

OPEC flinches from being true cartel

VIENNA, Nov 26: An OPEC decision not to cut quotas this week threw doubt on its role as arbiter of the world price of oil, reports Reuters.

So far as the story could be pieced together from conference sources, ministers flinched in their Vienna talks on Wednesday from acting like a true cartel.

An output cut of 500,000 barrels per day (BPD), the sources said, was rejected because it wasn't thought big enough to deter new speculative raids on the oil price.

Then, however, the ideas of a cut of up to 1.5 million was aired. But, said one highly-placed source, the ministers "had difficulty contemplating a reduction of such magnitude."

They then opted not to change their October 1-March 31 quota pact at all, despite

downward revisions of demand, and signed a communique to that effect.

The communique further strengthened an impression that OPEC was abdicating its pricing role. It contained the sentence, "the conference does not consider that OPEC alone should continue to bear the burden of balancing supply and demand and believes that all producers should join in this effort."

OPEC subsequently made clear that its ire was directed at Britain and Norway. "There is something fishy going on in the North Sea," Ali Ahmed Al-Baghill of Kuwait told reporters.

Baghill, however, with others, sounded ambivalent when pressed by lobby reporters on whether OPEC had decided that defending market share once again mattered more than

prices. In his view the official reference price of 21 dollar was now "history". But when he was asked if OPEC was now going for market share or price, he replied, "It's both. But it's time that the others (non-OPEC) shoulder their responsibility."

One difference, analysts noted, between now and the 1986 pricing crash, was that OPEC at that time went flat out to rebuild market share.

It had now not abandoned quotas. It was simply taking the view that it had shut in enough of its own production and did not see why it needed to cede any more of the market.

OPEC also appeared to want to keep further cuts in reserve for the possibility that the United Nations might end the Gulf War embargo on Iraqi exports some time in mid-1994.

Beyond this, ministers took the view that the current OPEC accord would suffice to revive prices over its agreed term.

A full scale pricing collapse would — "It goes without saying" — result in emergency OPEC talks, Kuwait's Baghill said. But he went on, "why assume that worst? I am optimistic. Cold weather is coming. The market will adjust itself."

Venezuela's Alirio Parra said OPEC had factored in an initially bad market reaction to its decision to continue with the current quota accord until its intended expiry on March 31.

Parra said there had not been any real intention to make new quota cuts on top of what he still considers to be a sound accord. False expectations had been built in to the price ahead of the talks, he said.

ROK opposition threatens campaign against opening rice market

SEOUL, Nov 26: The main opposition party vowed Friday to fight alleged government plans to open South Korea's rice market under proposals introduced in the Uruguay Round of international trade talks, reports AP.

A government official remarked on Thursday that South Korea would consider conditional liberalization of its rice market.

The comment sparked a furor among activists groups and farmers organizations, who demanded that the government renew a promise to protect the rice market.

Referring to a Dec. 15 deadline set for the conclusion of Uruguay Round trade talks,

Dhaka Stock Prices

Weekly comparison: At the close of tradings on November 18 and November 25, 1993

Table with columns: Company, FV/ML, Nov. 18, Nov. 25, High, Low. Includes sections for BANKS (12), INVESTMENT (08), INSURANCE (04), and FOOD & ALLIED (23).



Hundreds of imported cars, lying under the open sky at the Chittagong Port, await customs clearance. — Star photo

ADB ok. \$140m loan to China

MANILA, Nov 26: The Asian Development Bank (ADB) Thursday approved a 140 million-dollar loan to China to help curb air pollution in the major cities of Tangshan and Chengde, reports AFP.

The Manila-based institution said air pollution was a leading cause of death in those cities.

The plan involves several sub-projects, mostly in Mangshan, one of the country's 13 largest industrial cities which relies heavily on coal.

It will aim to encourage a shift to coal-based energy alternatives, a bank statement said.

The ADB will cover the foreign exchange cost of the 237 million dollar project, the loan is payable over 25 years including a five-year grace, with interest to be determined according to the bank's pool-based variable lending rate system for US dollar loans.

The project will apply the polluter pays principle, with major polluters required to pay levies based on levels of discharge into the environment, it added.

WGC launches campaign to boost gold trade in Gulf

ABU DHABI, Nov 26: The World Gold Council (WGC) has launched a campaign to boost trade of the yellow metal in the Gulf and local women are its main target, given their lavish spending on jewellery, reports AFP.

The campaign includes publication of a design book covering studies of local motifs, social systems, traditions, architecture and culture in the wealthy region, the WGC said in a statement sent to AFP.

The book, due for completion in March, suggests themes to inspire jewellery designers and create ornaments that will appeal to the Arab women as a familiar idea with an intriguing new twist.

"Design is becoming increasingly important to consumers in this part of the world," WGC Regional Chairman, Pedro Bertran, said in the statement from his headquarters in the United Arab Emirates (UAE) port of Dubai.

"And as local women are

moving away from traditional ideas, an important share of the jewellery is being imported only for its modern design. The WGC design trend book is seen as the first step in the organisation's efforts to encourage local designers to produce innovative ideas."

The Gulf has become one of the world's biggest gold markets due to its large re-exports and high purchases by locals, notably women.

Dubai has emerged as the region's main market, with a local consumption of 37 tonnes in 1992 despite a small population of 500,000.

But the actual market is far bigger when re-exports are included. Dubai's imports of gold bullion surged by more than 4,000 times over the last seven years to a record 284.4 tonnes in 1992, according to the WGC.

They stood at 171.4 tonnes in the first nine months of 1993 and are projected to reach the same level of 1992, it said.

Dealers expect the trade to steadily rise in the coming years following India's decision last year to ease gold imports. They noted that India has remained the biggest market for Dubai's gold exports.

"Future growth for the gold industry will also depend on the application of imagination to jewellery design," said Bertran, whose council is a non-profit body created by mining companies from around the world with the aim of promoting the use of gold in major markets.

"There is a large potential to further develop consumption in the Arab countries but it will very much depend on whether the industry can satisfy the demand for innovative designs."

Bertran's office in Dubai covers all Arab states, Iran, India and Turkey. It has selected Dubai as a major gold market and a main commercial centre in the region. Handling 20 per cent of the Gulf's non-oil trade.

Exchange Rates

The following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on Nov 25, 26.

Table with columns: Currency, Selling, Buying, and sub-columns for TT & OD, IC, TT Clean, OD SIGHT, OD Transfer. Lists rates for US Dollar, Pound Sterling, F Franc, C Dollar, S Franc, Jap Yen, Indian Rupee, Pak Rupee, Iranian Riyal, etc.

Table with columns: Currency, Selling, Buying, and sub-columns for T.T. & O.D., O. D. Transfer. Lists rates for S Riyal, UAE Dirham, Kuwaiti Dinar, Singapore Dollar, D Guilders, S Kroner.

Note: AMU—Asian Monetary Union.

Shipping Intelligence

Chittagong port

Table showing berth position and performance of vessels as on 25.11.93. Columns include Berth No, Name of vessels, Cargo, Last port call, Local agent, Date of arrival, Leaving.

Vessels due at outer anchorage

Table listing vessels due at outer anchorage with columns: Name of vessels, Date of arrival, Last port call, Local agent, Cargo, Loading port.

Tanker due

Table listing tankers due with columns: Name of vessels, Date of arrival, Last port call, Local agent, Cargo, Loading port.

Vessels at Kutubdia

Table listing vessels at Kutubdia with columns: Name of vessels, Cargo, Last port call, Local agent, Date of arrival.

Vessels ready

Table listing vessels ready with columns: Name of vessels, Cargo, Last port call, Local agent, Date of arrival.

Vessels awaiting instruction

Table listing vessels awaiting instruction with columns: Name of vessels, Cargo, Last port call, Local agent, Date of arrival.

Movement of vessels for 26/11/93 & 27/11/93

Table showing outgoing, incoming, and shifting movements of vessels for 26/11/93 and 27/11/93.

FUEL & POWER (04)

Table listing fuel and power companies with columns: Company, Nov. 18, Nov. 25, High, Low.

JUTE (12)

Table listing jute companies with columns: Company, Nov. 18, Nov. 25, High, Low.

TEXTILE (20)

Table listing textile companies with columns: Company, Nov. 18, Nov. 25, High, Low.

PHARMACEUTICALS & CHEM (20)

Table listing pharmaceutical and chemical companies with columns: Company, Nov. 18, Nov. 25, High, Low.

PAPER & PRINTING (06)

Table listing paper and printing companies with columns: Company, Nov. 18, Nov. 25, High, Low.

SERVICE (02)

Table listing service companies with columns: Company, Nov. 18, Nov. 25, High, Low.

MISCELLANEOUS (18)

Table listing miscellaneous companies with columns: Company, Nov. 18, Nov. 25, High, Low.

DEBITURES (06)

Table listing debiture companies with columns: Company, Nov. 18, Nov. 25, High, Low.

Dhaka Electric Supply Authority Tender Notice. Sealed tenders in Dhaka Electric Supply Authority Form No T-1 are invited from electrical contractor firms... Project Manager: Ubank Pris Ltd, Gulshan, Dhaka.

Bad loans make fall in Japanese banks' profits

TOKYO, Nov 26: Most major Japanese banks reported sharp declines in profits Thursday for the first half of fiscal 1993 as bad loans ballooned because of the nation's business slump, reports AP.

The reports represented another dose of bad news for Japan's economy in a week when the stock exchange has plummeted four per cent. And they signal that the banking industry, once thought to have passed the worst of a bad-loan crisis, may be heading back into trouble.

Bad loans by 11 major retail banks — loans to bankrupt debtors or those on which interest has not been paid for at least six months — totalled 9.25 trillion (85.6 billion dollar) as of

September 30, according to bank officials. That was up 813 billion yen (7.53 billion dollar) from six months earlier.

The 11 banks' pretax profits declined by 22.2 per cent from a year earlier to 393 billion yen (3.64 billion dollar) in the April-September period, the first half of Japan's fiscal year. Profits from core banking businesses fell by 10.6 per cent, with eight of the 11 showing drops in this category.

The increases in bad debt were pretty horrific, said Alicia Ogawa, a banking analyst at Salomon Brothers Asia Ltd. The total of bad loans rose during the six months even though the 11 banks wrote off nearly one trillion yen (9.2 billion dollar) in bad debt in the same period.



Razia Sultana (Binu), student of Dhaka University, has won one of the six car prizes of Tabani Beverage sponsored Coca-Cola UTC programme. She is seen yesterday receiving the key of the car from the Registrar of the Dhaka University, guest on the occasion of the handover-ceremony. The Managing Director of the Bangladesh Freedom Fighter's Welfare Trust also present.