

BRIEFS

UN to resume relief work in Iraq

BAGHDAD, Oct 18: Iraq and the United Nations agreed Saturday to a new pact allowing to resume international relief work in Iraq, a senior UN official said. James Grant, Executive Director of the UN Children's Emergency Fund (UNICEF), told a news conference he reached agreement with high-ranking Iraqi officials during four days of intensive talks in Baghdad. Grant said they discussed a national plan of action for relief work in Iraq until March 1993 and a memorandum of understanding covering conditions under which UN agencies will operate in the country, reports Reuter.

Gorbachev Foundation accused of tax fraud

MOSCOW, Oct 18: The Gorbachev Foundation, the think-tank named after and headed by the former Soviet President, has been accused of tax fraud, according to a Finance Ministry official quoted by the newspaper Argumenty i Fakty. The foundation has not paid the 7.2 million rouble (22,000 dollar) due in taxes for the first quarter of 1992, official Yuri Danilevsky told the newspaper in an interview published Saturday but quoted by the Itar-Tass news agency on Friday, reports AFP.

Singapore, Jakarta begin oil project

SINGAPORE, Oct 18: Singapore and Indonesia Saturday began a multi-billion dollar industrial development on the Karimun Islands near Singapore. This even signifies another milestone in Singapore-Indonesia cooperation, Singapore, Deputy Prime Minister Lee Hsien Loong said at the ground-breaking ceremony. The first project, a Singapore 500 million dollar (312 million US dollar) oil terminal and processing complex on two islands 40 km west of Singapore, is to be operating by 1994-95, reports Reuter.

UK unemployment jumps to 10.1 pc

LONDON, Oct 18: British unemployment jumped to 10.1 per cent of the working population in September, with the figures rising, 32,200 from August to 2,843 million, the Department of Employment said Saturday. Unemployment is now at its highest level since May 1987, having risen by 1.3 million since March 1990, the Department said. The rate of increase has recently speeded up, though the latest rise was slightly lower than expected by economists, taking the average monthly rise for the past six months slightly below the rise in the six months to March, reports AFP.

Iran receives five German aircrafts

NICOSIA (Cyprus), Oct 18: Iran has taken delivery of five German-made Dornier 228 aircraft, the Islamic Republic News Agency reported Saturday. The agency, monitored in Nicosia, said the aircraft were handed over to Iranian officials during a ceremony in Bonn Friday. It did not say when they'll be flown to Iran. The twin-engine turboprop is used mainly for cargo, maritime or patrol services. Four of the planes will go to Iran's topography organisation, IRNA said. It did not say what the fifth aircraft will be used for, reports AP.

Discovery on coffee intake

WASHINGTON, Oct 18: Even moderate daily intake of 2-1/2 cups of coffee or five caffeinated drinks can trigger withdrawal symptoms if caffeine is dropped suddenly from the daily diet, a scientific study has found. Previous research had focused on heavy coffee drinkers — five or six cups a day — but a Johns Hopkins University team of scientists have determined that withdrawal "can be more severe and can occur in a substantially larger proportion of the general population." The study found that 62 average caffeine users — 44 women and 18 men aged 18 to 50 — developed a variety of symptoms after they suddenly stopped taking their daily dose of caffeine, reports AFP.

World recession will worsen if GATT talks fail, warns Dunkel

HONG KONG, Oct 18: Global economic recession will worsen if no agreement on blocked world trade negotiations is reached soon, GATT Director General Arthur Dunkel said, reports Reuter.

"The situation of the world economy is such that if the signal for a successful conclusion to the Uruguay Round of the General Agreement on Tariffs and Trade is not given very soon then we will add to the difficulties," Dunkel told reporters.

Dunkel was in Hong Kong to attend the first session of the Europe-East Asia economic forum, an annual event aimed at boosting trade and investment ties between the two regions.

The main obstacle to an accord in the round, which could pump an extra 200 billion dollar annually into the world economy, is disagreement between the European Community (EC) and the US on how European farm subsidies should be cut.

Dunkel told a news conference that time was running out before a February deadline for the US to present results of the negotiations to congress.

"If we miss the deadline then we are in great trouble," he said. "I don't think government will take the risk of failure."

"May be we will have a Christmas gift for the business community," he added.

German and Japanese trade

officials, who were scheduled to hold bilateral talks with Dunkel during the three-day meeting, criticised France for holding up an early agreement and expressed hopes for an early breakthrough.

Lorenz Schomerus, Assistant Secretary of Germany's Ministry of Economics, said the French government's refusal to budget on farm subsidies was still the biggest obstacle.

"France has made its position very clear. That this is not the time to conclude," he said in an interview.

"But I'm pretty sure that this part will be discussed in (Friday's EC summit) Birmingham. Particularly because everybody, including the French, do agree that Europe and the world economy do need an encouraging signal," Schomerus said.

Although farmers make up only five per cent of the French population, agriculture is a key issue ahead of a parliamentary election next March in France, the EC's main farm producer.

France's Minister of Industry and Foreign Trade, Dominique Strauss-Kahn, was unable to attend the Hong Kong meeting because he had to meet US Trade Representative Carla Hills ahead of the emergency EC summit.

"We are certainly not getting fed up with France be-

cause Franco-German co-operation is the backbone of European integration," said Schomerus. "But we will continue to try and convince the French open markets are in everybody's interest."

Sozaburo Okamatsu, Director General of the International Trade Policy Bureau of Japan's Ministry of International Trade and Industry (MITI), also accused France of holding up an early agreement to the round.

"The French government has a strong position against the found, especially in terms of agriculture," Okamatsu said in an interview.

However, Okamatsu said Japan had no plans to make concessions on the domestically sensitive issue of rice imports, even if France made concessions on its farm subsidies.

Japan and South Korea's refusal to ease controls preventing rice imports are another possible barrier to a GATT agreement.

Asked how soon he expected China's application for GATT membership to be ratified, Dunkel said there appeared to be good support for pushing it through rapidly.

"The mood is very much in favour of making the process go ahead as quickly as possible," he said, but warned that it could take anything from eight months to several years.

Another report from

Cambridge adds: A breakthrough between the United States and Europe in deadlocked world trade talks is possible before the US presidential election in November, the European Community said on Saturday.

EC External Affairs Commissioner Frans Andriessen said Washington and Brussels could overcome an impasse in the prickly issue of agricultural subsidies by November.

Agricultural subsidies are one of the key stumbling blocks in the six-year old Uruguay Round in the General Agreement on Tariffs and Trade (GATT) talks, which were supposed to be finalised two years ago.

Such a deal between the United States and Europe may lift the spirits of US President George Bush, who has pressed for a resolution to the stalled trade talks to boost his flagging re-election bid.

When asked by reporters if an agreement was possible by November, Andriessen replied, "by the end of this month — yes, I think it is possible."

"I think that after yesterday (Friday) we have a good chance," he said.

EC leaders met on Friday in Birmingham, England, and said they had made progress on several key issues in the GATT talks.

Indonesia's rice output may rise by 2 pc

JAKARTA, Oct 18: Indonesia's rice production is expected to rise by about two per cent this year, the Bisnis Indonesia Daily Sunday quoted Agriculture Minister Wardoyo as saying, reports AFP.

Wardoyo said that despite the recent hike in fertilizer prices, the country's rice production this year was expected to go up by two per cent from last year's 44.6 million tonnes of unhusked rice.

An earlier forecast by the Central Bureau of Statistics estimated rice production this year to increase by five per cent compared to last year.

Indonesia last year ended almost eight years of self-sufficiency in rice production following a serious drought that struck most of the country's main rice producing regions that year and resulted in production increasing by under one per cent over the previous year.

The country imported 600,000 tonnes rice in 1991 from Vietnam, Myanmar and China to offset the insufficient production.

Indonesia's population, already the world's fourth largest, grows by around two per cent each year and it was not clear whether the two per cent rise in production would be enough to allow the country to stop importing rice.

Maastricht has little meaning for them

BIRMINGHAM, Oct 18: For Barry Roberts, who makes wire cable for coal mines, the Maastricht Treaty or any other foreign-sounding deals were the last thing on his mind Friday, reports AP.

"That doesn't mean anything," said Roberts, 33, adding that Prime Minister John Major "should get his own country right before he starts messing round with other countries."

Roberts, in grimy coveralls, joined a few dozen co-workers in a muted cheer as French President Francois Mitterrand's motorcade swept past en route to a European Community summit.

Behind the police, the sniffer dogs, the flags, and the sealed manholes surrounding the gleaming convention centre in downtown Birmingham, prime ministers and presidents discussed making the union treaty more palatable to their citizens.

Five miles and a world away at the plant of Latch and Batchelor where Roberts works, indifference overrode hostility toward the proceedings.

They mounted a brief protest because it was all any of the 150 staff — from the managing director through the union shop stewards to Roberts — could think of doing. And the plant is near the airport road.

They parked a truck on a traffic island and clambered on with banners declaring "Stuff Maastricht Major" and "Save British Industry."

Riyadh to develop new oil fields along UAE border

MANAMA, Oct 18: Saudi Arabia, already the world's largest oil exporter, is set to tap what promises to be a major new oil field in a region bordering the United Arab Emirates, oil executives and a Gulf newspaper said Saturday, reports AP.

The executives said the Shaybah field, according to an earlier assessment by experts, was one of the largest in the region and contained "the lightest and purest of grades of oil" so far found in Saudi Arabia and the Gulf.

Iran is the leading producer of light-grade oil in the region. The executives insisted on anonymity because the Kingdom has yet to refer officially to the field, which is in the Rub al-Khali or Empty Quarter desert expanses.

Because oil is a sensitive topic in Saudi Arabia, officials and executives usually do not publicly break news on major discoveries until the government decides to do so.

The executives said the field was first identified many years ago but was reserved for future exploration. They said its exploitation would have a dramatic impact, allowing the kingdom to produce oil for an-

other century, long after other producers have gone dry.

In the year or two before the Gulf War, Saudi Arabia had begun moving to tap fields in its central desert regions, northwest of the Rub al-Khali, seeking new reserves away from its main oil-producing zones in the eastern province bordering the Gulf. Sweet oil of light grade was discovered.

The Kingdom currently produces more than 8 million barrels a day and has proven reserves of 257 billion barrels from its traditional Gulf-side fields operated by state-run Saudi Aramco.

The Abu Dhabi-based English-language Emirates News said Saudi Aramco planned to spend 7-8 billion dollar to develop the Shaybah field, which is just across the Saudi-UAE border.

It quoted unidentified oil industry sources in London as saying development of the field was likely to begin in 1994 and production in 1997 at a rate of half a million barrels a day.

Industry sources told Emirates News the grade of oil was 42 degrees API, "a high quality light crude expected to be in high demand in world markets."

UK miners plan long march to protest coal industry closure

LONDON, Oct 18: Trade unions decided to march on London next weekend to protest against a controversial decision by the government of Prime Minister John Major to close down more than half of Britain's state-owned coal industry, reports Reuter.

An emergency meeting of the trades union congress said it would organise a huge march and rally to Trafalgar Square next Sunday in what they hope will be one of the biggest demonstrations the capital has ever seen.

Major's decision to shed 30,000 of British coal's 41,000 mining jobs and close 31 of its 50 pits has sparked anger from opposition PMs, churchmen and his own Conservative Party.

The Prime Minister had to do a u-turn on the ERM (European Exchange Rate Mechanism) and the public's

present outrage is something that must be weighing heavily on this government," said Firebrand Miners' Leader Arthur Scargill.

"The aim is to broaden the campaign against pit closures because of the growing jobs crisis," said one Miners' official.

Major's traditional allies in the press turned up the heat on Saturday, with the mass circulation Sun topping its front page story with the headline "Is Major a goner?"

"John Major was fighting for his political life last night amid growing doubts he can survive as Prime Minister," it said.

The opposition Labour party is expected to initiate a debate in parliament, where the government has a 21-seat majority, on Wednesday to try to force the government into a policy u-turn.

Raid on houses, offices of top Indian brokers halts stock trading

NEW DELHI, Oct 18: Indian revenue officers raided the offices and homes of top brokers in a major crackdown, bringing trading on the Bombay Stock Exchange (BSE) to halt, press reports said here, reports AFP.

Some 18 brokers suspected to be involved in covert stocks and securities operations were targets of the raids ordered Friday by the income tax department's Bombay office, the Indian Express newspaper said.

Some 600 revenue officers backed by police were engaged in the operation in the western port city and elsewhere in India amid a continuing probe into a huge securities and bank fraud unearthed in April, the Daily said.

Prominent Bombay-based brokers whose premises were raided included Bhupen Dalal, Hiten Dalal, Abhay Narotam and others who have figured as suspects in the fraud allegedly masterminded by some BSE traders and bankers, it said.

Some 1.3 billion dollar worth of bank funds were siphoned off in illegal securities transactions for the banker-broker nexus to play the stock market in the swindle that shook India's financial sector.

The economic times said that raids brought trading on the Bombay Stock Exchange, India's premier stock exchange, to a halt amid fears that share certificates may be seized by the detectives. Stock prices tumbled in other markets as well, it said.



LONDON: Miners leader Arthur Scargill (C) talking to reporters as he emerges from an emergency meeting of the Trade Union Council October 17 to discuss the crisis over coalmine closures in Britain. British high courts placed an injunction against the lay-offs of most of Britain's coal-mining industry put forth by the government. —AFP/UNB photo

ASEAN meets this week to talk terms of trade bloc

MANILA, Oct 18: The Association of South East Asian Nations (ASEAN), faced with economic blocs in North America and Europe, meets here this week to wrangle over the terms of a 15-year plan to establish its own free-trade area, reports AFP.

The potentials are enormous. Intra-Asian trade still accounts for only 20 per cent of its members' trade, and the increasingly prosperous market consists of 320 million people, roughly the same size as the European Community.

But ASEAN economic officials who will meet here from Monday must reckon with resistance from their respective domestic industries who feel threatened by competition

from neighbouring countries. Only a moderate programme of tariff reduction is thus expected before the January deadline, starting with 15 products ranging from vegetable oils to electronics.

Another meeting is scheduled next month to finalise the package. The first thing to be firmed up in Manila is the takeoff date.

"Certain countries, under pressure from their private sector, have shown tendencies of wavering from the January 1 target," a senior Malaysian trade official said in Kuala Lumpur ahead of the talks.

Depressed world economy continues to dampen commodity market

LONDON, Oct 18: A wave of redundancies in British industry, depressing economic statistics, and monetary uncertainty hung over traders on commodity markets this week and induced selling pressure on raw materials used in industry, reports AFP.

Base metal prices on the London Metal Exchange suffered most from the effects of this depressed climate, affected by falling demand from industry and from the property sector.

The price of nickel, which has fallen remorselessly since the beginning of the year, lost more than five per cent without regard for the decisions by several producers to reduce output significantly.

Precious metals were dragged into the procession and the price of gold fell by nearly three per cent. The gold market was also undermined by rumours that Iraq was selling heavily.

The oil market was stimulated by fears of tension between the United States and Iraq after the arrest of a US national by Iraqi security forces, but prices fell back slightly when Iraq released the man.

Gold: Prices fell sharply on the effect of speculative selling

by investors in the Middle East, the slim outlook for recovery of the world economy and weak demand by Italian jewellers because of the devaluation of the lira.

Gold prices were also undermined by rumours that Iraq was selling big quantities of gold. Confirmation was not available because Iraq treats gold trading with secrecy, analysts said.

Platinum: Prices of platinum rose slightly in response to the strong rise of the Nikkei index in Japan, which is the biggest consumer in the world of platinum. Prices were supported by news of renewed violence in South Africa, where 12 people were killed. South African mines provide 70 per cent of western world production.

Silver: Prices fell, following the trend of gold. The silver market was depressed by uncertainty about economic recovery and the lack of enthusiasm by investors and industry for the purchase of silver during a period of economic crisis.

Copper: Slightly easier. Copper prices suffered from the poor state of the British economy as demonstrated by the announcement of many redundancies, the weakness of sterling and uncertainty about

the course of the government's economic policy.

Speculative sales by Chinese interests, who had counted earlier in the year on a recovery of prices in line with an expected strengthening of the world economy, also depressed the market.

Stocks on the London Metal Exchange (LME) rose by 2,675 tonnes to 302,450 tonnes, the highest figure since March.

Lead: Calm. The price of lead, quoted in sterling, was steady during the week. It was supported by the weakness of the pound. But the long-term outlook remained gloomy because of a lack of driving interest from industrial buyers.

LME stocks rose by 3,450 tonnes to 177,950 tonnes, the highest figure since April 1984.

Zinc: Down, after a firm beginning to the week. Having started out on an encouraging note, zinc prices fell to the lowest level for seven months under the pressure of profit taking and because of a doubtful outlook.

LME stocks rose by 8,125 tonnes to a record high figure of 376,500 tonnes.

Aluminium: Weaker. Prices, having fallen to the lowest level so far this year, rallied on covering. The fall of the price to below 1,200 dollar per

tonne had an important psychological effect and analysts said that they might fall further because of a big increase in exports by Russia and an increase in stocks to more than 1.3 million tonnes.

LME stocks rose by 17,200 tonnes to a record high figure of 1,389,725 tonnes.

Nickel: Sharply down. Nickel prices fell by five per cent during the week to the lowest figure for two and a half years, depressed by weak industrial demand and by an increase of more than 13 per cent in LME stocks.

LME stocks rose by 6,204 tonnes to 52,728 tonnes.

Tin: Sharply down. In line with the price of nickel, tin prices fell by 4.5 per cent to the lowest figure for five months, affected by Chinese sales and by the absence of economic recovery in Europe, Japan and the United States.

Brokers stressed that the metal, of which the price fell below the psychologically important figure of 6,000 dollar per tonne, could go only downwards.

Coffee: Coffee prices, having risen strongly in recent weeks, stopped to mark time, and shed some gains by comparison with levels one week earlier, because of profit taking. Sugar: Prices rose strongly.

Prices were supported by estimates that the surplus of world production compared with consumption in 1992-93 would be smaller than had been expected.

The German F O Licht forecasters said that the production surplus would be 2.36 million tonnes. The French company Sucres et Denrees has put it at two million tonnes.

Vegetable oils: Calm. Prices did not react to an announcement by the US Department of Agriculture that it was to supply several countries with a total of 870,000 tonnes of subsidised oil-seed products. The market had expected a figure of 900,000 tonnes to one million tonnes.

The prices of soya were helped by a technical correction to losses the previous week, which were linked to an increase of one per cent by the US Department of Agriculture in its estimate of world soya grain output.

Prices of palm oil fell after the palm oil registration licensing authority said Malaysian stocks and risen by 18.8 per cent in September from one month earlier to 552,503 tonnes.

Oil: Higher. After a start stimulated by fears of US-Iraqi frictions after the Iraqis took

an American prisoner, oil prices eased back slightly when Baghdad released him two days later.

But those losses were limited by a cold wave, boosting fuel demand, and by statistics putting US oil output in September at 6.998 million barrels per day, its lowest level since 1958.

Rubber: Slightly higher. Natural rubber prices were helped when the International Natural Rubber Organisation buffer stock bought several thousand tonnes on various markets to help boost prices.

Brokers said the organisation bought 7,000 tonnes on the Asian market, 2,000 in London, and 2,000 to 3,000 tonnes in the US that was enough to push the INRO indicator price above 176 Malaysian or Singapore cent, the "May buy level."

Cereals: Calm. The prices of wheat and barely were calm, and not affected by the strong rise of cereal prices on the US market this occurred in response to the outlook for an increase in US sales, particularly to the former Soviet Union and to China.

The announcement by the US Department of Agriculture of the allocation by product of the line of credit worth 525

million dollar for Russia stimulated the American market. Russia will be able to use 190 million dollar to buy wheat and 235 million dollar to buy secondary cereals.

Tea: Prices rose, there was good demand at the weekly London auction, where the average price of superior qualities rose to 170 pence per kilo from 155 pence. The average price of medium qualities rose to 124 pence from 126 pence per kilo and the price of inferior qualities was unchanged at 83 pence.

Cotton: Down. The Liverpool indicator price remained weak because of the seriousness of the economic crisis in Britain which has hit the textile industry hard.

The announcement by the government of India that it will export 500,000 bales of cotton, each of 170 kilos, in 1992-93 because the cotton crop has been good and is estimated at 13 million bales, depressed the market.

Wool: Down. Wool prices suffered from a firming of sterling and from the weak outlook for economic recovery. The recent fall of sterling limited these losses as it continued to make purchases in sterling attractive particularly for European industry.