

Saudis decline to cut more than 500,000 BPD

GENEVA, Feb 15: Saudi Arabia will cut no more than 500,000 barrels per day (BPD) in any OPEC output agreement, Saudi Oil Minister Hisham Nazer said, reports Reuters.

He said "Saudi Arabia is offering to reduce 500,000 barrels per day."

And asked by reporters if 500,000 BPD was the maximum that the Kingdom would cut by he said, "that is correct."

Nazer refused to say what level that would limit the Kingdom's output to or what level Saudi Arabia would cut from.

"Discussions are not yet over. We are still discussing all the various options, there isn't one single ceiling, there isn't one single criteria for anything until we all discuss with each other the various parameters," he said.

Faced with demands from Iran that Saudi Arabia cut oil output by more than it had offered, OPEC's largest producer has hardened its stance, a senior Arab Gulf delegate said earlier.

"The Saudis have retracted from their earlier position and are insisting nothing less than eight million (BPD)," he said.

Asked why Saudi Arabia had dug in, the delegate said "when they (Saudis) were faced with the Iranian resistance to their proposal they said, why should we give in."

Saudi Arabia had earlier put forward proposals that it would cut to between 7.9 million and eight million BPD, either under a total OPEC ceiling of 22.5 million BPD or 22.7 million BPD.

The key difference between the ceilings on offer are that the Saudi percentage share will be larger under a 22.5 million BPD ceiling and lower under 22.7 million, Gulf delegate sources said.

"Under the lower ceiling Saudi Arabia's share will be above 7.9 million BPD and under the higher ceiling it will be around eight million," the Saudi source had said earlier.

Americans avoiding Japanese products

WASHINGTON, Feb 15: A large majority of Americans surveyed in a poll published in Friday's editions of the Washington Post said they are now making a conscious effort to avoid buying Japanese products, reports Reuters.

Nearly two out of three (63 per cent) of those polled said they would only buy Japanese products now if they had no alternative. In March 1990, the last time that question was asked, about half said that was the case.

When asked which country had harder workers, 49 per cent of those surveyed said Japan, down from 73 per cent last November.

India decides to allow firms to raise capital abroad

NEW DELHI, Feb 15: India has agreed in principle to allow selected companies to raise capital abroad through convertible instruments, a senior official said, reports Reuters.

"The proposal has been cleared in principle by the cabinet," said the official, confirming a report earlier this week by the Asian Wall Street Journal which had been denied by a Finance Ministry spokesman.

"The spokesman obviously had not been informed of the decision," the senior official said. "It has happened."

The details of how companies will be selected and so forth have not yet been decided, but they will follow, the official added, asking not to be identified.

The decision is the latest step in the minority Congress party government's far-reaching reforms of highly regulated economy designed to open it up and integrate it with the rest of the world after four decades of solid protection.

Two of India's biggest companies made applications to raise a total of 225 million dollar on international markets last November after the government said it would allow Indian firms to be listed overseas.

Reliance Industries (BHIL), a major conglomerate, has applied for permission to be listed in London or Luxembourg and to raise 125 million dollar through convertible Eurobonds of equity issues.

Tata Iron and Steel Co Ltd (TISCO), India's second biggest company, made a similar application and wants to raise 100 million dollar through similar instruments.

AFP adds: India produced a record 747 million kilos of tea in 1991, the highest for a year since the British introduced the crop about 100 years ago.

China posts record garment exports

HONG KONG, Feb 15: China's exports of textiles and garments rose to 16.73 billion dollar in 1991, an all-time high, a semi-official report said Friday, reports AP.

The Hong Kong China News Service said garment exports in particular grew 31.4 per cent over the previous year, topping the list of export items from China.

This was the first time that garment exports exceeded those of textiles, it said.

Amorous Britons shrug off recession blues

LONDON, Feb 15: Britain shrugged off the recession blues on Friday when the likes of Fluffy Bunny, Wobble Bottom, and Captain Banana indulged in the annual romantic ritual of Valentine's Day newspaper greetings, reports Reuters.

There was no sign that economic woes had dampened the ardour of the nation, as hundreds of amorous Britons paid for the privilege of declaring their undying love in the personal columns of national newspapers.

The traditional Valentine's Day message brings out the eccentric side of the British people, who like to hide their true romantic natures behind coded messages.

"Furry wurry fluffy wuffy Bunny Wunny, lotsa love Tummy Banana," read one lover's greeting.

Others struck a raunchier note. "Sweetie Knickers, I love you" was one line in the Guardian newspaper, where Beattie baby also told Beattie girl "Horny Hippy loves you."

"Even though you rarely change your socks and your breath is a bit whiffy, you're still my darling Coochie Bear Cubking" read a less than flattering love note in the Times.

The Daily Telegraph had its own selection of intriguing messages with "Diddle double dole, will you be my wibble woble?" and Kiss Robber invites Snugly to initiate naughties.

Communists trying to free Asia from US-dependence

TOKYO, Feb 15: Asia's leading communist economies — China, Vietnam and North Korea — are helping the rest of the region to become less dependent on markets in the United States, according to the Nomura Research Institute, reports AP.

"Strengthening ties between the traditional high-growth nations and Asian socialist economies are paving the way for a wave of fresh dynamism in the region," the institute said in its latest monthly investment review.

The affiliate of the world's biggest securities firm noted that fluctuations in exchange rates and regional investment flows had replaced economic growth in the United States as the main factor behind Asia's economic health.

"Economic growth rates on either side of the Pacific have now begun to move independently of each other, meaning that most of the Asian economies have been spared serious damage during the current US recession," it said.

Nomura noted that the socialist economies were now "rapidly emerging as host countries" to other nations in the region suffering from supply constraints such as labour shortages and sharp increases in land prices.

West blocks Beijing's readmission to GATT

GENEVA, Feb 15: The United States and other Western countries blocked progress towards China's readmission to the GATT, saying Peking's economic reforms and market opening proposals were not enough, sources close to GATT said here Friday, reports AP.

At a two-day session of the General Agreement on Tariffs and Trade that ended here Friday, the US delegation twice formally refused to advance to the mechanics of processing China's readmission application.

China had insisted throughout that the session pass directly to this phase.

Documents provided by the Chinese delegation, headed by Deputy Foreign Trade Minister Tong Zhiguang, did not persuade the United States and European Community that a treaty should be drafted to readmit China, the sources said.

Central among the concessions he said China was prepared to make a reduction of custom tariffs and greater openness in commercial transactions.

Dirty air costs dear

WASHINGTON, Feb 15: Dirty air in the Los Angeles area kills an estimated 1,600 people and costs the economy about 10 billion dollar annually, according to a study by a group of California scientists. "That's the cost of breathing the kind of air we have out here now," said Jane V. Hall, an economist at California State University in Fullerton who co-authored the study appearing Friday in the journal Science, reports AP.

Hall said the estimates of deaths and costs were drawn from a model that evaluated the health effects of the levels of atmospheric ozone and particulate matter encountered in a year by the 12 million residents of the area. For the costs, Hall said the estimate is based on surveys in which people were asked what it would be worth to them to avoid the specific problems caused by the dirty air health effects.

Ozone health effects evaluated included coughs, headache, chest congestion, eye irritation and sore throats. For airborne particulate levels, the researchers based their estimates on what they called "restricted activity days."

Hall said the restricted days were periods when people might choose, because of the poor air quality, to stay home from work or school.

The researchers estimated that the levels of ozone and particulate matter in the air would give the average person a sore throat 17 days of each year. Eye irritation would be experienced 16 days a year; headache for 10 days and chest discomfort for five days, the scientists estimated. Dirty air would cause at least one "restricted activity day" per person, per year, the study estimated, and at least one and a half "minor restricted activity day."

4 held in Sagawa Kyubin case

TOKYO, Feb 15: Prosecutors on Friday arrested four executives in connection with about 100 million dollar in alleged illegal loans by a mob-linked trucking company suspected of channeling large amounts of money to politicians, reports AP.

Prosecutors said they arrested Hiroyasu Watanabe, 57, former president of Parcel delivery firm Tokyo Sagawa Kyubin, and Yasuo Matsuzawa, 40, a board member of Heiwado Co. for allegedly arranging to guarantee a 5.8-billion-yen 45.3 million dollar loan to Heiwado, a group of medical supply and real estate firms.

The guarantee allegedly constitute a breach of trust under Japan's commercial law because it was evident that Heiwado, already overburdened with debts incurred in the real estate and stock markets, would be unable to repay the debt, said the prosecutors, who provided the information on condition of anonymity.

Also arrested Friday for alleged breach of trust were Jun Saotome, former managing director of Tokyo Sagawa Kyubin, and Michio Ouchi, a former accounts manager at the company, in connection with a separate dubious loan of 6.8 billion yen (53.1 million dollar) from Sagawa Kyubin to Ichiharu Kanko Kaishatsu, a resort development company.

EC preparing for showdown with world on GATT issue

BRUSSELS, Feb 15: The European Community is squaring up for a showdown with the rest of the world over farm subsidies in GATT trade negotiations, Argentine Foreign Minister Guido Di Tella said after meeting EC officials, reports Reuters.

"They're getting ready for the last battle," Di Tella, on a visit to Brussels with President Carlos Menem, said after talks with European Commission President Jacques Delors and other senior officials of the EC executive.

Argentina, like other members of the Cairns group of farm exporting nations and the United States, is demanding that the EC slash its massive farm subsidies as part of a GATT deal.

Di Tella said all sides agreed the so-called Uruguay Round of GATT talks, which stalled more than a year ago, must end before June to prevent the US presidential election and the possible running-in period of a new administration from delaying negotiations even further.

"Otherwise we're kicking the entire thing forward by a year," Di Tella told reporters.



TOKYO: Hiroyasu Watanabe (C), former President of Tokyo Sagawa Kyubin Co Ltd, being taken to prison by a car Friday after he was arrested.

Penalty for Lockerbie bombing US for UN sanctions on Libya

PARIS, Feb 15: Despite an offer by Libyan leader Moammar Kadhafi to probe the bombing of two airliners, the United States, as president of UN Security Council meeting this month, is pressing for sanctions to be adopted against Libya, a prime suspect in the attacks, according to western sources, reports AP.

United States, Britain and France — three of five permanent Council Members — are drawing up a draft resolution advocating sanctions that is to be submitted to the 15-member body within the next few days, sources said.

The sanctions would comprise an airline and oil embargo.

If endorsed, the sanctions would come after the Security Council called on Libya last month to cooperate fully in the investigation by the three countries of the downing of a Pan Am jumbo jet over Lockerbie, Scotland, in 1988 and a French UTA jetliner over Niger in 1989.

Tripoli has said that it will comply with the request to cooperate but refuses to extradite six suspects identified by western investigators.

Western sources say Libya is particularly fearful of an airline embargo as it would isolate the country and block thousands of foreign workers including up to 1,500 US citizens who work in Libya despite an earlier US ban.

More than 5,500 British nationals are also in the country.

A blockade would force Libyans and foreigners, mostly from Arab countries, India, Korea, Turkey and East and West Europe, to enter or leave the country via Tunisia by road, or by ferry via Malta.

An oil embargo would above all be aimed at restricting sales of spare parts for technical equipment as a complete ban on Libyan oil shipments would hit western countries such as Germany and Italy which import Libyan crude, experts say.

In a bid to ease the pressure Kadhafi has written to French President Francois Mitterrand and sought support from Arab countries including Security Council member Morocco.

Abu Dhabi rejects auditors' charge

LONDON, Feb 15: The Abu Dhabi majority shareholders of Bank of Credit and Commerce International (BCCI, CN) said statements made about them by the Bank's auditors Price Waterhouse were "grossly misleading" and were attempts by accountants to deflect criticism, reports Reuters.

A statement issued on behalf of Abu Dhabi said, "The majority shareholders consider that certain of the statements about them are grossly misleading and reject the allegations made."

The statements were contained in a submission to a UK parliamentary committee inquiring into the BCCI closure.

Price Waterhouse told the parliamentary committee discovery of a scheme of deception was delayed due to the failure of representatives of the controlling shareholders to disclose to the Auditors a confession by BCCI's Chief Executive Swaleh Naqvi obtained in Abu Dhabi in or around April 1990.

"The majority shareholders consider that Price Waterhouse's submission to the Treasury and Civil Service Committee is an attempt to deflect criticism from themselves and their failure to uncover frauds earlier," the statement said.

Abu Dhabi, which owns some 77 per cent of BCCI, said it is preparing a detailed submission to the official inquiry headed by Lord Justice Bingham which include details of Price Waterhouse's role in the closure of BCCI.

Abu Dhabi is expected to initial a worldwide compensation plan for BCCI creditors this weekend. The plan involves the Gulf state injecting up to 2.2 billion dollar into meeting creditors claims and creditors dropping certain claims.

EC, EFTA sign single market deal

BRUSSELS, Feb 15: The European Community and the seven-nation European Free Trade Association (EFTA) struck a final deal on Friday clearing the way for the creation of the world's biggest single market, reports Reuters.

"We have signed a declaration that formalises the conclusion of negotiations," EFTA Secretary General Geoff Reich told reporters after day-long St Valentine's Day negotiations.

"Our delegation is very happy that we have now concluded this last phase of the negotiations. We are very happy with the results," said Horst Krenzler, who led negotiations on behalf of the Community.

The accord will unite 12 EC countries with seven EFTA nations to create a market of 376 million people stretching from the Arctic to the Mediterranean, to be known as the European Economic Area (EEA).

Krenzler, Director General of Trade and External Relations at the European Commission, added: "This ends I think the most complex negotiations which we have ever conducted on behalf of the European Community and the European Commission."

The agreement was almost scuppered in December when the European Court of Justice, the EC's highest legal body, said plans to set up a joint EC/EFTA court breached the Community's founding treaty.

Another report from Lisbon adds: The European Community said yesterday a plan by the Association of South East Asian Nations (ASEAN) to create a free trade area would held bring stalled world trade talks to a successful conclusion.

Leaders of the six ASEAN states—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—agreed last month to create an ASEAN Free Trade Area (AFTA) by 2008 to build on existing economic cooperation.

A ministerial meeting between the EC and ASEAN is pencilled in for September, when a new cooperation accord between the two blocs could be signed.

The flamboyant gambler falls into disgrace

LONDON, Feb 15: Flamboyant stockbroker and gambler Terry Ramsden arrived in Britain handcuffed to a police officer on Friday to face fraud charges involving 240 million pound (425 million dollar), reports AP.

The man who once boasted a personal fortune of 87 million pound.

150 million dollar and a luxury lifestyle flew into London's Heathrow Airport from Los Angeles in the economy-class section of a jumbo jet.

Ramsden faces 22 charges of fraudulent trading, false accounting and obtaining property by deception relation to the operation of Glen International, his dealing company, which ceased trading in 1987 after losing 142 million pound (250 million dollar).

Ramsden was arrested in California following a two-year worldwide investigation by Britain's Serious Fraud Office and the City of London Police.

At the height of his fortune in the mid 1980s Ramsden owned a hundred racehorses and a British soccer team.

His gambling exploits were legendary, but rarely profitable. He once stood to win a million pound (1.77 million dollar) if his horse won the British Grand National. It came fourth.

According to The Observer newspaper, Ramsden's gambling losses over two years up to the collapse of his business totalled 57 million pound (100 million dollar).

Business briefs

Harvard operating at loss: Harvard University, which has the largest endowment of any university in the world, finished the 1991 fiscal year with a 41.9 million dollar deficit and is operating at a loss this year, reports AP from Cambridge (Mass).

Deferred maintenance, greatly increased costs of employee benefits, and a lackluster performance of endowment investments produced financial problems, according to statements released Thursday.

Power plant made public company: Hungary's only nuclear power station has become a public limited company but is still owned by the state and will not yet draw on outside capital, a company spokesman said Thursday, reports AP from Budapest.

Quoted by MTI news agency, the spokesman said that for the time being, no plans existed for foreign or other private capital involvement in the plant which is located at Paks in southern Hungary.

Chilean fruit exporters sue US: A group of Chilean fruit exporters Thursday filed a 212-million dollar lawsuit against the United States alleging Washington was negligent in handling a 1989 grape-tainting scare, reports AP from Philadelphia.

The incident was sparked when US Food and Drug Administration (FDA) inspectors announced they had found two grapes contaminated with cyanide in a Chilean shipment to Philadelphia.

37 island states may disappear under oceans!

UNITED NATIONS, Feb 15: Officials from 37 island states worldwide say their countries could disappear beneath the oceans without immediate action to reduce global warming, reports Reuters.

The envoys, representing about 23 million inhabitants, protested at a conference on Friday about the lack of emergency measures to stabilise the earth's climate.

"There is really a threat for survival and entire cultures may be lost," said Robert Ban Lierop, the UN Ambassador from the Pacific Island chain of Vanuatu.

He outlined the impact of flooding in the south Pacific Island states of Tuvalu and Kiribati and said four islands of the Maldives in the Indian Ocean had been evacuated.

"We will soon have a new class of ecological refugees — people who do not have any hinterlands," he said.

Several scientists said climate changes had led to icecaps melting on northern glaciers, causing a rise in sea level and the destruction or 'bleaching' of coral reefs.

The recorded rise in sea levels over the past century was only 10 to 15 cm (four to six inches) but increases over the next 40 years are already estimated at 17 to 26 cm (6.6 to 10 inches), according to the intergovernmental panel on climate change.

Islands as well as all low-lying coastal areas, such as in Guyana and Bangladesh, face severe flooding, disrupting agriculture and fresh water supplies.

John Topping of the Washington-based Climate Institute said industrialised nations were not spared the effects of climate change although they could cope more easily with destruction. He pointed to agriculture disasters in Mexico and the Rio Grande valley of Texas.

The US Environmental Protection Agency estimated 400 billion dollar might be needed in the next century to protect "strategic assets" of the American coastline, said Dr Jeremy Leggett of the Environmental Group Greenpeace.

"That is beyond the means of developing countries," he said.

The day-long conference, organised by the Alliance of Small Island States, was held to prepare for Tuesday's session of an intergovernmental committee drafting a convention on climate change.

The draft treaty will be submitted to the UN-sponsored earth summit in Rio de Janeiro in June. It will set targets to cut emissions from chlorofluorocarbons, chemicals that damage the ozone layer, and gasses that contribute to global warming.

Danielle de St Jorre, Planning and Foreign Minister for the Seychelles in the Indian Ocean, described roads that turned into rivers, airports under water and forests damaged.

She blamed donor nations which approved her environmental protection plans a year ago at a Paris conference.

"After hundreds of telexes, letters and travels abroad, we found out that the disbursement of funds is more or less at zero level," she said.

Another copy from Brussels adds: Europe's metals and chemicals industries warned Friday they faced closure if attempts by the European parliament to ban imports and exports of garbage to and from the European Community succeeded.

The Strasbourg-based assembly is pushing for proposed EC control on shipments of all kinds of waste, including recyclable materials like metals, paper and glass, to be turned into an export and import ban in seven years' time.

"A solution of this kind would destroy a substantial part of some industrial sectors which are highly dependent on imports from outside the EC, without improving in any way the quality of the overall environment," the European Chemical Industry Council, CEFIC said.

In separate but similarly-worded statements, CEFIC, the metals industry association, Eurometals and the non-ferrous metals body, Eurometec warned that a ban on imports of recyclable materials would also have serious consequences for other European industries like paper.

They underlined that the future of sophisticated plants in Europe for recycling scrap metal and other waste would be in jeopardy if imports were banned.

"If some countries were not able to export these recyclables to Europe or to other industrialised nations with high-tech facilities, the materials would then have to be disposed of on-site, which would be environmentally counterproductive," Eurometec said.

But the environmental group Greenpeace argues that wealthy countries often use recycling as a pretext for dumping hazardous waste in eastern Europe and the third world. It is calling for a total ban on trade in hazardous materials.

Industry's coordinated attack on the parliament's proposals was timed to put pressure on the assembly's influential environment committee to soften its position at a key meeting next Monday and Tuesday.