

Lanka offers extended credit to Iran

COLOMBO, Jan 26: Sri Lanka yesterday announced it was offering extended credit to Iran in a bid to double sales of tea and rubber, some of which can be re-exported to Central Asian republics, reports AFP.

Trade Minister Kingsley Wickremaratne said Sri Lanka will grant 90 days credit for the export of tea and 180 days credit for the purchase of rubber from Sri Lanka.

"The problem is that Iran does not have the cash to pay immediately," Wickremaratne said. "A part of the tea they buy from us in bulk from will be packed and sold to CIS (Commonwealth of Independent States) countries."

The minister who has just returned from a visit to Tehran said that he was also keen to establish joint-ventures with Iranian firms to manufacture chandeliers and carpets to be sold by Sri Lanka to other South Asian nations.

"They (Iran) can be the platform for us to reach CIS countries while we can be the stepping stone for Iran to reach the vast South Asian market," the minister said.

S. Korea's former presidential adviser admits of taking bribe

SEOUL, South Korea, Jan 26: The national security adviser to former President Roh Tae-woo acknowledged Friday that he received money from businesses in connection with awarding lucrative arms procurement projects, reports AP.

Kim Jong-hwi, arrested in December, is accused of taking 298,000 dollar from businesses in 1992.

At the opening of his trial, Kim said he received money from leading businesses, including Daewoo, in connection with the purchase of mid-sized carrier planes.

"Businesses gave money at the time, hoping to receive special treatment," Kim said.

Kim Woo-jong, the head of the huge Daewoo conglomerate, is accused of giving the security chief 65,000 dollars.

The bribery trial is part of efforts to determine whether Roh received huge kickbacks from arms dealers as part of the 1991 decision to buy 120 F-16 jet fighters from General Dynamics over a different model recommended by the military.

General Dynamics has denied any wrongdoing.

China forecasts 2.5 m MT rise in grain output

BEIJING, Jan 26: China forecast yesterday only a 2.5-million tonne rise in grain output in 1996 to 462.5 million tonnes, despite plans to boost production by at least 30 million tonnes by 2000 to feed the vast population, reports AP.

Agriculture Ministry official Sun Xiaoping said the government was "confident" of realising the 1996 target.

He gave no explanation of the discrepancy between the small increase and the need to boost grain output to between 490 and 500 million tonnes by the end of the century in order to prevent severe food shortages among a population forecast to stand at 1.3 billion, up from 1.24 billion at present.

However, analysts said the government may simply have chosen to set a low figure to ensure the target is achieved, as in 1995 when output of 460 million tonnes exceeded the initial forecast by five million tonnes. The record yield followed a decline of 11.9 million tonnes to 444.6 million tonnes in 1994.

BCCI creditors disillusioned with compensation

ABU DHABI, Jan 26: Creditors of the collapsed Bank of Credit and Commerce International are growing impatient despite assurances by its guardians that liquidation was nearly over and payments would start soon, reports AFP.

After waiting for recovering part of the funds for more than four years, some depositors said they had become disillusioned with the compensation offer.

"They keep saying we will get money soon and it is now more than four years...some say we will be paid fully and others say if will only be a partial payment," said Hatem, and Abu Dhabi-based BCCI depositor.

"We no longer know when and how much. We will just accept anything, which is better than nothing...honestly, we can't wait any more."

The nearly 40,000 depositors inside the UAE, which controlled BCCI, were told last month they would be paid in the first quarter of 1996 after a Luxembourg court cleared a compensation offer by the majority shareholders.

Quoted by Al-Bayan daily on Thursday, Abdul Aziz again tried to reassure depositors they would soon start getting back some of their money.

He said a local BCCI liquidator in the UAE would be named in the next few days while the international liquidator would come to the emirates soon.

BCCI was shut down worldwide in July 1991 for allegations of massive fraud involving more than half its assets. Liquidation started a year later but disbursements were delayed by differences over the compensation offer.

"When this happens, we will place an advertisement in the local media to give depositors a deadline to send their proof of debt forms. This will enable us to hasten measures and begin disbursements immediately," he said.

In earlier comments, Abdul Aziz denied reports that creditors would be paid between 30 and 40 per cent of their funds as this depended on the number of depositors worldwide and the sums collected from the sale of BCCI assets.

But he added payments would be satisfactory for all creditors.

A large number of the depositors inside the UAE were Asians and other foreigners, who have worked in the emirates for years.

Apart from individuals, several banks and companies also had investments in BCCI. Bankers estimated deposits with the eight BCCI branches in the UAE at around nine billion dollars (1.36 billion dollars), compensation for the majority shareholders would be part of the international payment deal.

"I really no longer care how much they will pay me but when. We have waited for years...they should not keep playing with our feelings...it is our money and our right," said Ibrahim, another UAE-based BCCI creditor.

"We have suffered enough from this problem. They should take into account that we have made this money from years of work away from our homes."

BCCI was one of the largest financial institutions in the world, with estimated assets of more than 20 billion dollars and operations covering 70 countries. Many other financial organisations were hurt by its collapse, which triggered the biggest financial scandal in modern history.

Several former top BCCI officials were sentenced in May last year to jail terms ranging between three and 14 years and ordered to pay around nine billion dollars in damages for the majority shareholders their trial resumed four months later after both the defence and prosecution appealed the sentences.



A reception was accorded to the new officers of Eastern Bank Limited recently at its training institute. Nurul Hussain Khan, Chairman, Board of Directors, and A I M Iftikar Rahman, Managing Director of the bank, are also seen with the officers.

UN food aid to Afghanistan

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 25.1.1996					
Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival
J/1	Mare	Gl	OWSL	R/A	26/1
J/2	Anna Oldedoref	R.Seed	Sing	MSA	5/1 26/1
J/3	Harvest	Rice (G)	Kaki	OWSL	5/1 28/1
J/5	Amanecida	Rice (G)	Kaki	OWSL	5/1 28/1
J/6	Pal Eagle	Gl	Sing	ANCL	16/1 25/1
J/7	Continent-1	Gl	Kara	OWSL	10/1 25/1
J/8	Pattu	Rice (G)	AMBL	R/A	26/1
J/9	Yue Yang	Rice (G)	Kaki	Bright	5/1 29/1
J/10	Floating Mountain	Cement	Rizh	UMTL	14/1 26/1
J/11	Banglar Moni	Cont	Sing	BSC	17/1 25/1
J/12	Achilles	Gl	Shan	IPL	11/1 25/1
CCT/1	Meng Yang	Cont	Sing	AML	16/1 25/1
CCT/2	Fong Yun	Cont	Sing	BDShip	11/1 25/1
CCT/3	Consistence	Con	Sing	RSL	16/1 26/1
RM/14	Sea World	Repair	VietL	AMBL	9/12 30/1
COJ	Amilla	C.Clink	Sing	PSAL	19/1 31/1
GSJ	Banglar Sampad	Wheat (G)		BSC	R/A 26/1
TSP	Banglar Urmi	Repair		FSC	R/A 29/1
RM/6	Sea Light	Cement	Sing	Litmond	3/1 30/1
DOJ	Banglar Jyoti	C Oil Rep		DSC	R/A 27/1
DD	Namreen-1	Repair	Mong	Nishan	6/1 30/1
DOJ/1	Tanary Star	Idle	Para	PSAL	7/6 30/1
DOJ/2	Banglar Kalilo	Repair	Mong	BSC	1/1 5/2
RM/9	Banglar Doot	Repair	Kaki	FSC	13/1 5/2
CUFL	Hawal Splendour	Idle	Sing	PSAL	29/1 30/1

Iraqis celebrate sharp fall in food prices

BAGHDAD, Jan 26: Iraqis sang and danced in the streets to celebrate a sharp fall in food prices on Thursday following the announcement that talks were soon to open on easing UN sanctions, reports AFP.

In Shorja Souk, central Baghdad, shoppers danced to the tune of a group of musicians playing trumpets and drums. Women ululated with joy and handed out sweets to passers-by.

"Thank god, we will be able to eat and everything will be like before," said an old man, overcome by tears.

"The embargo is not only the fault of the Americans, it's also the traders who keep pushing up their prices," said another Iraqi shopper in the packed streets of Shorja.

Food prices have been slashed by half since last Fri-

day's announcement that Iraq was finally ready to discuss an oil-for-food deal with the United Nations to ease the sanctions in force since its August 1990 invasion of Kuwait.

The price of a kilogram (two pounds) of rice went down to 500 dinars on Thursday, from 750 dinars on Friday. Sugar sold for 550 dinars a kilo, down from 1,400 last week, and a litre of vegetable oil cost 1,250 dinars, compared to 1,900.

Several Iraqis said they were stocking up in case the negotiations with the United Nations failed and prices went up again. President Saddam Hussein, meanwhile, pledged that state subsidies on staple food products such as bread and cereals would be maintained whatever the outcome of the talks.



Iraqis take to the streets in Baghdad on Thursday to celebrate the Iraqi dinar's spectacular recovery in the wake of Iraq's agreement to consider limited oil sales. The dinar exchanged at 1050 to the dollar on January 24 compared to 2500 on January 22.

— AFP/UNB-photo

Western financiers threaten Russia

US, Japan, ROK to discuss DPRK's food crisis

MANILA, Jan 26: Conflicting reports over the extent of the North Korean food crisis and how to coordinate policy among the United States, Japan and South Korea will dominate a meeting of the three in Hawaii this week, a US official said Wednesday.

Winston Lord, Assistant State Secretary for East Asian and Pacific Affairs, told reporters in Manila that the talks were intended to show "solidarity" among Washington, Tokyo and Seoul in dealing with Pyongyang.

He said the three countries want North Korea to implement a nuclear accord and "make sure that the potential nuclear threat remains frozen and indeed immediately dismantled."

The North agreed in 1994 to dismantle its nuclear weapons programme in exchange for nuclear reactors.

Lord said it was very difficult to determine the food situation or anything else in North Korea because it is a "very opaque society," but United Nations observers have reported serious shortages.

He said there are different views among South Koreans regarding the extent of the food problem in the North.

first deputy prime minister to replace reformer Anatoly Chubais in Russia's top economic post.

US State Department spokesman Nicholas Burns said Kadannikov was "in a critical position" because of Russia's current negotiations with the International Monetary Fund over the nine billion US dollar credit line, which would be disbursed over three years.

US Secretary of State Warren Christopher will meet the newly appointed Russian Foreign Minister Yevgeny Primakov in Helsinki of Feb 10 and 11, the Washington Post reported.

Christopher said last week that he planned to tell Primakov that Russia's integration with western institutions hinged on its willingness to abide by international norms and to stay on the path of reform.

Christopher and others have expressed concern about a recent wave of new appointments to the Russian cabinet, which has appeared to oust reformers in favour of traditionalists.

US objects to new EU plan for financing UN

UNITED NATIONS, Jan 26: The United States on Thursday objected to new European Union proposals to finance the United Nations, saying US peacekeeping rates were still too high, reports Reuters.

Japan also disagreed with the plan but advocated higher peacekeeping payments by the United States, Britain, France, Russia and China, the permanent members of the Security Council. But it approved of penalties for delinquents.

Under the EU plan, Japan, which is seeking a permanent council seat, would end up paying 17 per cent of costs for peacekeeping, more than Britain, France, Russia and China combined, because of its strong economy.

The new European plan introduced on Wednesday would revise the scale of assessments — the percentage of the annual UN operating budget — based on a member's per capita gross national product. Peacekeeping activities are paid for separately and include the same percentages plus a surcharge for the five permanent members of the Security Council.

American representative David Birenbaum praised the EU plan in part but noted Congress had barred the United States from paying more than 25 per cent of peacekeeping fees.

The proposals, drafted mainly by Britain, are considered highly significant because the EU pays more than 35 per cent of UN cost. With the United States owing nearly 1.2 billion dollars for past dues and peacekeeping, the EU states and Japan are keeping the United Nations afloat.

Total UN debts are 2.3 billion dollars for 1995 and past years, bringing the United Nations to the edge of bankruptcy. But no action can be taken on revising assessments until hard bargaining takes place and all 185 members agree.

The EU proposals would cap US dues at 25 per cent of the UN regular budget, even though the American share of world economic wealth is 27 per cent. But it would lower the US peacekeeping obligation from 31 to 28.75 per cent, closer to what Congress decided should be the maximum US levy.

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The central bank is now considering raising the investment ceiling for foreign institutions and individuals to 30 per cent.

Texas Instruments Acer Inc will sign a syndicated loan agreement worth 400 million US dollars with 23 foreign banks February 5, ABN AMRO Bank said Thursday.

T.I. Acer said it is seeking another 300 million US dollars in loans from local banks.

The plane, which Chi said will be called the Air Express 100, is intended to fill a growing niche for short-haul flights in the lucrative Asian travel market. Industry executives estimate that airlines would order 2,000 100-seaters in the next 20 years, with a one out of every ten aircraft.

Proceeds from the loan will finance the company's second plant in Hsinchu, northern Taiwan, which is expected to begin production in late 1997.

The new plant will boost revenues by 1.5 billion US dollars annually, said ABN AMRO Bank, one of the 23 foreign banks in the loan project.

BANGKOK: Thailand's trade deficit narrowed to 1.32 billion dollars in December from 1.44 billion dollar in November, the Bank of Thailand said Thursday.

Exports rose 22.8 per cent from a year ago to 5.12 billion dollars its rose 25.7 per cent from a year ago to 6.44 billion dollars, the central bank said.

The central bank also released current account data for November, showing the tally of Thailand's trade merchandise, services and invisibles widened to a deficit of 1.35 billion dollars from 1.26 billion dollars in October.

December current account figures and capital inflow figures weren't released.