Spain fails to link BCCI with drug trade

MADRID, Sept 28: The Bank of Spain has uncovered no evidence of activities linked to the drug trade by the Spanish Branch of the failed Bank of Credit and Commerce International (BCCI), Central Bank Governor Mario Rubio said, reports AFP.

But the bank has been managed in a "damaging" way, he was quoted in press reports here as saying.

The Bank of Spain withdrew the BCCI's banking licence in July, and no firm offer to take over the bank has been received.

The worldwide operations of BCCI have been halted or restructured locally in some cases, as a result of raids and closure orehestrated by the Bank of England earlier this

The bank has been accused in several countries of involvement in a number of illegal activities, including the "laundering" or recycling of drug money.

Dollar opens high, share prices rise

TOKYO, Sept 28: The US dollar opened higher against the yen in Tokyo Friday, as share prices rose in early trading, reports AP.

The dollar opened at 133.89 yen, up 0.46 yen from Thursday's close of 133.43 yen. In New York, where it was bought back in technically driven trading after an earlier fall, the yen closed overnight at 133.95 yen.

On the stock market, the 225-issue Nikkei Stock Average gained 163.66 points, or 0.68 per cent, to stand at 24,131.74 after the first 15 minutes of trading.

On Thursday, the Nikkei gained 390.66 points, or 1.66 per eent, to close at 23,968.08 points. The average has gained a total of 775.34 points in the past three days on active trading encouraged by lower domestic interest rates.

The Tokyo Stock Price index, or TOPIX, of all issues listed in the first section stood at 1,837.11 points, up 6.32 points, or 0.35 up 17.94 points, or 0.99 per cent, on Thursday.

Currency dealers said dollar trading was quiet in Tokyo, in contrast to the hectic trading overnight in New York. The dollar was trading in a narrow range at the upper 133-yen levels, said Hideo Saburi, a foreign exchange dealer at the Tokai Bank.

"The dollar is not going to be bought back in a big way in Tokyo, he said.

New York traders were forced to buy back the dollar to cover short positions, after selling the currency on the release of worse-than-expected economic data, including a report that the economy declined at an annual rate of 0.5 per cent in the spring.

The negative indicators encouraged speculation about a further cut in US interest rates, which tend to make a nation's currency less attractive to investors.

Benchmark No 129 10-year Japanese government bonds stood at 102.52 points as of 9 a.m. (0000 GMT), up from Thursday's 102.47-point close.

UK firm wins contract to manage Malaysia's LNG project

KUALA LUMPUR, Sept 28 British-based Foster Wheeler Energy Ltd, has clinched a 53.3 million U.S Dollar contract to manage a multi-billion Ringgit Liquefied Natural Gas (LNG) project in the Eastern Malaysian state of Sarawak Bernama news agency reported Thursday, says AFP.

William C. Chatman, Chairman of Foster Wheeler, said it was the first time his firm had won a contract from Malaysia's National Oil

Corporation, Petronas. Malaysia is currently the world's third largest LNG producer, after Algeria and Indonesia.

Petronas holds a 60 per cent stake in the project, the Sarawak state government 10 per cent, and Shell Gas and Japan's Mitsubishi 15 per cent

A senior Petronas official said Malaysia had exported 41.7 million tonnes of LNG worth 20.3 billion Ringgit (7.5 billion US Dollars) since the

LNG project began commercial operations eight years ago. Malaysia's main LNG buyers are Japan, South Korea and

EC threatens trade ban against Japan

TOKYO, Sept 28: The European Commission threatening trade sanctions against Japan unless it lifts a port tax and pays back several million Dollars European shipping companies have handed over since 1984. European sources said here yesterday, reports AFP.

The Commission believes the imposition of the tax in Japanese ports, which fills the coffers of a harbour management fund, is a protectionist move that hurts European interests and contravenes the regulations of the General Agreement on Tariffs and Trade (GATT), the sources

The conclusions were carried in a confidential note outlining the findings of a sevenmonth investigation - requested by European shipping firms -into the controversial

Preferring to hold off on trade reprisals until negotiations have been held with the Japanese authorities, the not only contravene GATT reg Commission is to demand the tax be lifted from March 31,

If the 12 member countries of the European Community agree, the Commission will also demand guarantees that the tax will not reappear in a different guise and that the sums already levted under the tax be returned to European

used for their direct benefit. The tax, imposed in 1984 by the Japan Harbour Transport Association, is offi cially aimed at ensuring a stable and regular supply of port labour and at aiding the renovation and modernisation of Japan imports distribution system.

firms or, at the very least, be

The Commission takes a completely different view, contending that the sums "extorted" from European shipping firms are not used for the improvement of port facilities.

It also views the tax as 'discriminatory," as Japanese vessels only pay one-fifth of the amount. According to the confidential report such practices ulations but also international

Oil industry seeks exit of environmentalists

SINGAPORE, Scpt 28': Environmental activists have to be put "out of business" if the oil industry is to continue to survive, a Asian petroleum conference was told yesterday, reports AFP.

Bob Williams, Associate Managing Editor of the Oil and Gas Journal said the single most important priority of the U.S petroleum industry "is to put the environmental lobby out of business."

"It must seek to make the environmental lobby and its political proxies totally irrelevant," Williams said at the last day of the Seventh Asian Pacific Petroleum Conference (APPEC) here.

He said that the environmental movement has become so imbued with a sort of religious fervour that the interests of the people had become secondary to the worship of na-

Williams said that industry must also move beyond compliance and stop appeasing the eco-political lobby. He argued that a change of attitudes towards the environmentalists was needed."

Don't think of them as flower-power advocates held over form the '60s. They are extremely sophisticated and well-versed in science and law and far better at manipulating media access and public opinion than any oil executive will ever me. " he said.

"You are competing with them for resources, you want access to hydrocarbons, they want them locked up under the wilderness or wetlands law. You want to market your products, they want to mandate use of other products," he

Taiwanese traders leave for China defying ban

TAIPEI, Sept 28: A 38member strong Taiwan trade mission representing small and medium-size companies left here Thursday for the mainland despite a govern ment warning that it would punish them when they returned, reports AFP.

"We plan to buy a great variety of products, including construction materials, plastics, toys, medical equipment, hardware and art works," a spokesman for Fernando Chen Industrial Corp which organized the mission said in an interview.

The official, who declined to be identified, attacked the government for trying to restrict this kind of activity.

*Group purchase is all the more advantageous compared with individuals buying in a place like the China mainland," he said.

Individuals buyers could be cheated or waste a lot of time seeking out the products they wanted, he said.

Helping the mission are Chinese members of the Asian-Pacific Entrepreneur Cooperative Association for China Market (APECACM).

The Association, registered in Hong Kong last December, operates in Taiwan and was founded by Fernando Chen Corp and some other local companies to organize Taiwan firms' purchasing missions on the mainland.

US legislators warn Kaifu over AWACS' deal

WASHINGTON, Sept 28 Sixty-four members of the US House of Representatives warned Prime Minister Toshiki Kaifu not to renege on Japan's commitment to defend its scalanes and urged Tokyo to purchase American surveillance place to carry out the mission, reports Reuter.

The House members, led by New York Democrat Charles Schumer, said in a letter on Friday that failure to assume defence of airspace and sca lanes, 1,000 miles (1,600 km) from Japan would be inconsistent with traditional US-Japan cooperation.

pornography on sale in the un-

derground and derisive taxi

drivers roar away in a could of

low-octane exhaust fumes if

Moscow following a Cold War

assignment that spanned three

Kremlin leader and saw

Mikhail Gorbachev come to

power, I found the Soviet

Union dramatically changed

but in some ways depressingly

familiar, writes Reuter corre-

sidle up and whisper "change

your money?" The roads are

just as pitted or worse, the

as they did in 1985 and the

queues for Vodka stretch as far

Black market dealers still

spondent Martir Nesirky.

Six years after leaving

you decline to pay in Dollars.

The letter followed reports that Japan might be forced to postpone or stop plans to buy a fleet of Airborne Warning and Control System (AWACS) surveillance aircrast because of differences with the United States over price.

Japan was to have paid about one billion dollars for four AWACS, which is made by boeing corporation, but reports said the cost was expected to rise.

The House members urged Kaifu to commit fiscal year 1992 defence funds to begin buying the planes.

Scandals force Japanese Finance Minister to resign

TOKYO, Sept 28: Japan's Finance Minister Ryutaro Hashimoto has decided to resign in mid-October to take responsibility for a series of fi nancial scandals, ruling party officials were quoted as saying Thursday, reports AFP.

The exact timing of the resignation was not clear from various news reports although all said he would still take part in next months. Meeting of Group of Seven (G-7) Finance Ministers and Central Bank Governors in Bangkok.

But several reports said he would forego the three-day annual meeting of the World Bank and the International Monetary Fund (IMF) which is scheduled to open in the Thai capital on October 15 just after the G-7 meeting.

Hashimot, once a popular candidate for Prime Minister, has been under pressure to step down in recent months for failing to contain a series of financial scandals, one of which forced his own personal secretary to resign.

The aide arranged loans for three acquaintances Hashimoto - an actor, a restaurant owner and a gymnasium owner — through an employce of Fuji Bank Ltd., ar rested two weeks ago on sus picton of being behind Japan s biggest fraud case.

The new comes as a series of special parliamentary hear ings on the various scandals draws to a close ahead of the end of the current session of Parliament on October 4 and the election of a new Prime Minister at the end of next

The reports quoted sources in the ruling Liberal Democratic Party (LDP) as saying that the timing reflected the virtual certainty that proposed amendments to Japan's securities and ex change law would be passed in the current session.

The amendments would make it illegal for securities firms to compensate clients for losses as well as prohibiting clients from receiving such paybacks.

Japan's big four securities firm admitted in July to conpensating favoured clients for almost one billion Dollars in

Soviet bank issues credit

card

MOSCOW, Sept 28: In the latest small step towards capitalism in the Soviet Union, a private Moscow Bank began issuing credit cards on Wednesday for a deposit of 10,000 Dollars apiece, reports Reuter.

Igor Lipanov a Director of the Kredobank commercial bank, said at first only companies would be allowed to apply for the cards, the first issued in the Soviet Union apart from small pilot schemes by state organisations.

Individuals would be invited to subscribe after two to three

"In just one day we have received about 20 application, he said in telephone interview. "I think there will be significant demand. We are looking to the future optimistically."

Westerners have long been able to shop with their own credit cards in the Soviet Union. But their use by Soviet citizens was confined to members of the old communist ruling elite.

Owners of the new Kredobank cards, issued in conjunction with Visa International will be able to buy goods on credit at nine million outlets worldwide, of which more than a thousand are in the Soviet Union.

The latter include a wide selection of Moscow stores selling Western luxury goods some of which accept credit but not cash. Lipanov said the 10,000 Dollar fee was a refundable deposit to guard against misuse of the cards, which are being issued initially for just six months.

EC tax plan worries OPEC countries commitment

GENEVA, Scpt 28: A decision by the Organisation of Petroleum Exporting Countries to raise "the total OPEC production ceiling" to 2365 Million Barrels a Day (MBD) for the October-December quarters was officially announced by OPEC's Secretary General Subroto here yesterday, re-

He was reading out a communique adopted by the organisation's ministerial Market Monitoring Committee (MMC) after two days of talks here.

ports AFP.

The text also said OPEC ministers remained committed to the protection of the environment" and were deeply concerned with a proposed energy tax being considered by the European Community. The communique said the

decision to set a new production ceiling took into account the recovery of some major industrial countries from this year's economic slowdown, and the need to meet world off demand and continue efforts to stabilise oil markets. In a clear reference to the

Soviet Union, the text also cited "the continuing production difficulties in some of the major non-OPEC producing countries. The communique said the

committee reaffirmed member

BRUSSELS, Sept 28: The

European Commission said

Friday it had postponed talks

with Romania on an association

agreement until it could ascer-

tain who exactly was governing

We think it useful to wait

for clarifications an commis-

sion spokesman told journal-

ists stressing that the talks

were being postponed rather

makes it impossible to estab-

lish contacts with the

Romanian government,

"because we do not know who

capital by thousands of miners

forced the government to re-

sign Thursday, and political

MOSCOW, Sept 28:

Management and repayment of

the Soviet Union's foreign debt

will remain under a central-

ized authority after the

Republics sign a treaty on eco-

nomic union, economist

Grigory Yavlinsky said in an in-

terview published Thursday,

the Soviet Union was currently

running at a rate of around two

to three per cent per week

and called for urgent measures

"It would be absolutely in a

admissible to parcel (debt) out

among each of the Republics

because foreign creditors

loaned money to a single con-

crete body," Yavlinsky said, re-

ferring to the State Bank for

to prop up the Rouble.

Foreign Trade,

He also said that inflation in

reports AFP.

Rioting in the Romanian

The current situation

the country, reports AFP.

than suspended.

to talk to," he added.

OPEC's July 1990 resolution on production and pricing "in its entirety."

The resolution, adopted less than a week before the Gulf crisis erupted last year, set individual country production quotas and a new target price of 21 Dollars a barrel for a basket of OPEC crudes.

Delegation sources said the reference to the pre-crisis decisions was included on pressure by Iran and Algeria.

They were seeking to ensure that countries which have substantially boosted their output during the crisis will make room for tragt and Kuwaiti crude when the two countries resume exports in earnest, presumably well into 1992, the sources said.

Saudi Arabia, which secured a 5.4 MBD official quota last year, has firmly made it clear here it wants to stick to its present production level of 8.5 MBD.

The communique said the panel believed the new ceiling would "direct prices towards the achievement of the minimum reference price." However, the next said,

The Secretariat shall closely monitor this aspect so that the (OPEC) President can take appropriate action if necessary. "If the prices don't go

BUCHAREST: Some of another 4,000 miners arrive September 26 to join the miners who

EC postpones talks with Romania

parties began talks on forming

a new government early Friday.

has frozen trade talks with

Romania on several oceasions

in the past first to protest the

Japan ready to

attend G-7

ministers meet

Minister Ryutaro Hashimoto

said yesterday that Japan was

ready to attend a meeting of

Finance Ministers of the Group

of Seven (G-7) nations before

their planned meeting in

Bangkok next month, reports

attend it," he told Parliament

Debt burden likely to remain on Kremlin

and tell them they must deal

with 15 individual sovereign

states, we cannot abuse the

trust of our creditors",

Yavlinsky said in an interview

continuing on setting up a

"coherent" debt repayment

plan among the republics and

warned that foreign creditors

would cut off loans unless they

were given concrete assur-

used and repaid efficiently.

Soviet authorities.

ances that the money would be

unable to give an estimate on

the Soviet Union's overall for-

eign debt, saying they did not

have enough information from

However Soviet experts cies

Western bankers here were

He said discussions were

with the Trud newspaper.

"We can't turn around now

in response to a question

Vnesheconombank.

"If requested, Japan could

TOKYO, Sept 28: Finance

The European Community

came to the capital September 25 to protest against the government and pay agreements.

where we want, the president is empowered to convene another MMC," Algerian Energy Minister Nordine Ait Laoussine

explained. "Everybody would like to get to 21 Dollars as soon as possible", he said.

Asked what price level would trigger a special committee session, Subroto replied, "We'll play it a year."

The text noted a graduate rise in world market oil prices from last July to the third week of September, when Subroto said, the average price of the OPEC basket touched 19.47 Dollars, still a Dollar and a half short of the target level.

He also said OPEC's production capacity now stands at

He thus hinted that output could rise to this level if Iraq accepts the United Nations Security Council offer to allow it to export a limited amount of crude, a some 0.5 MBD over a six-month period, to finance imports of foodstuffs and medical supplies.

Commenting on the accord. Indonesia's Energy Minister Ginandjar Kartasasmita said : "It was the maximum we could

He was echoed by Att Laoussien, the Algerian Minister, who said, "It's the best we can do."

-AFP/UNB photo

communist regime of Nicolae

ouster at the end of 1989, to

protest at the repression of

the opposition by current

EC for food aid worth more

than 500 million European

Currency Units (600 million

dollars) the commission's

included 1.5 million tons of

wheat and 3,00,000 tons o

mission will send a mission to

Romania to look at the possi

bility of providing aid for

Bucharest to buy the supplies

from a neighbouring Eas

earlier this week placed the

foreign debt at around 76 bil-

lion Dollars, and said it was

twice as large today as it was

negotiations involving experts

from the Republics and the

centre on a new economic

union treaty were proving

"very, very difficult," but added

that agreement on several key

had agreed on a new banking

and finance system that in-

cludes provisions for a central

banking authority along the

lines of the U.S Federal

The draft treaty would also

Reserve Board, Yavlinsky said.

allow signatory Republics to is-

sue their own national curren-

departments that give you in-

formation, including the KOB

of being under scrutiny has

gone and the organisation is

beginning to cruble following

As for the KGB, the feeling

In particular, the Republics

issues had been reached.

Yavlinsky said the current

European country.

five years ago.

Bucharest's shopping list

The EC's executive com-

Romania recently asked the

President Lon Illiescu.

spokesman said.

potatoes.

which we will maintain, we are not going to change the rate." "I do not believe in devalua-

With an election due before June 1992, Smith also sought to reassure voters that labour's tax reform plans would not affeet the lower and medium

and top income tax rate would be raised from 40 to 50 per

MANILA, Sept 28; The Philippines largest tile marker is offering tiles made from volcanic ash spewed out by Mount Pinatubo, with part of the profits going to victims of the eruption, the company said

Part of the profits from the tiles will go to a special foundation providing drinking water for evacuation centres for hundreds of thousands of people displaced by the eruption.

The government has called on the private sector to try to figurines made from it.

near the volcano during the eruption. Although the eruptions have tapered off, deadly mixtures of water and volcanic ash continue to rampage through communities near the volcano after every rainfall.

are reported to be commonplace at the evacuation cen-

prices soar to highest level

sue of 10-year bonds ended at 102.33, driving the yield down from 6.06 per cent Friday to 5.98 per cent, the lowest level since December 1989. Future prices also rose with the December contract closing at a record 99.59 Yen, reducing Ministries have information the yield from 6.12 per cent to 6.06 per cent.

> The rally followed the release Friday of money supply data for August showing the annual pace of expansion growing at a record low rate of 2.8 per cent, Japanese markets were closed Monday for a national holiday.

clear how a one-month ban on Japan's big four securities firms underwriting government bond issues would affect the market. Finance Minister Ryutaro Hashimoto announce the ban after the close of trad-

Fall of communism: image of Soviet society state airline Acroflot is as hair MOSCOW, Sept 28: Beggars and others witness to their bookstalls set up in the foot are more dilapidated than ever eign television is available by approach you on the streets in raising as ever. owners, entrepreneurial sucsatellite in the office. Moscow these days, there's

With an official tourist rate that gives them a walletful of Roubles for just a few Dollars foreigners rarely need to change money furtively now. But Russians are desperate as never before to get their hands on hard currency as inflation

eats into their Roubles. They now have access to a few hard-currency stores which have sprung up in the most incongruous spots, including the central Kalinin Avenue where most shops still have the same smell and tacky. basic selection of goods.

On the roads, some Russians are driving Western cars, a head-turning sight in the early 1980s. Some foreign vehicles are of ancient vintage

cess - within or outside the A Georgian called P David

said he bought his 1988 Mercedes in the depths of Siberia from an army officer who had just returned from former East Germany. At the traffic lights, grubby

boys leap out to wash windows with a sponge more likely to obscure your vision than clear Drinking habits have

changed little. Even 70 years of Communist rule, now effectively at an end, were unlikely to change centuries old Russian traits. Down in the underground, Muscovites crane to get a look

at what is on sale at the small

tunnels. Soft-porn magazines are on offer alongside books on martial arts and manuals on how to succeed in business. "One Rouble for a look, 45

Roubles a copy," read the notice on one well-thumbed newspaper quality pornographic magazine. At the tourist rate, a Rouble is worth three cents, the average Soviet wage is about 300 Roubles a month.

On the showpiece Arabt Street, still being renovated in 1985, Jazz bands play and stalls sell trunkets. Privately run booths there and elsewhere offer Western goods for Roubles. A packet of German coffee for 80 Roubles, for example.

In many places buildings

and a walk down the pavement is an exercise in missing ankle deep pubbles and ankle twisting holes.

In the dark old days, foreign journalists studies the official press word by word and scrutinised television broadcasts before consulting Western diplomats on what they read between the line. Now newspapers have

news. The range of new publications stretches from hardline communist to traditionalist and religious, meaning you can never keep up with it all. Television reports more than lectures. It takes a while for it to sink in that newscast-

last months' failed coup and the appointment of a liberal chief, Vadim Bakatin. He even relented and allowed double agent Oleg Gordievsky's family to join him in Britain.

Security Police.

If more proof were needed Moscow has changed, you need look no further than the small ers do not need to repeat advertisement page of the ex-Gorbachev's full title each time patriate weekly Moscow they refer to him and that for-Guardian.

anisation of Petroleum Exporting Countries (OPEC) to increase its production ceiling to 23.65 million Barrels Per Day, reports AFP.

On the physical market, Brent off was trading at 20.50 Dollars per Barrel for November delivery compared with 20.55 Dollars at the close yesterday.

> Labour Party promises not to devalue Pound

Oil prices

steady

price of Brent North Sea oil

was little changed in early

trading here today in the light

of a decision by the Org-

LONDON, Sept 28: The

LONDON, Sept 28: Britain's opposition Labour Party has ruled out a devaluation of the Pound Sterling in the European Exchange Rate Mechanism (ERM) if it wins the next general election, reports Reuter. Labour's economics

Sterling

spokesman John Smith, in an Times published on Friday. said his party considered it a duty to keep the Pound at its ERM rate of 2.95 marks. "We regard it as an obligation that has been entered into

tion," he said.

pay for promised rises in pensions and child benefits there would be changes affecting those earing more than about 20,000 Pounds a year

Filipino firm offers Pinatubo tiles for volcano victims

Wednesday, reports AFP. Ceausecu and then after his

Spokesman for Mariwasa Manufacturing said the "Pinatubo Tiles," now advertised in Manila dailies, are made of 35 per cent volcanic ash and glazed with 95 per cent ash from the volcano, which began erupting in June.'

they added.

find uses for the tons of volcanie ash from the volcano, and has been marketing souvenir items and ornamental Tons of ash buried towns

Food shortages and diseases

Japanese bond

TOKYO, Sept 28: Japanese government bond prices soared to their highest levels in almost two years Tuesday amid widespread expectations of a cut in the Bank of Japan's official discount rate, reports The benchmark No. 129 is-

It was not immediately