

### US cuts quota for Taiwanese apparels

TAIPEI, Feb 12: The United States is cutting its quota for imports of Taiwanese textiles to prevent the island's companies from illegally shipping Chinese and Vietnamese textiles to the US market, officials said on Tuesday, reports Reuter.

The Taiwanese quota will be cut by 52 million square meters this year from last year's quota of 1.36 billion, officials of Taiwan's Board of Foreign Trade said. The reduction is in the apparel category.

The cuts were agreed at US-Taiwan textile trade talks that ended in Taipei late on Monday.

Illegal transshipments of Chinese and Vietnamese textiles to the United States under Taiwanese quotas have been a major irritant in US-Taiwan trade relations.

Taiwan exported 3.17 billion US dollar worth of textiles to the United States last year, using 97 per cent of its quota, the Board of Foreign Trade said.

Textile industry executives said the quota cut would hurt their business.

### British Airways' quarterly profit rises five-fold

LONDON, Feb 12: British Airways (BA) increased profits during the third quarter to 100 million pound (about 180 million dollar) from 20 million pound for the same period in 1990, the company said on Tuesday, reports AFP.

The results for the third quarter to December 1990 had been hit by the onset of recession and of the Gulf crisis.

Analysts had forecast profits of between 20 million and 60 million pound, and Tuesday's announcement boosted BA shares by 17 pence to 242 pence.

Sales rose by six percent to 1.31 billion pound (about 2.4 billion dollar) from 1.24 billion pound.

### Plan to hand over BCCI to Habib Bank finalised

KARACHI (Pakistan), Feb 12: Pakistan's central bank chief said plans had been finalised to hand over three branches of the Bank of Credit and Commerce International (BCCI) to state-controlled Habib Bank Ltd (HBL), reports Reuter.

I A Hanfi, Governor of the State (central) Bank of Pakistan said they would be handed over shortly to the HBL, which would fulfil the BCCI's commitments in Pakistan.

Its depositors would start getting money soon, he told reporters.

Hundreds of BCCI branches all over the world were closed in July after the Bank was suspected of massive fraud.

HBL officials said senior bank officials had gone to London for talks with BCCI's main liquidators, Touche Ross and Co. to finalise agreement on the purchase of the BCCI's three branches in Pakistan.

It was not immediately clear whether the branches would be merged with the HBL, which is being privatised or allowed to work as its subsidiary.

Hanfi suggested that the name of the BCCI in Pakistan should be changed, otherwise it would face difficulties in dealing with foreign banks.

## Gulf nations aim at massive industrialisation

ABU DHABI, Feb 12: Gulf Arab states, no longer satisfied with massive earnings from oil clients, now seek foreign technology for industrialisation projects, reports AFP.

The six-nation Gulf Cooperation Council (GCC) has earned more than 800 billion dollar since 1980 but most of the funds have gone into infrastructure and investment abroad.

Although GCC members have reported progress in attempts to build an industrial base, their products are still concentrated in petrochemicals, aluminium and cement.

"We want the industrial states to realise our need for technology to build our industrial base" said the GCC Assistant Secretary General for Economic Affairs, Abdallah al-

Quwail. "GCC countries have the money and we hope our U.S., Japanese and European partners will take advantage of this atmosphere and enter joint industrial ventures with us" he told AFP this week.

Council members Saudi Arabia, Kuwait, Qatar, Oman, Bahrain and the United Arab Emirates (UAE) hold more than 40 per cent of the world's proven crude reserves and produce nearly 20 per cent of the output.

But they have launched a drive to lessen reliance on oil, which is subject to market instability. A sharp decline in oil prices cut their revenues to nearly 60 billion dollar in 1991 from a peak of 180 billion dollar in 1981.

Investment in the industrial sector as a share of Gross Domestic Product rose to 7.2 per cent in 1990 from 4.6 per cent in 1975, while the oil sector fell to 39 per cent from 72 per cent in response to a drop in crude prices and output.

GCC states now have about 5,000 factories, producing over 10,000 light items and earning 10.2 billion dollar through export 1990, according to the Gulf Organisation for Industrial Consultancy (GOIC).

Industrial investment jumped nine fold to 35 billion dollar in 1990 the Bahrain-based GOIC said in a recent report.

There are plans to build more aluminium smelters to expand regional production to 1.5 million tonnes by the year

2000 from around 500,000 tonnes currently.

Meanwhile, AP adds that Saudi Arabia and other OPEC nations gathering at a crucial meeting Wednesday appear willing to accept limits on their oil output as a way of capping gushing production and forcing prices up.

The 13-nation Organisation of Petroleum Exporting Countries threw out its quota system shortly after Iraq invaded neighboring Kuwait in August 1990.

But on the eve of Wednesday's cartel meeting, some producers signalled for the first time since the Gulf crisis a readiness to return to quotas. Even Saudi Arabia, the groups

kingpin, was said to be willing to accept supply cap.

But the producers are likely to tussle over how to set those quotas and how much of the total will go to Saudi Arabia, the world's No 1 crude oil exporter.

At their meeting, the producers will be under pressure to negotiate a deal trimming production in the coming months to try to halt the slide in prices.

Oil traders apparently have doubts about whether OPEC can make meaningful cuts. In Tuesday's session on the New York Mercantile Exchange, the price of light sweet crude oil to be delivered in March fell 50 cents a barrel, to 19.28 dollar.

OPEC was 16.95 dollar a barrel last week, well under its target of 21 dollar. The futures price in New York is higher than the average OPEC price, because the New York price reflects a spot value for a premium grade of low-sulfur oil.

Gulf sources said last week that the kingdom was likely to support a reduction of 5 per cent to 7 per cent, applied across-the-board to all nations.

OPEC's president, Nigerian Oil Minister Aminu Jibril, said such a trim seems reasonable.

The group's current production is estimated at 24 million to 24.4 million barrels of oil a day, well over its ceiling of 23.65 million barrels for the winter.

### Crude prices in Asia steady

SINGAPORE, Feb 12: Crude oil prices were steady in Asia on Wednesday as traders waited for news from a key meeting of OPEC ministers in Geneva, reports Reuter.

The market is not clear on the outcome of the meeting, said a Japanese trader in Tokyo. The uncertainty is seen as bearish. But trading will be limited until we start getting news from Geneva tonight.

Overnight in New York, crude oil futures plunged about 50 cents a barrel on pessimism that the 13 oil ministers of the Organisation of Petroleum Exporting Countries (OPEC) would agree to cut output to shore up the market in the second quarter of 1992, traditionally a period of slack demand.

Britain's internationally-traded Brent blend crude was quoted here at 18.45/50 dollar a barrel compared with 18.40/45 dollar in New York on Tuesday.

### IMF recipes haven't triggered coup in Venezuela: Camdessus

CARTAGENA (Colombia), Feb 12: International Monetary Fund Managing Director Michel Camdessus rejected suggestions on Tuesday that harsh IMF economic recipes had triggered last week's failed coup attempt in Venezuela, reports Reuter.

"These are not the consequences of our policies," he told reporters, blaming instead what he called years of economic mismanagement.

According to official figures, 19 soldiers and up to 10 civilians died in the army attempt to oust President Carlos Andres Perez last Tuesday, shattering the stability of one of Latin America's oldest democracies.

Addressing a United Nations conference in the Colombian resort of Cartagena,

the IMF chief warned that Third World and former communist countries struggling with economic reform would fail unless they got enough help from industrialised countries.

He departed from his prepared text to underline his "deep concern" about the risks the world faced as it moved into a new post-cold war era.

Camdessus told the United Nations Conference on Trade and Development (UNCTAD) that countries engaged in efforts to reform their economies needed both perseverance and help from outside or they would fail.

"They will fail because they will not be able to deliver to their people the progress they expect in terms of higher growth and better living standards," he said.

### ADB aids Nepal's industrial programme

MANILA, Feb 12: The Asian Development Bank approved Wednesday a 187,000-dollar technical assistance grant to Nepal to prepare an industrial programme for the poor landlocked nation, reports AP.

The Manila-based bank said the programme will focus on reforms in Nepal's industrial and trade policies to make the country's industrial sector internationally competitive and encourage investments.

The policy reforms seeks to promote competition in the private sector, remove anti-export biases in the economy and strengthen the export-orientation of the industrial sector.

This will involve the lowering of tariff barriers, revision of the import licence system, easing export procedures and promoting diversification in exports, the bank said.



M Haider Chowdhury, Chairman of Eastern Insurance Co Ltd, handing over a cheque for Tk 22 lakh to Alhaj A K Shamsul Alam, Chairman of Shamsul Alam Cotton Mills against the insurance claim of the mill. J H Talukder, Acting Chief Executive and Khondkar Habibur Rahman, Executive Vice President of Eastern Insurance were present.

### Kuwait's debt buying plan hits snag

KUWAIT, Feb 12: Kuwait's Crown Prince prodded the partially elected National Council to speed up a decision on plans to buy about 20 billion dollar worth of domestic bank debt from commercial banks, reports Reuter.

The council has no legislative power but has criticised the plans and held up the process by demanding the names of debtors, their financial position, size and date of their borrowings.

Crown Prince Sheikh Saad-al-Abdulla al-Sabah told the newspaper Sawt-al-Kuwait "I want to make it clear that some members of the council have confused the issue of rescuing our national banks with the position of debtors."

The Kuwaiti cabinet, headed by the Crown Prince, approved the debt-buying plan in December but the National Council said puts too much strain on the Emirate's burdened treasury.

### Pakistan seeks more US investment, trade

WASHINGTON, Feb 12: Pakistan is calling for increased US investment and trade as a step toward better bilateral relations which have been bogged down over the nuclear issue, Pakistani embassy officials said here Tuesday, reports AFP.

"We have been particularly frank and open about our nuclear position and this should now be put aside" Pakistani embassy Information Minister Farvaiz Ahmad said.

"What we want is greater US investment in Pakistan and more trade between the two countries. If a renewal of US aid follows that will be very good too," he added.

The United States suspended 573 million dollar in annual aid to Pakistan in October 1990 on suspicion that Islamabad had begun to intensify its nuclear programme six months before.

During subsequent negotiations, Washington, fearing for regional security in South Asia, demanded that Pakistan return its programme to the level it was at prior to April 1990.

Pakistani Foreign Secretary Sharyar Khan publicly acknowledged for the first time that his country was capable of producing a nuclear bomb at the end of a visit he made here last week.

### Euro-parliament votes for blanket ban on tobacco ad for EC

STRASBOURG, France, Feb 12: In a crucial setback for the powerful cigarette lobby, the European Parliament Tuesday voted for a blanket ban on tobacco advertising for the European Community, reports AP.

Under the EC's complex rules, the assembly's decision is not legally binding. But the vote sends a powerful signal to the rule-making council of ministers, who will have the final say on the issue.

A ban on television advertising went into effect last year. The new proposal, which Parliamentarians approved by a 150 to 123 vote, would outlaw tobacco advertising in magazines, newspapers and billboards.

Tobacco sponsorship of sporting events would also be outlawed as would "parallel" advertising, which would bar Camel boots or Marlboro Travels ads.

Advertising would only be allowed inside tobacco shops. The measure, one of the most controversial to come before the assembly, has been harshly criticised by industry lobbyists, who say it is an unfair attack on freedom of speech.

### Rich must help curb poverty in 3rd World, UNCTAD meet told

CARTAGENA (Colombia) Feb 12: Now that Cold War is over, rich nations must cope with a new threat to global security — spreading poverty in the Third World, United Nations and government officials told a conference here, reports Reuter.

The eighth United Nations Conference on Trade and Development (UNCTAD) opened late on Saturday in the Colombian Caribbean port of Cartagena with keynote speakers stressing that massing

miserly in developing nations was just as likely to threaten peace as superpower missile.

UN Secretary-General Boutros Boutros-Ghali called in his speech for nations to adopt a wider concept of security which took economic and social aspects into account as well as military ones.

There is a risk of clashes between the egotism of rich countries and the hopelessness of poor countries. Delegates from more than 150 nations will consider

during the 19-day conference how to take advantage of the collapse of communism to build a new partnership for development between North and South.

UNCTAD Secretary-General Kenneth Dazdie cited Cartagena's role in the fight against slavery on the Caribbean coast and told delegates that freedom was a never ending project.

People living in poverty and deprivation are not really free to choose, to innovate, he said.

### US releases \$ 200m food credit to CIS

WASHINGTON, Feb 12: The United States, as part of a programme to get food to the Commonwealth of Independent states, on Tuesday released 200 million dollar in credits to help the former Soviet republics, other than Ukraine, buy US grain, reports Reuter.

The Agriculture Department, which has made 800 million dollar of export loan guarantees available to the

former Soviet Union since November, said Ukraine has asked to have its own credit line, separate from the other CIS states.

The guarantees, under which private loans are backed by the US government, allow the CIS to buy 95 million dollar worth of wheat, 55 million dollar of feed grains such as corn, and 15 million dollar of protein meals such as soy and sunflower seed meal.

### GATT, environmentalists at odds

GENEVA, Feb 12: The world trade body GATT locked horns with environmental groups on Wednesday when it released a study arguing that increased trade and income should make it easier to protect the environment, reports Reuter.

The study by economists criticised the efforts of some countries, spurred by ecologists, to influence the environmental policies of others by adopting unilateral trade measures such as import bans.

It opposed those who, in a bid to enable "clean" companies to compete, advocated

applying duties on imports of products made in countries with lower environmental standards.

"Increasing trade improves our ability to invest in and protect the environment," Arthur Dunkel, Director-General of the General Agreement on Tariffs and Trade, said in a statement introducing the report.

"Multilateral trade rules and trade liberalisation... are not threats to the ambitions of many rightly concerned citizens around the world to see animal and plant life and the

natural environment safeguarded."

But environmentalists say free-market economies that are not properly controlled, for example with heavy taxes to make polluters pay, can lead to problems for the planet.

"There is no evidence to support GATT's contention that increased national wealth automatically leads to increased investment in environmental protection," said Roger Wilson, Political Director at Greenpeace International.

### Petro-chemical exhibition in Bangkok this month

BANGKOK, Feb 12: The world's leading manufacturers and suppliers in the petroleum, chemical and related industries will gather here for an important exhibition later this month, local press reported Tuesday, reports Xinhua.

The Oil and Gas/Chemical/Instrument Thailand '92 exhibition on February 27-March 1, a special "three-in-one" event which combines the 2nd international petrochemical and chemical process engineering and contracting exhibition and the 2nd international instrumentation, control measurement testing laboratory and analytical technology exhibition, is the only show of its kind serving the Thai and Indochinese markets.

The four-day show, being organised by Bangkok Exhibition Services Ltd, has attracted more than 200 exhibitors from 19 countries — more than double last year's figure, it was reported.

It indicated that the increased interest reflected the rapid rise in the level of investment in the oil and gas, petrochemical and downstream industries in the region.

## Worldwide share trading prospect looks bright

NEW YORK, Feb 12: Last year was good for most of the world's stock exchanges and the long-range prospects seem promising for stock market investors around the globe, reports AP.

But the short-range outlook for 1992 appears a little cloudy, according to a survey of global financial centers.

A combined world index of 20 major world stock markets compiled by Morgan Stanley Capital International, a Geneva-based financial research firm, showed a gain of 16 per cent last year.

The top performers were Hong Kong (up 42.8 per cent), Australia (up 29.1 per cent), the United States (up 27.2 per cent), Singapore-Malaysia (up 22.7 per cent) and France (up 15.8 per cent) in 1991.

What of the prospects for 1992? Union Bank of Switzerland says that "the global economy can be expected to show a moderate recovery in 1992."

uncertain political scene. But Ronnie Masson, head of investments for Sanlam Insurance company, predicted a five per cent drop in 1992 because of inflation and high unemployment.

In Brazil, Sao Paulo stock broker Milton Gomes predicted that 1992 "is going to be a great year. The stock exchange index will probably double."

In Scandinavia, the outlook was gloomy. Flemming Madsen, head of equity research at Den Danske Bank, foresees for the Copenhagen market "no significant rise in the first half of the year. For all of 1992 a 10 to 12 per cent rise in the price index."

Tokyo moved lower in 1991 and trading was slow amid a spate of stock exchange scandals. But Fumihiko Ishii, an analyst with Nomura Research Institute predicted, an improvement and perhaps "a sharp upsurge later in 1992,

bringing the Nikkei average to around 25,000 by year's end" from its current level of 22,000. The Nikkei's all-time high was 38,915.

After its 42.1 per cent surge in 1991, Hong Kong was hitting new highs almost daily in January 1992. Despite the British colony's impending takeover by Communist China in 1997, "We're still aggressively positive," said Robert Rountree, research chief at Wardley James Capel (Far East) Ltd.

The Korean stock market remained sluggish in 1991 and Kim Chong-dae, an analyst at Tongyang Securities Co, predicted that high

Korean wages and lagging technology would prevent Korean companies from recovering their competitiveness rapidly.

In the Netherlands, international issues such as Unilever and Royal Dutch Shell dominate the market and tend to reflect worldwide rather than narrowly Dutch conditions.

Considering global prospects, "I feel that the Dutch market is going to be an outstanding performer" in 1992, said Robert Sweers, head of institutional investment at Banque Paribas in Amsterdam.

The only four losers last year out of the 20 major stock markets covered by Morgan Stanley Capital International were Italy (down 4.1 per cent), Austria (down 13.4 per cent), Norway (down 16.7 per cent) and Finland (down 19.9 per cent).

To eliminate currency fluctuations and varying inflation rates in local currencies, the figures are all given in terms of US dollars as a common standard.

In Turkey, for example, the stock market rose 34 per cent in 1991 but a 72 per cent inflation rate of the Turkish lira reduced that gain to a 23.4 per cent loss in US dollar terms.

Turkey belongs to a second tier of stock exchanges that Morgan Stanley classifies as "emerging markets" — those of nations that have only recently opened themselves up to international investments — and it was here that the most dramatic action occurred in 1991.

Argentina was the world champ with a 403.1 per cent gain in dollar terms in 1991. Brazil

shot up 168.6 per cent, Mexico rose 105.6 per cent and Chile ended the year 105.6 per cent higher.

Amid other emerging markets, Morgan Stanley lists Turkey (down 23.4 per cent in 1991) and Greece (down 23.7 per cent), Portugal (down 7.2 per cent) and Jordan (up 14.3 per cent).

In the Far East, Korea was down 17.0 per cent, the Philippines up 84.6 per cent, Taiwan up 12.1 per cent, Malaysia up 3.0 per cent, and Thailand up 17.9 per cent.

Indonesia plunged 46.4 per cent in 1991, but 1992 could well be different. Stock markets are notoriously fickle — Australia dropped 21 per cent in 1990 before its 29.1 per cent rise last year.

Meanwhile, even in the formerly communist world, embryonic stock markets were going into business as the 1990s got under way. In China, small exchanges opened in

## Business briefs

**Fund to spur private investment:** An agreement for a fund to spur private investment in Latin America and the Caribbean was signed by 21 governments Tuesday, reports AP from Washington.

"Our new fund is an exciting innovation," President Bush said at a ceremony in the White House's Roosevelt Room. It will provide targeted support for Latin American countries as they transform lumbering state-run industries into private enterprise.

**Retail sales surge in China:** Retail sales in China in January surged 13.6 per cent over 1991, ahead of the lunar new year holidays, the China Daily said Tuesday, AFP from Beijing.

Retail sales reached 16.17 billion dollar during the traditionally high-spending period, the newspaper said quoting an economist from the bureau of statistics.

**Drought hits S African farmers hard:** Drought in the country's heartland has wiped out crops and farm jobs and is leading to starvation, aid officials and farmers say, reports AP from Johannesburg.

More than 2 million people will need food urgently by the end of April unless further aid becomes available immediately, according to Ina Perlman, executive director of Operation Hunger, a private welfare group based here.

**Redenomination of yen proposed:** Japanese Foreign Minister Michio Watanabe proposed Tuesday that the Japanese yen be redenominated in three years to boost the economy, reports AFP from Tokyo.

Watanabe, a former finance minister, said at a lecture in Yokohama near Tokyo that redenomination to make the yen's unit smaller was necessary to activate the economy. He did not elaborate.

**Marcos' estates to be auctioned:** Three luxurious U.S. estates surrendered by followers of deposed dictator Ferdinand Marcos will be auctioned by the Philippine government, an official said Tuesday, reports AFP from Manila.

The estates, worth more than 7.5 million dollar, include a Los Angeles mansion formerly occupied by film star George Hamilton, a mansion in Makiki Heights, Hawaii.

But this need not necessarily translate into higher stock prices.

The US stock market paradoxically made record highs in early 1992 as the American economy languished in a prolonged recession. Investors were evidently looking forward to better times ahead.

Merrill Lynch, a leading US stock brokerage firm, warned its customers to be cautious and "in a defensive frame of mind as 1992 begins."

In South Africa too, the Johannesburg industrial index hit record highs as 1992 began, despite the country's troubled

Shanghai and the Shenzhen Special Economic Zone, and in 1991 foreigners were allowed to buy stock in Chinese companies for the first time under the Communists regime.

Chinese citizens themselves were so eager to become capitalists that thousands of people mobbed the exchanges, lining up overnight every time new issues were announced.

As one final indignity to a collapsing Marxist world, the Warsaw stock exchange set itself up in a building that was once Communist Party headquarters. Traders now deal in the room where the Central Committee last met.

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