

# Kuwait rejects proposal OPEC reaches agreement

GENEVA, June 11: OPEC oil ministers said they had agreed to extend the group's current output ceiling through September in a bid to bump up prices higher, report Reuters, AFP.

They made an exception for Kuwait, which was allowed to increase its output slightly as the Emir had demanded, but Kuwait officials said they rejected the plan as not generous enough.

Saudi Arabia and other Gulf producers joined OPEC's traditional price "hawks" - Algeria, Libya and Iran - in pushing for firmer prices on an over-supplied world market by ruling over their present output ceiling for the next three months.

In the process, they rebuffed Kuwait's bid for a 35 per cent increase in its production quota, which it claimed it was promised when it rejoined OPEC's production and pricing system last February after being exempted since the Gulf War.

Kuwait Oil Minister Ali Ahmed Al-Baghlil said Kuwait rejected and "unacceptable" compromise proposal and would gradually raise its output to between 2.0 and 2.16 million barrels a day (MDB) by end-September.

OPEC Secretary General Subroto announced that OPEC's overall production ceiling would remain unchanged at 23.6 million barrels a day

(MDB) from July to September. He said the ceiling would be "strictly" observed.

Delegates confirmed that oil ministers of the 12-nation organisation has specifically committed themselves to production discipline, reflecting a concern voiced here by Saudi Oil Minister Hisham Nazer.

A Saudi source said late

Thursday that Saudi Arabia "strongly believes that every member country will strongly adhere to its quota," including those which failed to do so since last February.

This appeared as a veiled reference to Iran and Nigeria, which have recently overshoot their quotas, according to oil industry officials.

OPEC's new President, Gabon's Energy Minister Jean Ping, said there might not be any immediate significant market reaction to OPEC's decisions.

But when the market sees "strict adherence to the quotas, then we believe prices will improve," he told a news conference.



Kuwait Oil Minister Ali Ahmed Al-Baghlil talks to journalists as he arrives for the OPEC ministerial meeting in Geneva Thursday. — AFP/UNB photo

# G-15 suggests 'self-help' strategies

KUALA LUMPUR, June 11: Developing countries should integrate and wean away from dependence on the developed world in managing their economies, senior officials of the Group of 15 (G-15) developing nations said Thursday, reports AFP.

A G-15 expert group, wrapping up three days of an inaugural information-exchange meeting, agreed that member countries should formulate "self-help" strategies and take control of their destiny.

"The developing south nations have realised they do not have to look far to the north to learn about successful economic management," said Ali Abul Hassan, Director-General of Malaysia's Economic Planning Unit.

Ali, briefing reporters on the resolutions adopted, said there were many models and examples within the grouping that could be adopted and harnessed to accelerate development and growth.

Malaysia's success in

managing its now fast-industrialising economy was cited as a model that could be emulated by member countries, he said.

Ali said the resolutions adopted at the meeting, which was opened on Tuesday by Prime Minister Mahathir Mohamad, would be tabled at the G-15 Heads of Governments summit in New Delhi in November.

The expert group is to meet yearly and has appointed Argentina to host next year's

talks.

Mahathir told the delegates from Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Mexico, Nigeria, Peru, Senegal, Venezuela, Zimbabwe and Malaysia that it was time to stop submitting to the dictates of the developed world.

The strengths of the developing countries could form a useful base for greater trading, investment and other economic linkages if they were willing to foster closer cooperation, Mahathir said.

# India decontrols molasses

NEW DELHI, June 11: The Indian Government has decided to throw away controls on the movement and prices of molasses, a sugar by-product used to make liquor and chemicals, in another move on the road of liberalisation, reports AFP.

The decision announced in a statement here Thursday came after weeks of hectic lobbying by state governments and alcohol-based chemical industries to stall the move, seen as a boon for sugar manufacturers.

Prices of molasses are expected to triple as a result of the decision and sugar mills hope to reap an additional annual benefit of 100 million dollar.

# Tata's profits plunge

BOMBAY, June 11: Tata Engineering and Locomotive Co (TELCO), India's largest private firm, posted a mere 10 million dollar profit in fiscal 1992-93, down sharply from the 43.3 million dollar profit of the previous year, reports AFP.

Announcing its results here Wednesday, a company release said the dividend payable to shareholders had consequently been slashed from 40 per cent in fiscal 1991-92 to 30 per cent in the current financial year, which ended on March 31.

The annual report said turnover fell to 1.03 billion dollar from 1.05 billion dollar in 1991-92, but added that the car and truck manufacturer had

upped exports by 13 per cent in the period.

Ratan Tata, the scion of one of India's best-known business families and TELCO chief, attributed the fractional profit, "a demand recession."

Company sources said this was exacerbated by the December 6 razing of the Babri Mosque in Ayodhya by Hindu fanatics.

They said the company's sales of light trucks plummeted by 16 per cent in a stagnant market, while the demand for heavier-bodied trucks declined by 21 per cent.

The release said this led to a "pile-up of raw materials and components" pushing up in put costs.

# Volkart new agent of OOCL in India

International shipping line OOCL has appointed a new agent in India. Volkart Fleming Shipping and Services Ltd. (Volkart) will take up responsibility for all OOCL's agency services, says a press release.

Volkart will represent OOCL in Bombay, New Delhi, Madras, and Cochin for its Trans-Pacific, Far East Europe, and Intra Asia services. OOCL's ACE service to and from Europe and the Far East directly calls the sub-continent at Colombo; while feeders connect Bombay to Singapore for relay to OOCL's main trunk vessels to and from the US West Coast and Intra-Asia services.

# SE Asia losing appeal to Taiwanese investors

TAIPEI, June 11: Southeast Asia was losing appeal to Taiwan's businessmen as the most popular overseas investment site, giving way to China, Investment Commission officials said Friday, reports AFP.

A total of 281 million US dollar worth of mainland-bound investment projects by local enterprises were approved in the first four months of this year, more than an aggregated 38.59 million dollar for southeast Asian nations in the same period, the official said.

Southeast Asia had been one of the most favoured regions for local investors - mainly in labour-intensive and high-pollutive industries - who were forced to shift their operations abroad by exorbitant land prices, acute labour shortages, escalating wages and growing anti-pollution sentiments.

Taiwan was the biggest foreign investor in Thailand in 1988, and in Malaysia and Indonesia in 1991, they said, adding the island was still the leading investor in Vietnam.

But the region was losing appeal to local investors amid rising labour costs and other discouraging factors, they said.

China, meanwhile, has attracted more Taiwan investors with its liberalisation, cheaper labour and more accessible raw materials as well as linguistic similarities, they said.

More than 10,000 local enterprises have indirectly invested some 3.8 billion dollar in China with or without government approval, for various projects on the mainland.

The nationalist government here, driven off the mainland by the communists in 1949, has banned direct business contacts across the Taiwan Strait.

# Shipping Intelligence CHITTAGONG PORT

Table with columns: Berth No, Name of Vessels, Cargo, L Port call, Local agent, Date of Leaving arrival. Lists various vessels like Kang An Kou, Akela, Smolny, etc.

# VESSELS DUE AT OUTER ANCHORAGE

Table with columns: Name of vessels, Date of arrival, Last Port, Local agent, Cargo, Loading Port. Lists vessels like Alam Tabah, Ocean Voyager, Bangla Whale, etc.

# TANKER DUE

Table with columns: Name of vessels, Date of arrival, Last Port, Local agent, Cargo, Loading Port. Lists tankers like Petr Shmidt, World Bridge, etc.

# VESSELS AT KUTUBDIA

Table with columns: Name of vessels, Cargo, Last Port, Local agent, Date of arrival. Lists vessels like Alkyonis, Vishva Umang, etc.

# VESSELS READY

Table with columns: Name of vessels, Cargo, Last Port, Local agent, Date of arrival. Lists vessels like Rongjay Chonnie, Lily, etc.

# VESSELS AWAITING INSTRUCTION

Table with columns: Name of vessels, Cargo, Last Port, Local agent, Date of arrival. Lists vessel like Chipsam.

# VESSELS NOT ENTERING

Table with columns: Name of vessels, Cargo, Last Port, Local agent, Date of arrival. Lists vessels like Stern, Promitheas, etc.

# MOVEMENT OF VESSELS FOR 11.06.93 AND 12.06.93

Table with columns: OUTGOING, INCOMING, SHIFTING. Lists vessel movements for June 11 and 12, 1993.

# 12.06.1993

Table with columns: Name of vessels, Cargo, Last Port, Local agent, Date of arrival. Lists vessel movements for June 12, 1993.

The above were the Thursday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

# Exchange Rates

The following are the Commercial Banks' BC selling and TT (C), OD transfer buying rates for some selected foreign currencies effective on June 11 and 12.

Table with columns: Currency, Selling B.C., T.T. (C), Buying OD Transfers. Lists rates for US Dollar, Pound Sterling, DM, etc.

# Dhaka Stock Prices

Weekly comparison: At the close of tradings on May 31 and June 11, 1993

Large table with columns: Company, FV/ML, Price on May 31, Price on June 11, High, Low. Lists various companies under categories like BANKS, INVESTMENT, INSURANCE, ENGINEERING, FOOD & ALLIED, FUEL & POWER, JUTE, PHARMACEUTICALS & CHEM, PAPER & PRINTING, SERVICE, TEXTILE, MISCELLANEOUS, DEBENTURES.

# Feature: The rise of China's economy How overseas businessmen are fuelling economic boom

A member of the Hong Kong legislature quipped that the Diaspora is the tail that wags the China dog. Not quite, but the point is well taken. The Diaspora's population is 55 million; or 4.6 per cent of China's population. But its huge financial leverage is located in a minute fraction of this overall number.

Their cohesion is greater than Japan's Keiretsu; it is marked by a high incidence of regional and linguistic concentration, with 65-75 per cent of overseas ethnic Chinese emanating from Fujian and Guangdong provinces.

The Diaspora has one overriding objective: The quest for profitability in a milieu of stability that ensures the non-stop opening up of China's internal market. This demands a powerful central government. As an Indonesian Diaspora trader sarcastically puts it: 'Beijing is the capital of China; Moscow is not even the capital of Russia.'

For the Diaspora Beijing amply supplies both - and much more. To these must be added the ever present ethnic and linguistic bonds, geographical propinquity and a single, stable and convertible currency.

A synergistic relationship prevails between the Diaspora and Beijing; one that compounds Beijing's muscle and enriches the Diaspora. It is a superbly lubricated and self-reinforcing ethnic, political and economic complex. The short, medium and long-term implications of this geo-economic shift in money power is not lost on British, Japanese and American banks operating in Southeast Asia.

Judged from Beijing's perspective British finance capital that so vociferously endorsed Patten's abrasive policies must pay a price for this, Beijing's scathing rebuke to Jardine Matheson unequivocally indicates that it is not the imperial tail that wags the China dog. Precisely the same opinion trader who, backed by the cannons of Lord Palmerston's (1784-1865) Royal Navy, instigated the Opium War (1839-1842) that fabricated the unequal treaties and China's amputation.

Hence, it appears implausible owing to their collaborationist stance with Tory policy, and the tenacious hold of historic memory, whether British banks, insurance and service corporations will continue to flourish in Hong Kong beyond 1997. Unwittingly Patten has reinforced the Diaspora's grip.

leaving aside the fact that such a stock issue (relative to GDP) is possibly unique in the annals of financial history, what is exceptional about the sheer size of this deal is that it is taking place at a time when global stock markets are stricken.

There are few enterprises in the developed capitalist economies that can pull in money on such a scale. This, of course, is only one, albeit huge, financial deal. Once again, this is revelatory that the problem of liquidity has ceased to be the basic constraint in China's development.

China is not only pulling in the Diaspora's capital resources, technical skills and marketing expertise but Beijing's policies are contributing to extend and deepen the Diaspora's own network. The Chairman of the Indonesian Salim Group is Fujian-born Liem Sioe Liong, known in Djakarta as 'the dynast'. He is a business associate of President Suharto who has acquired, via the Salim Group, sizeable investments in China.

The Group exemplifies the Diaspora's reach within and outside Indonesia: 17 of the 26 biggest corporations are directly owned or controlled by them. Likewise the Lipso Group, one of the Big 17 (headed by financier Mochar Ruddy whose Chinese name is Li Wan Sheng), has invested billions in China in all sectors. Indeed, all of the Big 17, including the top echelons of Indonesia's armed forces, have heavily invested in the Mainland.

Similarly, Thailand's Diaspora (6-7 per cent) controls 75-80 per cent of manufacturing assets in Thailand as well as majority holdings in commercial banks. That investments in China have been spurred by recessionary forces in Thailand and stagnation in the real estate market. The Thai Diaspora includes such mega-conglomerates as the Charoen Pokphand Group, leader of a consortium building a \$3.5 billion dollar petrochemical complex near Beijing. Also Bangkok Land, the nation's biggest real estate developer, has poured billions into a wide variety of construction projects.

The leading echelons of finance capital have been elevated to the highest political status, accommodated in Beijing at the Duiyuan State Guest House, normally reserved for heads of governments. The partnership forged between the Diaspora's big money dynasties and Beijing is epitomised by the Hong Kong magnate Li Ka-shing. His dynasty stands at the apex of a huge Asian financial pyramid, with holdings in all major Asian firms controlled by various nationals of Chinese origin.

Its size - this is only a segment of its financial reach - is such that its outstanding shares (via Hutchinson and Cheung Kong Holdings) have 18 per cent of the total equity capitalisation of the Hong Kong market. The Diaspora's compulsive financial thrust into China arises from its recognition that change has become irrevocable and irreversible; and that its own uninterrupted prosperous survival consists of adapting to the power behind that change. — Frederic

F Clairmont, Third World Network Features. Concluded

\*\* FV = Face Value ML = Market Lot NT = Not Traded, AL = Allotment Letter XB = Ex-Bonus / XD = Ex-Dividend