Ford reports its worst performance ever

DETROIT, Feb 14 : Ford Motor Co said Thursday it lost 476 million dollar the fourth quarter of 1991 and 2.3 billion dollar for the year, the worst performance ever for the nation's No two automaker, reports AP.

The results offer more proof that 1991 was the most miserable year in US automotive history. Last week Chrysler Corp reported a huge 1991 loss; industry giant General Motors Corp will reveal how much money it lost later this month.

"The Ford and Chrysler losses were generally in line with what Wall Street analysts had expected. Including GM's anticipated shortfall, analysts expect the Big Three's combined losses for 1991 to total nearly 7 billion dollar easily topping the 4.5 billion dollar they lost in 1980.

Ford's 1991 loss, second only to GM, was the equivalent of 4.79 dollar a share and came on revenues of 88.3 billion dollar in 1990. Ford earned 860.1 million, dollar or 1.86 dollar a share, on revenues of 97.7 billion dollar.

S Arabia makes new proposal

OPEC likely to cut production by 7 pc

GENEVA, Feb 14: All 13 OPEC oil ministers have agreed to cut petroleum production by seven per cent in a bid to shore up weak world prices, Iranian Oil Minister Gholamreza Aqazadeh said on Friday, reports Reuter.

But he added that the thorny problem of how to share out the painful cuts remained unresolved as Organisation of Petroleum Exporting Countries oil ministers met in Geneva for a third day.

Aqazadeh told reporters Iran had received a proposal from Saudi Arabia which he believed other members would accept. The plan calls for lopping production to 22.5 million barrels per day (BPD) from current levels around 24.4 million BPD.

"Maybe some countries may have a problem with the logic of distribution (quotas), but the ceiling everybody accepts is 22.5 million (BPD)," he told reporters.

Kuwaiti Oil Minister Hamoud Abdullah Al-Rqobah said all OPEC members would accept a ceiling between 22.5 and 22.7 million BPD, but added the major stumbling block remained the formula for splitting up the cuts.

"The ceiling is not the issue," he told reporters. "The issue is how we can distribute this."

In London, dealers welcomed the news on the production ceiling. April brent crude oil futures rose 22 cent to 18.75 dollar a barrel in early afternoon trading.

Allocating shares of output to individual countries has become a crucial issue as OPEC seeks to restore discipline to its ranks and present a solid front to sceptical markets.

OPEC's members produced around 24.4 million BPD in January, of which the Saudis pumped 8.64 million, a Reuter industry survey found.

Earlier AP report from Geneva adds : Saudi Arabia on Thursday fended off efforts by its OPEC partners for a quick deal to slash the cartel's oil production by more than 1.5 million barrels a day in the coming months.

But the kingdom, the world's largest crude exporter, promised to offer its own ideas Friday.

Ministers of the 13-nation Organization of Petroleum Exporting Countries failed in day-long bargaining Thursday to wrap up an agreement that would be designed to give a sharp lift to crude prices.

"Everything is still under discussion," said Iraqi Oil Minister Osama al-Hiti after evening discussions.

"It is a sensitive meeting," he said. "It's the first important meeting since the Gulf crisis."

A majority of producers favoured a sharp cut in the cartel's surging production by slicing output from 24.3 million barrels a day currently to 22.5 million barrels in the spring.

Gabonese Oil Minister Augustin Hervo-Akendengue described a new ceiling of 22.5 million barrels a day as "an objective" that would be "good for all of us."

"The aim is to increase prices", he said.

But sources said Saudi Arabia, the cartel's most powerful member, was holding out for a higher ceiling in the range of 22.7 million to 23 million barrels a day.

Some said the superproducer was insisting on maintaining an enormous chunk of overall output.

In their talks, the ministers are trying to fashion an accord that will pull enough oil off the markets to move prices sharply closer to the group's target of 21 dollar a 42-gallon barrel.

Weak demand for the producers oil this winter has been blamed in part for sliding prices.

The price of a basket of crudes monitored by the cartel averaged less than 17 dollar a barrel last week.

All the ministers but Saudi Arabia's influential Hisham Nazer met for closed-door bargaining Thursday morning. Saudi sources said Nazer stayed away because the discussions were at an early stage.

Afterward, ministers said they narrowed their differences but had not clinched a deal.

Nigerian Oil Minister Jibril Aminu, the cartel's president, said the gap between the nations positions on a new output ceiling amounted to 300,000 barrels.

Another round of bargaining in early evening failed to close the space, and experts were asked to rework figures to try to find a compromise.

The ministers are working not only on a new overall supply ceiling for the spring but also on individual allotments.

Gulf sources said the Saudis insisted that the reductions be shared equally by all members. In the past, the kingdom has often borne more than its shares of any cutbacks.

AP adds from Geneva: OPEC negotiations on Friday were temporarily put on hold as the oil producing nations awaited a promised proposal from Saudi Arabia for cuts in crude output.

Ministers of the 13-nation Organization of Petroleum Exporting Countries met privately but little activity was spotted in the third days of strategy talks.

No formal meetings were scheduled.

"We have to wait a little while," said Venezuelan Oil Minister Celestino Armas.

"We are studying all the scenarios", said Iraqi Oil Minister Osama al-Hiti.

The ministers are anxious to get details of the Saudi plan because, as the group's largest producer, its ideas carry great weight.

Most nations came out in favour of a new output ceiling of 22.5 million barrels a day it would remove at least 1.5 million barrels of crude off the market.

Iraq introduces rationing system, cornerstone of its survival

BAGHDAD, Feb 14: Saddam Hussein said a government subsidised rationing system, the cornerstone of Iraq's survival under sanctions, has saved the nation form starvation, reports Reuter.

In remarks published by Iraqi papers Thursday the President acknowledged that prices on the runaway free market were high and pledged the government would carry on providing subsidised rations and even expand them to include more basis family items.

Saddam, who has said he will shun luxury items for a year and has urged compatriots to do likewise, said "the price of an expensive dress does not worry me. What worries me is to see a citizen unable to find the foodstuffs he needs to live."

India collects $2300m in bonds

NEW DELHI, Feb 14: The government fetched a massive 2,300 million dollar through two schemes introduced in October last to attract foreign exchange from non-resident Indians — more than enough to offset the trade deficit which stood at 1628 million dollar upto December in the current year, reports PTI.

According to provisional figures the India Development Bond scheme attracted 1500 million dollar while the Foreign Exchange (IMMUNITIES) Scheme secured 800 million dollar.

The two schemes which were a one time affair was announced in the Budget in July last but became operational only in October. The schemes were first for a period of two months and then extended by two more months to end at January 31 last.

Japan submits revised market services proposals to GATT

GENEVA, Feb 14 : Japan has submitted a revised offer to the initial commitments under the general agreement on trade in services, under which it would open up to foreign competition "without any limitations" in several fields, the Japanese mission to the GATT trade talks said here Wednesday, reports AFP.

The offer, sent to the General Agreement on Tariffs and Trade (GATT) secretariat, includes "all feasible sectors" and "in terms of the quality of the offer, very significant fields are included without any limitations, condition or qualifications," the mission said.

Included are "ocean going shipping, distribution, computer services, education, telecommunication services by type II business and motion picture and video tape production in audiovisual services."

The mission said, "financial services are also offered with few, if any, limitation. It should be noted that these offers are presented without any condition of sectoral reciprocity."

1000 Chinese factories go into capitalist-style management

BEIJING, Feb 14 : More than 1,000 state-run Chinese factories have been given capitalist-style management powers as part of sweeping efforts to reform the industrial sector, official media said Thursday, reports AFP.

The government chose the 1,000 key enterprises as the first batch to be reformed and more would follow, the China Daily newspaper reported. It is the most large-scale attempt yet to push forward market guidance of industry.

"The firms, many of which were losing money, have been given complete freedom in hiring and sacking managers and workers, regulating wages and bonuses and deciding on other business policies," the Daily said.

The reform is based on management in Chinese-foreign joint ventures, the most vibrant sector of the economy that last year accounted for some 15 per cent of China's total industrial output.

The new policy was set by the government's production office, led by Vice Premier Zhu Rongji. The reformist leader is a former Mayor of Shanghai, China's industrial center, and is spearheading attempts to revamp state industry.

The inefficiency of large- and medium-sized state enterprises has surfaced as China's major economic problem. More than one third of the firms are losing money and they owe billions of dollar in debt.

Chinese economists have expressed some doubt over the viability of the reforms. They say factories may be forced to sign on, but workers are resisting the changes after 40 years of guaranteed lifetime employment.

Under the new policy, the enterprises will replace the existing welfare state with contracts for workers, restructure income according to performance and recruit factory employees through examination.

China has been discussing such reforms for years, but has failed in previous attempts to carry them out, in part due to the risk of social discontent.

But the People's Daily said Wednesday that pilot enterprises chosen in major cities and coastal provinces, all of which enjoy the highest living standard in China, has shown "preliminary success."

Officials figures reported in the media said 13.5 million workers, or 14 per cent of China's 103 million state employees, had signed labour contracts, and 2.1 million factory cadres, or 15 per cent of the total, had followed suit.

Meanwhile, Metallurgy Industry Minister Ji Yuanjing said China would choose four major iron and steel complexes for experimental reform this year in Wuhan, Anshan, Baoshan and Panzhihua, the Hong Kong China news agency reported.

Ji said state planning would be reduced this year to allow more room for market forces. He said efficiency in the factories was still low despite record output last year.

Europeans, Americans may soon start missing Chilean animals

SANTIAGO, (Chile) Feb 14 : American and European collectors of exotic insects and animals may soon find it harder to find some of their ugliest favorites — Chilean lizards, frogs, snakes and spiders, reports AP.

The government of this South American nation has just issued regulations banning the export of some of the more exotic species that are particularly popular abroad, and has clamped down on the sale of others.

Leopoldo Sanchez, head of the government's Agricultural Service, said the regulations are part of a new environment protection campaign designed to protect unusual species.

"Several of these species are considered highly vulnerable, threatened with extinction," Sanchez told The Associated Press in an interview.

"Although we don't have an exact information on the impact such extinction would have on the environment, we known each (species) plays a role in the environment," he added.

"How could we irresponsibly permit them to disappear?"

Sanchez said the government has undertaken 12 different research projects, in conjunction with universities and scientific centers, "to learn more" about the possible environmental impact caused by export of exotic species.

The regulations, updating 1929 legal code, will be presented to the 140-nation Convention on International Trade in Endangered Species of Wild Fauna and Flora in Japan in March, said Jaime Vicens, director of the government's Division of Renewable Natural Resources.

Vicens said the regulations were prompted by "an explosive increase in the capture of these species to be sold as pets, especially n the United States and Europe."

A Chilean spider, snake or colorful lizard may sell for as much as 300 dollars apiece in pets shops abroad, Vicens explained.

He cited the case of the arana pollito, or chicken spider, a large hairy brown spider that is harmless: while 1,819 were legally exported in 1985, the figure jumped to 44,000 in 1990 and 39,150 in the first quarter of 1991.

The arana pollito, clearly, is a hit among exporters.

Projections for this year show that up to 500,000 spiders, snakes, lizard, iguanas, frogs and others would be exported this year without these restrictions," Vicens explained.

Among protected species besides the arana pollito are a giant, multi-colored beetle and several varieties of snails and scorpions.

While Samchez admitted that government concern over beetles and spiders and the ilk may seem unusual, it's not unprecedented: Australia enacted temporary restrictions a few years back on its own exports of exotic pets.

Exempted from the Chilean restrictions will be mice, rabbits, some more common varieties of frogs and other animals.

Meanwhile, Sanchez admitted that enacting the regulations will be difficult.

'Manpower cut plan in US Marine threaten its services'

WASHINGTON, Feb 14 : US Marine Commandant Carl Mundy says that manpower cuts proposed by the Bush administration are too deep, threatening the service's ability to function, the Washington Post said Friday, reports Reuter.

Mundy told the paper that the marine corps "never validated" the administration plan to cut the number of marines by 35,000 over five years to 159,000.

"You want to go over there (to Congress) and give your honest military advice...we're stretched a bit thin," he said.

Mundy's assertions contradict that of his superiors, defence secretary Richard Cheney and General Colin Powell, Chairman of the Joint Chiefs of Staff.

Kuwait's NC rejects handouts to citizens

KUWAIT, Feb 14 : Kuwait's consultative council yielded to government pressure today and rejected proposals for more big cash handouts to citizens, reports Reuter.

It said the Emirate was unable to afford the payments and declared such generosity could jeopardise its claims for financial compensation from Iraq.

The National Council said in a report that proposals to pay up to 66,000 dollar to every Kuwaiti family would put a heavy burden on an economy ravaged by Iraq's August 1990 invasion.

The Council, which has no legislative powers, urged the government last July to make cash payments to Kuwaiti families to soothe their suffering as a result of the Iraqi occupation.

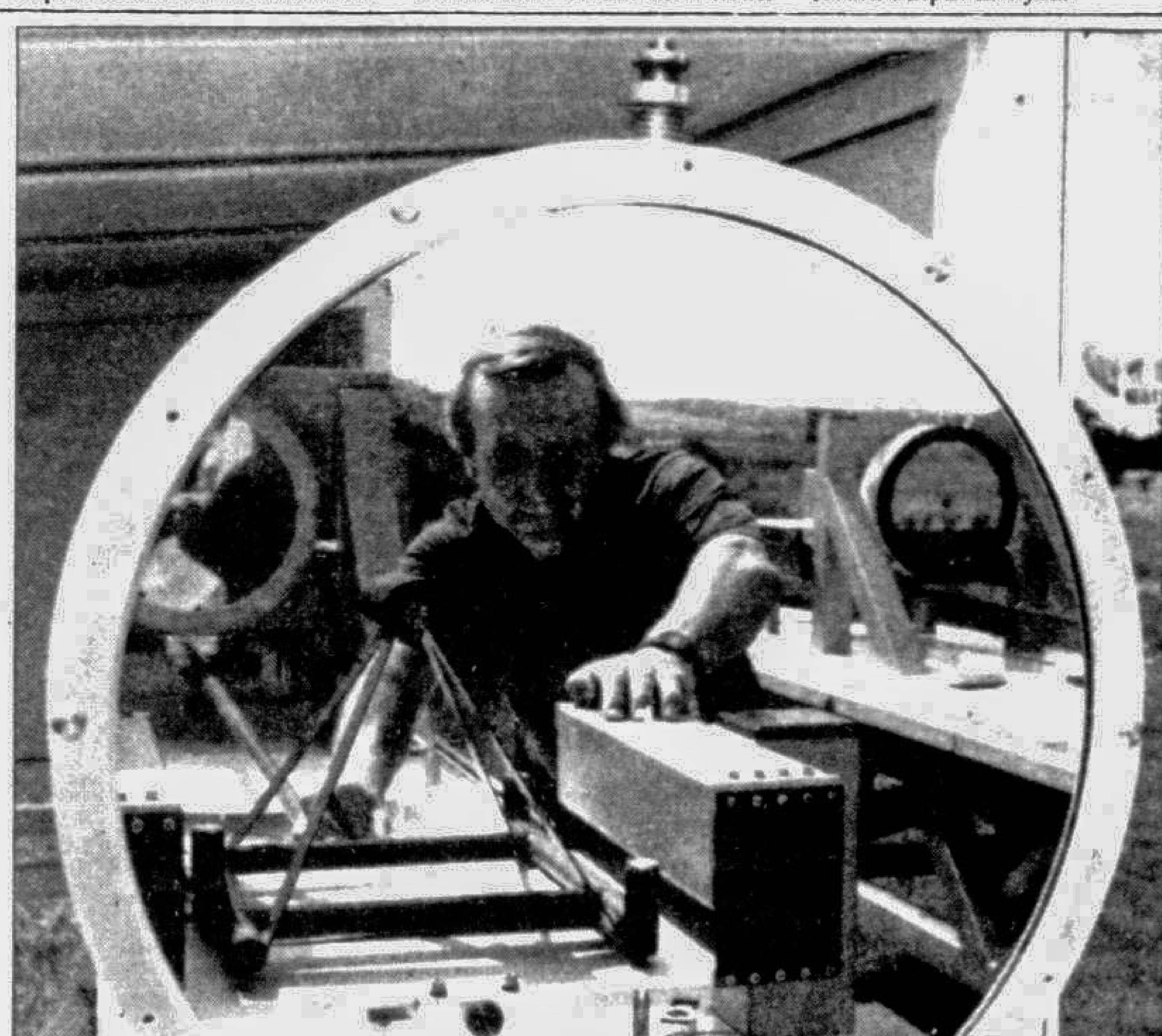
The partially-elected Financial and Economic Committee said Kuwait had spent 5.5 billion dollar on payments and consumer loan write-off to citizens during and after the Iraqi occupation.

The committee instead proposed the establishment of a fund to pay compensation to eligible claimants.

"We fear lavish spending to grants and handouts given by the government to the Kuwaitis will give an impression that Kuwait is still a wealthy country with ample resources and large savings as before.

"The difficult stage passed through by the national economy does not allow for further spending," the report said.

If approved the scheme would have cost the government up to 8.5 billion dollar — half in the form of handouts and the rest in long-term interest-free loans.



PUTTING FINE DETAIL INTO STARS: Scientists are planning to use an established radio telescope technique of combining signals from a series of linked telescopes to obtain the best-ever ground-based pictures of the stars.

A team led by professor John Baldwin (Pictured) of the Mullard Radio Astronomy Observatory based at Cambridge University, eastern England, is developing a new astronomical observing technique that promises to reveal stars in one thousand times more detail than has yet been possible. —LPS photo

FAO predicts food shortages in CIS

ROME, Feb 14: The former Soviet Union is likely to see food supplies fall dramatically over the next few months, putting children, the sick and elderly especially at risk, the UN Food and Agriculture Organisation (FAO) said on Wednesday, reports Reuter.

"The food supply situation is expected to deteriorate sharply in the coming months, particularly among vulnerable groups, as a consequence of rapid inflation, the disintegration of the distribution system and price liberalisation," it said.

FAO estimated the 1991 world wheat crop would be four million tonnes lower at 550 million tonnes, mainly reflecting a lower than expected crop in the former Soviet Union.

In the monthly world food outlook, FAO said the unexpectedly large import needs of the former Soviet Union had led to a surge in wheat prices, now 50 per cent higher than a year ago.

It forecast that the 12 republics of the former Soviet Union —excluding the three Baltic states — would import 35 million tonnes of grains this year, 11 million more than last year, but emphasised the figures should be treated with caution.

It added that world wheat imports would rise 12 million tonnes to 103 million tonnes this year due to substantial buying by China, Pakistan, the former Soviet Union and Brazil.

Canada scraps $50m import duty to arrest cross border shopping

OTTAWA, Feb 14 : In an effort to stop Canadians from doing so much of their shopping across the US border, the government scrapped 50 million US dollar in annual import duties on consumer goods and stiffened fines for smuggling, reports AP.

The government of Prime Minister Brian Mulroney also made it more expensive to order goods from US catalogs, slapping a postal fee on mail-order packages sent into the country.

Every weekend, border crossings are jammed with Canadians returning from the United States, their cars packed with everything from groceries to major appliances. Most Canadians live within 160 kilometers of the US border. Canadian retailers have complained bitterly that high taxes and import duties are driving shoppers south. The package of government initiatives aims to curb about 3 billion US dollar in sales lost to US retailers.

Critics of the government move are skeptical, however, believing that Canadian businesses might not pass the savings on to consumers.

They also say it does not go far enough because food and gasoline, which are significantly cheaper across the border, are not included among items no longer subject to tariffs.

Effective midnight Wednesday night, import duties were lifted from 25 consumer goods ranging from video recorders to soccer balls.

The crackdown on smuggling includes higher fines. Revenue Minister Otto Jelinek said maximum fines for smuggling tobacco into the country will increase to 1,70,000 US dollar from the current 21,000 US dollar.

The government says consumers will see 50 million US dollar in savings and possibly more passed on to them when goods are marked down for retail sale without the import duties.

The government, however, plans to more than make up for the revenue loss with new fees expected to raise up to 233 million US dollar.

One measure is 4.25 US dollar processing fee to be imposed by the Canadian post office beginning in July for each mail-order parcel entering the country.

The government will also drop the duty-free limit on mail-order packages to 17 US dollar from the current 34 dollar.

It will also raise excise taxes on cigarettes that are exported. Cigarettes cost about 5 US dollar per pack in Canada twice as much as in the United States and many Canadians buy their favourite Canadian brands more cheaply across the border.

Mauritania still paying the price for supporting Saddam

NOUAKCHOTT, Feb 14: A year after the Gulf War, impoverished Mauritania is still paying a high price for backing the loser, reports Reuter.

While its southern neighbour Senegal sent troops to bolster coalition forces against Saddam Hussein's occupation of Kuwait, Mauritania gave fish and moral support to sanction-hit Iraq.

Now Senegal and other allies are reaping millions of dollar of grateful aid from rich Gulf donors who have meanwhile slashed their funding for Mauritania's Arab-led government.

It hasn't been spelt out but the motives are clearly political, said a Mauritanian government official who asked not to be named.

A huge, mainly desert country on Africa's northwest coast, Mauritania scratches living from fish and iron ore and depends on foreign aid for 90 per cent of its investment budget.

Before the Gulf crisis, nearly half of that came from Gulf governments or multilateral donors such as the Kuwait-based Arab Fund for Economic and Social Development (AFESD). In 1990 to 1991, 40 per cent of expected funding failed to arrive as Kuwait and its Gulf allies turned off the cash flow, the official said.

According to government figures, Mauritania lost 130 million dollar in direct aid in 1990 alone.

A further 460 million dollar roughly half Mauritania's GDP — was lost indirectly that year, for example in output from stalled foreign funded projects like fisheries.

Other allies of Iraq, like Jordan, Sudan and the Palestine Liberation Organisation also suffered huge cuts in Gulf aid.

Senegal, in contrast, has reaped several hundred million dollar in aid from Saudi Arabia and Kuwait since the war, and Senegalese firms have won lucrative contracts to help rebuild Kuwait's shattered schools.

Mauritania's government never openly endorsed Iraq's invasion of Kuwait, but from the start it publicly opposed international sanctions against Baghdad.

Diplomats say it defied the embargo by sending fish to Iraq and letting Iraqi aircraft land on its territory.

State media carried only Iraqi accounts of events in the Gulf and huge street demonstrations backed Saddam.

They couldn't do much for Iraq but they did what they could, one diplomat said.

Citing one example, the government official said Mauritania did not receive agreed funding, worth some 15 million dollar from the AFESD in 1991. Blocked projects included small-scale fisheries and electrification of 13 towns.

Kuwait's charge d'affaires (senior diplomat) in Nouakchott, Ahmed Razouqi, said the delay in AFESD funding was due to vital reorganisation after the war. Kuwait's Emir cancelled 90 million dollar of Mauritania debt to the Kuwait fund for Arab Economic Development last year as goodwill gesture, he added.

But he agreed there was anger against Mauritania and said future aid plans were on hold.

We were very shocked to see Mauritania stand against us, Razouqi said. we spend money to develop a brotherly Arab country, which then not only stood against us but still insists on not changing its policy towards us.

Ironically, political analysts say most Mauritania's hardly notice the loss of Gulf aid, much of which went towards building up infrastructure, since most of Mauritania's sparse population still lives outside main towns and many are isolated nomads.

People won't starve, one diplomat said. But overall it will retard the prospects of this country getting out of the Fifth World and into the Third World.

Business briefs

G-7 finance ministers to meet: The next meeting of Finance Ministers from the Group Seven (G-7) leading industrialised countries will be held in Washington on April 26, French Economy and Finance Minister Pierre Beregovoy said Thursday, reports AFP from Paris.

LDP leader for 0.5 pc discount rate cut: Vice President of Japan's ruling Liberal Democratic Party (LDP) Shin Kanemaru on Thursday called for an immediate 0.5 percentage-point cut in Japan's official discount rate from 4.5 per cent to 4.0 per cent, reports AFP from Tokyo.

Kanemaru told a Tokyo audience it was necessary to cut the key rate to boost the economy.

US retail sales up 0.6 pc in January: US retail sales rose 0.6 per cent in January after increasing a revised 0.1 per cent in December, the commerce department said Thursday, reports AFP from Washington.

The increase was higher than analysts' forecasts of a 0.4 per cent rise in January.