

Govt policy hampers relief works in Iraq

NEW YORK, Nov 3: Iraq's insistence that international food and medical aid be channelled through the government set back relief programmes for needy Iraqi families, the New York Times reported Sunday, says AP.

The newspaper quoted Iraqi Minister of Health Abdel-Salam Mohammed Saeed as saying in an interview that Iraq would not allow food distribution by relief agencies except through government channels.

He was quoted as saying that distribution outside the system was "designed to keep quiet the good people in the United States who don't like to see others suffer."

It was the latest salvo from Iraq against the United States and other Western nations that insist the embargo imposed on Iraq after its Aug 2, 1990, invasion of Kuwait remain in place until President Saddam Hussein fully complies with the UN cease-fire resolution that followed the Gulf War.

Aid workers told The Times that the Iraqi policy had resulted in food worth about 4 million dollars being stuck in warehouses in Baghdad and Jordan for weeks. The undistributed food includes infant formula and high-protein food packages for children.

Malaysian oil output may drop

KUALA LUMPUR, Nov 3: The Malaysian government has forecast substantial drops in production of crude oil and timber logs next year but says output of palm oil, natural rubber, cocoa and pepper will show gains, reports AFP.

A Ministry of Finance report released Friday said crude oil output would decline by an average of 2.3 per cent or 14,900 barrels a day to 637,200 barrels a day while log production would drop 9.1 per cent to 35 million cubic metres.

The report said crude oil output would drop only relative to this year's unusually high production levels when output was boosted in response to strong demand after the outbreak of the Gulf war.

The drop in output of sawlogs, which are exported by the east Malaysian states of Sarawak and Sabah, would largely reflect stepped up efforts at conserving Malaysia's tropical rainforests and increased domestic processing.

Malaysia has faced a barrage of criticism from Western environmentalists for alleged indiscriminate felling although much of its exports of logs and sawn timber are bought by Western European countries and Japan.

Crude palm oil production is projected to rise 3.3 per cent to 6.3 million tons next year, the report said.

The increased output would come from a 2.9 per cent rise in the areas of matured palms with Malaysia accounting for close to half of world production.

The Ministry of Finance report said natural rubber production would rise from 1.25 million tons this year to 1.26 million tons in 1992 and pegged tin output at 23,000 tons, unchanged from this year.

Malaysia, the world's fourth largest producer of cocoa, will see production rising four per cent to 260,000 tons next year on the back of increased yields and cultivation.

Production of pepper is expected to rise 6.3 per cent to 34,000 tons next year with Malaysia accounting for about 17 per cent of world output.

Chalker calls on Kamal Yusuf

Lynnda Chalker, Minister for Overseas Development UK called on health and Family Welfare Minister Chowdhury Kamal Ibne Yusuf at his office Sunday, reports UNB.

They discussed matters relating to family planning service, strengthening nursing and medical education and the institute of mother and Child Health, re-organisation of Health and Population Programme and NGO activities in the country.

Yusuf appraised the British Minister that considering the high population growth rate government has been given priority to the national family planning and MCH programme.

The US Ambassador to Bangladesh William B Milam also called on the Minister Sunday.

They discussed matters of common interests, mutual co-operation including development issues on Health and Planning sectors and international issues.

He hoped that the existing friendly relations between Bangladesh and USA would be strengthened further in the years to come.

SAARC to freeze non-tariff bars

COLOMBO, Nov 3: The 15th session of the standing committee of the South Asian Association for Regional Cooperation (SAARC) opened here yesterday for a 3-day meeting to forge further cooperation in the region, reports Xinhua.

During the first day of their meeting, the foreign secretaries of the seven member countries asserted that remarkable progress has been achieved in various fields of cooperation since SAARC came into being six years ago. Sri Lankan Foreign Secretary B. Tilakaratne said at a press conference here yesterday evening.

The meeting decided that all member countries of SAARC extend Favoured Nation Treatment (FNT) to each

Dhaka's debt under PL-480 Tk 4,852 cr

Bangladesh owes to the United States Taka 4,854.24 crore (1287.939 million Dollar) on account of PL-480 as reckoned till September 30 last year, reports UNB.

State Minister for Finance Mujibur Rahman said this in Parliament Sunday replying to Mohammad Shamsudoha of CPB.

other, which would be implemented by the freezing of non-tariff barriers and reduction of tariff in all SAARC countries to cover a pre-determined range of products, the Foreign Secretary said.

Having reviewed the developments of the SAARC, the items on the agenda of the summit, calendar of activities of the 13 technical committees, women in development and tourism, the session also discussed matters relating to seminars, training programmes and action committees, he said.

It has also been decided that the next foreign secretaries' meeting is to be held in Colombo in April 1992 to make recommendation to the ministers' meeting scheduled to be held in July 1992. Tilakaratne said.

Yesterday's meeting held that consequences of natural disasters and the protection and preservation of environment should be subjects to be given high priority in the region.

The session has decided that members of SAARC should take up a coordinated position in all international forums.

Established in 1985, SAARC groups Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka.



Sophisticated design and a lot of modern technology are the keynotes of this Mercedes-Benz coach. The "0-404" is an entirely new development, which is on the market from autumn 1991. It replaces the "0-303", which up till now has sold more than 35,000 units throughout the world making it the most successful coach ever built. — IN-Press photo

Kuwait pays \$2b to put out oil fires

KUWAIT, Nov 3: Kuwait has so far paid more than two billion Dollars to bring its burning oil fields under control, Western oil officials said, reports Reuters.

But they added the cost of containing the world's worst oilfield disaster had been less than expected. "One of the reasons that the figure is not higher is that the firefighting operation was successful and completed in eight months rather than 24 months as many experts predicted," one said.

The 27 international fire teams, rushed to Kuwait after Iraq's defeated troops set fire to its oil fields in February, have capped all but four of the 732 burning wells.

The emirate has earmarked November 6 for the ceremonial capping of the last of the wells that belched acrid smoke into the skies of the emirate turning day into night.

Kuwait is currently producing around 300,000 barrels per day and its target for the

end of the year is 400,000 BPD. Before Iraq's invasion in August, 1990, it was capable of pumping up to two million barrels daily.

When the last blaze is out, Kuwait still has to drain hundreds of oil lakes and lagoons dotting its desert.

Only 4 oil wells now on fire

KUWAIT CITY, Nov 3: Only four oil wells remained on fire in Kuwait Saturday after some 700 wells were set ablaze by Iraqi troops last February, a newspaper said here, reports AFP.

Firefighting operations are now being led by four teams that have stayed in the emirate out of the 27 foreign teams mobilized in the last few months to extinguish the fires, according to Sawt Al-Kuwait.

Kuwaiti authorities have said they plan to extinguish all the fires this week, probably by Wednesday.

Lankan police arrest 1000 beggars

COLOMBO, Nov 3: Police have arrested a thousand beggars and vagrants before a meeting of South Asian leaders in the Sri Lankan capital to discuss ways to improve living standards for millions of the regions' poor, reports Reuters.

Police said today the detainees were taken to a "rehabilitation camp" but denied the snoop was connected to the South Asian summit beginning on Thursday.

"It is a routine operation and nothing to do with SAARC (the South Asian Association for Regional Cooperation)" a spokesman said.

Roads are being swept and government buildings painted before the arrival of delegations from SAARC countries — India, Pakistan, Bangladesh, Sri Lanka, the Maldives, Bhutan and Nepal.

Military sources said security had been tightened in the capital with vehicles searched at army checkpoints, to prevent Tamil separatist rebels from disrupting the meeting.

Bush to inject life into economy

WASHINGTON, Nov 3: President George Bush and legislators are scrambling to find ways to inject new life into the lackluster US economy, but their hands are tied by huge deficits and pressure is rising on the central bank to take bold action, reports Reuters.

Growing public anxiety about the economy's health has White House policymakers worried as opposition Democrats lay the groundwork to attack Bush on the issue during next year's presidential election campaign.

This bodies ill for Republican chances to win big gains in the House and Senate ... and it does open up a vulnerability for the President," said Stephen Bell, Managing Director in Washington at the Salomon Brothers Brokerage House.

Bush was scheduled to meet his top economic advisers on Wednesday after his return to Washington from the Middle East peace conference in Madrid.

The government recorded a 268.7 billion Dollars deficit in

fiscal 1991 and a whopping 348 billion Dollars deficit is expected for the fiscal year that began on October 1.

The giant pools of red ink have left little room to increase spending or cut taxes — traditional antidotes to recession — without doing long-term damage to the economy, economists said.

When leading Congressional Democrats proposed substantial tax cuts for the middle class last week, long-term interest rates soared temporarily on fears that lawmakers would unleash an inflationary spiral.

The White House has hinted that Bush, too, was considering a tax proposal, but the President has said he will not go along with any measures that break last year's deficit reduction agreement.

The US economy grew at a 2.4 per cent annual rate in the third quarter, technically ending a year of recession, but officials said the date showed the recovery flagged at the end of the three-month period.

"If the recovery continues to weaken, we are going to get

some awfully foolish fiscal policy," said Lyle Gramley, Chief Economist for the Mortgage Bankers Association.

"The worst thing the could possible do is try to use fiscal policy in the way it used to be used," he added, referring to lawmakers' traditional remedies of increasing spending or cutting taxes. "That would have a terrible long-term effect on the economy."

He and other economists said that leaves the burden of jump-starting the stalled economy on the Federal Reserve, the US central bank. "The Fed is the only real game in town," said Robert Dederick, Chief Economist with Northern Trust Co.

He believes the central bank needs to take bold action with a half of a percentage point cut in both the Federal funds rate, the interest banks charge each other for loans, and the highly symbolic discount rate, the interest the Fed charges bank for loans.

"I think it is a time for boldness," he said.

Malaysia sees strong growth in '92

KUALA LUMPUR, Nov 3: Malaysia's booming economy is set to expand 8.6 per cent this year and 8.5 per cent in 1992 but inflation will be kept in check despite rapid growth, the Finance Ministry said, reports Reuters.

Inflation will rise to 5.0 per cent in 1992 against 4.5 per cent this year and 3.1 in 1990, the ministry said in its economic report.

"We are fairly confident we can manage inflation," Clifford Herbert, the Ministry's Chief Economist, told reporters. Analysts, who had expected the government to slow down the economy, doubt inflation can be capped at 5.0 per cent next year.

Malaysia's economy, which underwent a severe recession in 1985/86, has been growing on average 9 per cent a year between 1988 and 1991 on the back of heavy foreign investments.

Some analysts have warned that the economy is overheating and should slow to a more manageable level of between 7.0 and 7.5 per cent to fight inflation and ease labour short-

ages and infrastructure bottlenecks.

"You can't have it both ways with GDP at 8.5 per cent and inflation at 5.0," said Choong Khuat Hock, representative of BZW Securities Ltd.

"If they can achieve that sort of growth and keep inflation as it is, that is wonderful," said Lau Yew Kong, research manager of CIMB Securities SDN BHD. "But that is asking a lot and I would think inflation is going to be around 6.0 per cent."

"I am astonished the government wants 8.5 per cent growth for 1992 as the system can't take it," said Mustafa Mohamad Nor, chief economist of Arab-Malaysian Securities SDN BHD. The economy had grown an average 9.2 per cent between 1988 and 1990.

Herbert defended the government's position. "If you want to slow it down, you have to slow down the private sector," he said. "But if we do that it will be hard to pick it up again."

Platinum gains, gold easier

LONDON, Nov 3: Platinum bucked the downtrend in precious metals this week thanks to an escalation in labour unrest at world number two producer Impala Platinum's South African operations.

As gold and silver eased in response to concerns about implications of a weak recovery in the economies of English-speaking countries and slower growth in Germany and Japan for fourth-quarter demand from the jewellery industry, platinum prices were steady above the levels of the previous week, reports AFP.

Impala confirmed that it had bought platinum on the futures market to cover delivery commitments which it might be unable to meet.

On the London Metal Exchange (LME), aluminium continued to concede gains made last week as fresh production cutbacks failed to stem concern about the over-supplied state of the market and the weak outlook for demand.

Copper prices were boosted by unrest in Zaire and Zambia, the world's fifth-and-sixth largest producers, and by continuing dispute at a major Canadian plant.

GOLD: Easier. Prices drifted lower as concern grew about implications of weak economic recovery in English-speaking countries and slower growth in

Japan and Germany for fourth-quarter demand for jewellery. The weak Dollar gave prices a boost in mid-week but, after a temporary pause, the market resumed its downtrend at the end of the week.

Concerns about the level of Soviet supplies, which have dominated the market in recent weeks, had little impact on the trend in the absence of new information. Brazil's decision to temporarily withdraw from gold trading also had little impact on the market.

SILVER: Easier. The silver market closely followed that of gold, with concern about weak industrial demand dominating trading.

PLATINUM: Steady. Unlike silver and gold, platinum prices were steady at previous levels. The market was supported by the escalation of labour unrest at Impala platinum's operations in Bophuthatwa, South Africa. Production at all the group's plants was affected and the company confirmed it had bought platinum on the futures market to ensure delivery commitments could be met.

With annual output of 1.1 million ounces, Impala is the world's second largest produc-

ers. COPPER: Firmer then steady. Prices moved ahead strongly in the first half of the week in reaction to short-covering, fresh political unrest in Zambia and Zaire, and continuing labour negotiations at the 180,000-tones-per-year highland valley mine in Canada. Company estimates indicated that a worker slowdown had already cut production at the plant by nearly 30 per cent.

LEAD: Weaker. After maintaining previous levels for most of the week, lead came under renewed pressure towards the weekend. With signs of industrial recovery in the key US economy continuing weak, the prospects for a significant upturn in off-take remained distant.

LME stocks rose 500 tons to 109,150 tons.

ZINC: Easier. Zinc prices drifted lower, affected by the weak industrial demand outlook which depressed lead prices.

LME stocks rose 900 tons to 150,900 tons.

TIN: Firmer. Tin prices moved ahead in the aftermath of the previous weeks meeting of the Association of Tin Producing Countries (ATPC) at

which agreement was reached on export quotas aimed at reducing world stocks to 27,000 tons by end-1992, from around 40,000 currently. China's decision to join the ATPC boosted hopes that its efforts would meet with greater success than previously. "Official Malaysian estimates forecast average prices of 16 Ringgit per kilo in 1992, against 15.5 this year, and the country's output at an unchanged 23,000 tons."

LME stocks fell 165 tons to 13,210 tons.

ALUMINIUM: Easier then steady. Prices continued the downward drift established in the middle of the previous week. New production cuts from Spain's Inespal (80,000 tons per year) and Norway's Norsk Hydro (45,000 tons per year) limited losses, but analysts indicated further falls were likely as stocks continued to build and demand remained weak.

NICKEL: Firmer. Prices firmed in reaction to major producer Falconbridge's decision to suspend output from its Sudbury.

LME stocks rose 420 tons to 7,890.

Weaker Dollar pushes commodity markets to fall

LONDON, Nov 3: Brent crude prices fell below the 22-Dollar-per-barrel mark early in the week on fears that the northern hemisphere winter may not be as cold as initially forecast. But prices climbed back to previous levels on a technical recovery, reports AFP.

In focus, traders' attention was softened on weather conditions in the key production regions of South America. Adverse weather during the current budding season would have a major impact on quality and quantity of harvests.

Lighter-than-expected rainfall in Brazil helped support the market but prices ended the week lower in London as a result of the weaker Dollar against the Pound and fears that Brazilian exporters would offload large quantities of stocks in response to financial

uncertainties following the recent devaluation of the Cruzeiro.

COFFEE: Easier. The market's attention remained focused on weather conditions in the key producer regions of South America. During the current budding season, adverse weather conditions can have a dramatic effect on the eventual size and quality of the harvests.

Weaker-than-forecast rainfall in Brazil brought support through the week but prices fell sharply Thursday in reaction to the Dollar's losses against the Pound, selling by a major trade house and fears that financial turmoil in Brazil would prompt exporters to dump coffee on world markets.

German statisticians F O Licht left their forecast of 1991-92 world output un-

changed at 97.96 million 60-kilo bags, up 5.6 per cent from 1990-91.

Reports that Colombian private exporters had suspended shipments in response to a devaluation of the Peso had little impact on the market.

SUGAR: Stable. Sugar prices moved in a narrow range in lackluster trading. The market tended to drift lower towards the end of the week as traders awaited firm news on EC guarantees for Soviet sugar purchases.

COCOA: Irregular. Cocoa prices moved irregularly, affected by an absence of buying from the chocolate industry, fears of a flood of new supplies on the market and by the upward revision of British third-quarter cocoa grindings. The British Cocoa, Chocolate and Confectionery

Alliance announced a 42.6 per cent increase in the level of third-quarter cocoa grindings from the same period 1990 to 41,953 tons. The BCCA had indicated in an earlier report that the increase was only 11.7 per cent — the discrepancy being explained by the failure to count some producers in the earlier report.

Prices, also benefitted from the downward revision by analysts of estimates for Nigerian 1991-92 production. Latest forecasts suggest the harvest will be between 80,000 and 1,20,000 tons against 1,60,000 tons previously.

The International Cocoa Organisation (ICCO) lowered its estimate for the world's sixth-largest producer to 1,50,000 tons, from 1,60,000 tons previously.

VEGETABLE OILS: Firmer. Vegetable oils were supported

by speculative buying after the slight losses of recent weeks.

GRAINS: Stable. Wheat and barely futures were steady, although a slight weakening in wheat was seen towards the end of the week in reaction to the lack of news on further US credits to the Soviet Union. The International Wheat Council (IWC) lowered its forecast of the Soviet grain crop this year to 180 million tons, compared with an earlier forecast of 187 million tons and last year's crop of 229.7 million.

The IWC figure was considerably higher than the 160 million tons forecast earlier in the week by Goskomstat, the official Soviet state statistics office, and contributed to a five-million-ton reduction in the IWC's estimate of world production this year to 547 million tons. If realised, this

figure would represent a 52-million tons fall from the 1990 record world harvest.

Britain's ministry of agriculture, fisheries and food estimated the British 1991 grain-crop at a 22.7 million tons, against 22.6 million last year.

TEA: Steady. Demand remained good at the weekly London auction, where average prices were unchanged at 220 pence per kilo for quality grade and 117 pence for medium grade. Low medium grade was quoted at 77 pence against 74 pence.

COTTON: Easier. Prices eased slightly in lackluster trading on the Liverpool market.

WOOL: Easier. Prices fell back on the Bradford market in the wake of an easier trend in Australia, where last week's sharp gains were corrected.

Dhaka keen to boost trade with Islamabad

ISLAMABAD, Nov 3: Bangladesh Commerce Minister M K Anwar said here Saturday his country was keenly interested in boosting economic cooperation with Pakistan, reports AFP.

The Minister, who arrived here to lead Dhaka's delegation to a joint economic commission meeting beginning today, told journalists there was "good scope" to expand bilateral ties.

Pakistani Finance Minister Sartaj Aiz was to co-chair the three-day deliberations of the commission, officials said.

Anwar, accompanied by seven officials, said "both countries are following the same path to reform their economic policies," in order to encourage private investment and initiative.

The bilateral commission was formed in July 1979. The Bangladesh delegation will call on Pakistani President Ghulam Ishaq Khan and Prime Minister Nawaz Sharif during his stay here.

Poland switches from Rouble to Dollar in business

WARSAW, Nov 3: Poland has switched from Roubles to Dollars in its business transactions with the Soviet Union and East European countries, a senior official divulged Saturday, reports AFP.

Ryszard Michalski, Secretary of State in charge of currency at the Finance Ministry, said the practice had been going on since the beginning of the year.

He also said the Polish central bank "in the future will carry out no more transactions in roubles," the Soviet currency.

IDB President lauds Islami bank's role

Star Economic Report

The visiting President of Islamic Development Bank (IDB) Dr. Ahmed Mohammad Ali on Saturday took a very positive of Islami Bank as a development bank in the socio-economic perspective of all developing countries. While addressing a get-together at a local hotel arranged by Islami Bank Bangladesh Limited, he said that the Islami Bank achieved immense progress with the untiring efforts of all Islami Bankers and co-operation of the people of Bangladesh according to a press release of the bank on Sunday.

He observed the objective of Islamic Development Bank is to spread Islamic principles and establish justice in economy on the basis of Islamic ideology.

Mentioning the contribution of IDB toward progress and prosperity of Muslim Ummah, Commodore Mohammad Ataur Rahman (retd), Chairman, Islami Bank Bangladesh Limited said, the role of IDB in respect of regional economic co-operation among developing countries is really praiseworthy.

He said, the IDB under the leadership of Dr. Ali contributed much to the growth inter-country trade and commerce and promotion of joint venture industrial activities with a view to making the Muslim world self-reliant and self-sufficient.

Earlier, Dr. Ahmad Mohammed Ali visited the Head Office of Islami Bank Bangladesh Limited and addressed the members of the Board of Directors, Executives and high officials of the Bank.

No plan to disinvest any more banks

The government has not yet taken any decision on disinvestment from any nationalised bank of the country, parliament was told Sunday, reports UNB.

State Minister for Finance Mujibur Rahman said the government also had no plan for opening a new bank in the public sector during the current fiscal year.

Replying to a supplementary question from Sahjahan Siraj of JSD, he said the Finance Ministry had received applications seeking to set up private banks.

The applications are under consideration of the government.

In reply to a separate question from Dr. Mojammeel Hossain of Awami League, the State Minister said four nationalised banks of the country disbursed Taka 2,508 crore as loan among the people this year.

Interest rates on the loan ranged from 9 per cent to 18 per cent, he said.