the report said.

It said a lack of international agreements regulating the use of underground and surface water and a rapid population increase were making matters worse.

"The continuation of the current water situation might lead to undesired grave disparities that do not rule out the possibility of starting a war among parties sharing the water," the study said.

"Under the new world order, balanced water resources should be allowed for everyone. It should not be used for hegemony."

It said the 15 countries benefitting from the Jordan, Nile and Euphrates rivers had to reach a water sharing agreement.

The study said Turkey had avoided signing any accord with its neighbours on river use but was ready to sell water to the Gulf states via pipelines.

Tension ran high between Damascus and Ankara last year when Turkey temporarily halted water flowing to Syria to fill a water dam in its southern territory.

"Israel has also done all it can to use water resources in the Arab occupied territories and made them part of its own national water resources," the US study said.

A regional water conference is due to take place in Turkey

Agrani Bank waives Tk 20cr agri loan

Agrani Bank, as per Government decision to waive individual agricultural loan of Tk 5,000 as principal amount and interest accrued thereon, has waived agricultural loans to the tune of Tk 20.00 crore till August, says a press release on Tuesday.

Out of the loans thus written off Tk 6.24 crore has been waived in Dhaka division, Tk 7.56 crore in Rajshahi division, Tk 4.47 crore in Khulna division and Tk 1.73 crore in Chittagong division. The waiver of agricultural loans under this programme is still continuing.

Singapore Airlines' educational tour

Singapore Airlines took 11 passenger and cargo sales agents on a week-long agents educational tour to Singapore and Manila, says a press release.

The 12-member educational team was headed by Peter Yim, General Manager Bangladesh, Singapore Airlines. The group left on September 19 for Singapore.

The agents team includes: Baki, Cargo Sales Rep., Feroz Ahmed-ud-Din, Sales Manager, T Madar BAET Ltd, A D'Cruz, Galaxy Travels, MN Islam, Travel International, E Gomes, Al-Siraj Travels, Peter Yim, General Manager Singapore Airlines, Azizur Rahman, MAAS Travels, MA Latif, Alif International, M Zaman, Vantage Tours and Travels, M Islam, Eastern Air and Cargo, A Alim, Travel Wing, L Kabir, Orion Travels, M Hussain, Welcome Travels, Kil Musharraf, Passenger Sales Rep and Halim, Ground Staff.

Singapore Airlines launched a week-long educational tour for its agents.

International oil accord sought

LONDON, Sept 24: Former Saudi Arabian Oil Minister Sheikh Ahmed Zaki Yamani on Monday said an international convention was needed on oil exploration and production deals to ensure future stability and adequate supplies, reports Reuter.

Oil shortages would occur unless massive investment was made in developing proven oil reserves, he told a Centre for Global Energy Studies Conference.

A convention between companies and producer nations was necessary because countries lacked the money and the firms would have to trust the host government before investing.

"Mutual self-interest would ensure compliance with a general agreement," Yamani said.

He said such a protocol backed by an international arbitration body could help take politics, which in the past has interfered with supplies and pricing policies, out of oil.

"Politically motivated interruptions of supplies should be outlawed," said Yamani, who was sacked as Oil Minister in 1986 after oil crashed below 10 Dollars a barrel.

He harked back to the 1950s and 1960s when the World enjoyed stable oil prices as huge integrated companies controlled the oil flow from the ground to the petrol stations.

A similar system is required now, Yamani said at the start of the two-day conference. But there should be a protocol fixing rules the relationship between companies and countries.

Consumer government could cooperate by addressing issues such as the environment and the impact of taxation on demand. "The general agreement could place the onus for price stability of both the producer and consumer states," he said.

"We are not in favour of fixing the price of oil. What we want to do is stabilise it," said Yamani.

Reuter adds from Lagos: Nigerian Oil Minister Jibril Aminu said yesterday, he believed OPEC could achieve its target minimum reference price of 21 Dollars a barrel by maintaining total production at slightly above the present official level.

"I believe that if, in this last quarter, we were able to maintain a production level of 22.5 million (BPD) will get the 21 Dollars," Aminu told Reuter, ahead of an OPEC meeting starting in Geneva on Tuesday.

Emblem of Liberation War unveiled at Rupali Bank

The emblem of the Liberation War of 1971 was unveiled at the head office of Rupali Bank Ltd, Monday under the sponsorship of Bangladesh Muktijoddha Sangsad Rupali Bank Institutional Command, says a press release.

Chairman of Rupali Bank Ltd and Member of Parliament Azizul Haque attended the occasion as the chief guest and AKSM Taifur Hussain, Managing Director, unveiled the emblem.

Azizul Haque called upon all officers and members of staff of Rupali Bank Ltd to work for the betterment of the Bank inspired by the spirit of Liberation War.

Four general managers — M/s Jalilur Rahman Chowdhury, Mustafa Aminur Rashid, Md Afuzzaman and Md Abdus Samad were also present.

S Arabia likely to seek raised OPEC output

NICOSIA, Sept 24: Saudi Arabia will call for OPEC's fourth quarter production ceiling to be increased to 24.5 million barrels a day (BPD) from 22.3 million at a ministerial meeting of the organisation in Geneva, the Middle East Economic Survey (MEES) reported here, says AFP.

"Saudi Arabia's advocacy of a 24.5 million BPD OPEC ceiling for the fourth quarter reflects its buoyant forecast for the fourth quarter demand on all OPEC crude," the influential weekly Newsletter said.

With a ceiling of 24.5 million BPD according to MEES, the Kingdom is planning sales of 8.5 million BPD from October to January.

World Bank report preaches more liberalization

WASHINGTON, Sept 24: With a global economic agenda that is increasingly undermining development across the South, the World Bank has issued the latest of its annual world development reports designed to perpetuate illusions about the institution's objectives and priorities, reports IPS.

Subtitled the challenge of development, this year's report, released earlier this month, is not, in fact, about development at all. Rather, it is about growth and, more to the point, about the liberalisation of international trade and capital flows.

The report emphasises the importance of the market while minimising the role of the state. According to the bank, the latter's role should be confined to making investments in the institutions, infrastructure, and human capital necessary to allow the private sector to flourish. Other subsidies are rejected.

Equity, for the bank, consists of equality of opportunity and the reduction of poverty, both of which, we are told, can be effected by economic growth and improved education. Fairer income and land distribution are important only to the extent that they generate political support for growth policies.

The bank's position on labour is particularly instructive. The report's authors cannot acknowledge that the reduction of real wages is both an integral element and an intended consequence of bank-promoted adjustment programmes.

The bank simply cannot deal with the fact that the economies of the East Asian Newly Industrialised Countries (NIC's) have enjoyed high growth rates despite having highly state-interventionist and protectionist policies.

Hence the report plays down the degree of government intervention and the commitment to protectionism among the NIC's while emphasising their outward orientations.

The report claims that the stablisation policies that helped streamline the public sector and bring down prices in Mexico distributed the burden of adjustment "across different economic groups."

This clever language disguises the fact that the cost fell almost exclusively on the lower and middle classes, while the rich, though financial speculation and the purchase of privatised public companies on the cheap, benefied significantly from a further concentration of wealth in the country.

Unwilling to acknowledge that the terrible social and environmental costs of adjustment are more than transitional in nature, the authors call for more of the same — that is, more exporting, more austerity, more liberalisation and privatisation to effectively open southern economies to the international market.

The bank's own dismal record of promoting failed adjustment programmes, supporting massive cuts in national health and eduction budgets and orienting souther economies to produce for unrewarding foreign markets is conveniently ignored.

Counter-arguments regarding the shortcomings of market mechanisms, adjustment programmes and the current Uruguay Round trade proposals (which the report promotes) are not to be found in this volume. Neither are discussions of alternative "paths to development" — certainly not those based on grassroots involvement and the principles of greater self-reliance, equity and sustainability.

Populist experiments of the past are discounted without any reference to the role that the bank, among others, played in undermining them. Competing national "interest groups" are viewed as obstacles to progress rather than the bases for popular democracy.

This report, scraped free of the perfunctory development rhetoric intended for politicians and the international media, is the clearest statement yet of the bank's agenda for the 1990's.

Development, as it is commonly understood, has taken a back seat to the restructuring of national economies required to facilitate the expansion of international trade and investment on northern corporate terms.

Aluminium prices fall

LONDON, Sept 24: Depressed aluminium fell victim to fresh selling and tumbled to a new life-of-contract low, on the London Metal Exchange (LME), reports AFP.

Continuing weak demand and over-production have been reflected in soaring LME stocks of the metal in the last six months. On Friday, stocks jumped a further 18,250 tonnes to a record high for any base metal of 672,025 tonnes.

On top of excessive production in the West, the flood of Soviet metal coming on to the market has helped depress sentiment.

In an interview with Specialist Review Metal Bulletin, a senior Soviet aluminium official estimated exports to be running at around 750,000 tonnes per year.