Iraq determined to reach oil sale deal with UN

BAGHDAD, Feb 15: Iraq is determined to reach a deal with the United Nations allowing it to export some of its oil in exchange for urgent humanitarian needs and an agreement is closer than ever before, Iraqi newspapers said on Wednesday, reports Reuter.

The newspaper Babel, owned by President Saddam Hussein's son Uday, said an easing of UN trade sanctions imposed on Iraq after it invaded Kuwait in August 1990 was imminent.

"Iraq sees 'al-ubur' (the crossing) to the other side closer today than any time before," it said in a front-page editorial.

"Al-ubur" is Iraq's term for the partial easing of curbs on its oil exports.

"We are optimistic and determined to achieve our mission," the ruling Baath Party newspaper Thawra said in a banner headline.

The government newspaper Jumhouriya splashed on its front-page page remarks attributed to Abdul Amir Al-Anbari, who heads Iraq's team in talks in New York on a UN resolution allowing two billion dollars worth of oil sales over six months in return for food, medicine and other supplies.

"Iraq has come to the United Nations with a determination to carry out its mission," the paper said, quoting Anbari.

Iraq has told diplomats at the UN that a "memorandum of understanding" on an oil-for-food plan could be signed by the end of next week.

Anbari, a diplomat, lawyer and oil expert, and Iraq's UN Ambassador, Nizar Hamoon, briefed eight of the 15 Security Council ambassadors on Tuesday, all from developing countries.

According to one participant, Anbari said he expected the "memorandum of understanding to be signed at the end of next week".

Iraq's official media also reported on preparations for a possible resumption of oil exports.

They said the health ministry was preparing warehouses for possible deliveries of badly needed medical supplies.

A land transport company reported on Wednesday that it had 500 trucks on standby to transfer food and medical supplies from ports in the northern Gulf and Aqaba in Jordan.

Iraqi airways said airports in Baghdad were prepared for the landing of humanitarian supplies.

Ordinary Iraqis have received the news on oil with glee.

Baghdad thoroughfares and popular markets are crammed with tens of thousands of shoppers every day buying essentials at prices only a few could afford in the past.

In Shourja, the country's commercial hub in the heart of the capital, shoppers beat drums and raise their fists as a sign of jubilation.

Streets are crowded with cars and people stay outdoors until nearly midnight. Kerb traders in the Palestine and Karrada thoroughfares stay open until early in the morning.

Iraq's interior ministry has reported sharp declines in crime, citing the rise in the value of the Iraqi dinar against the US dollars since the talks started as a main factor.

The dollar, which traded at 3,000 dinars early in January, is now worth about 600 dinars.

UNCTAD to hold conference in South Africa

CAPE TOWN, Feb 15: The United Nations Conference on Trade and Development (UNCTAD) yesterday formally undertook to hold its ninth four-year conference in South Africa, reports AFP.

The agreement to hold the event in South Africa was signed by the agency's Secretary General Rubens Ricupero and Trade and Industry Minister Trevor Manuel. It will be the first major UN conference since the world body celebrated its 50th anniversary last year.

More than 3,000 delegates from 186 countries are expected to attend UNCTAD in Midrand outside Johannesburg, from April 27 to May 11, Ricupero told a press briefing.

Ricupero, a former finance minister of Brazil and a professional diplomat, said the conference marked "the reemergence of South Africa as a powerful actor in international relations."

The meeting will "build on the goodwill of the international community towards the transition to democracy" which has taken place in South Africa.

He added that UNCTAD was interested in the same thing that interest South Africa, such as tariff reductions and trade preferences.

UN Secretary General, Boutros Boutros-Ghali, the Secretary General of the World Trade Organisation, Renato Ruggiero, and the Managing Director of the International Monetary Fund, Michel Camdessus, will also attend the conference.

The conference agenda will include discussions of the globalisation and liberalisation of trade, and its possible effect on marginalising the least developed countries.

It will also try to plot a way forward for the organisation itself, which has been under threat from countries anxious to reform the United Nations and to reduce the number of agencies.

No intellectual property pact drawn up for Asia-Europe meet

CHIANG RAI, Thailand, Feb 15: Despite a request from the European Commission, no framework agreement on intellectual property rights has been prepared for next month's meeting of Asian and European leaders, a senior Thai trade official said Wednesday, reports AP.

Leaders of 10 Asian nations and the 15 countries of the European Union are to meet in Bangkok March 1-2 for their first summit. Trade and economic issues are expected to dominate the agenda.

The European Commission asked senior officials of seven Asian countries in December to try to prepare a framework agreement on intellectual property protection in time for the Bangkok meeting.

Weak or non-existing laws to protect patents, copyrights and other intellectual property, as well as lax enforcement, are a major concern of European and American companies doing business in most of Asia.

But a key organizer of the summit, Krirk-Krai Jirapaet of the Thai Commerce Ministry, said at a meeting of Southeast Asian trade officials that no such document had been prepared.

"A framework agreement is not easily done," he said in an interview Wednesday.

Krirk-Krai, who heads the ministry's department of business economics, said no hard agreements on any subject were likely to come out of the Bangkok meeting. Instead, he said, the leader will focus on creating a general atmosphere of cooperation and leave actual agreements for later meetings.

The Europeans have been pursuing agreements with individual Asian countries as well as a collective pact. Hansoo Kim, director of the Europe division in South Korea's Ministry of Trade, Industry and Energy, said his country is negotiating a framework agreement with the EU that includes intellectual property protection. The agreement should be signed in June, said Kim, who is also attending the current meeting.

Krirk-Krai said the Asians and the Europeans have agreed to discuss three topics at their meeting — the strengthening of multilateral trade ties, boosting trade and investment, and increased contact between Asian and European Businesses. The topics have been left vague, the said, to give the leaders maximum flexibility.

The emphasis, he said, will be on showing "a sign of cooperation" rather than on attempting to resolve pending disputes between Europe and Asia. Other Asian officials attending the preparatory meeting here agreed.

"This is a forum for cooperation, not a forum for negotiation," said Kim of South Korea.

Meet on setting up of ME Development Bank

CAIRO, Feb 15: Delegates from 40 countries began discussions yesterday on the creation of a bank to finance development of the Middle East in a new era of peace, the Egyptian foreign ministry said, reports AFP.

Experts came notably from the United States, Russia, Japan, Canada, the Arab Gulf monarchies, the Organisation for Economic Cooperation and Development (OECD), Egypt, Israel, Jordan, Tunisia, Morocco and Algeria.

The two-day meeting, chaired by US Deputy Finance Secretary Lionel Johnson, was to prepare in "action plan for the task force on establishing the bank's headquarters," Deputy Foreign Minister Rauf Saad told journalists.

The headquarters, to be located in Cairo, should open "in the second half of 1997," he said.

The task force should begin work in Cairo in March "to set the projects for the first three years of the bank," he added.

The second Middle East economic conference held in October in Amman decided to create the Middle East Development Bank to finance investment projects in the region.

In November an expert commission in Cairo set the bank's statutes and the division of its funds totalling five billion dollars, with a start-up capital of 1.25 billion dollars.

The US is the bank's main backer, providing 21 per cent of the capital, with Japan providing 9.5 per cent, Russia six per cent, Italy five per cent and Israel, Egypt, Jordan and the Palestinians four per cent each.

They will each have a representative on the bank's administrative board, which an American will preside over.

The remaining capital is to be put up by the Netherlands, Canada, Morocco, Tunisia, Algeria, Greece, Malta, South Korea, Turkey and Cyprus.

An Israeli foreign ministry official said in November that 25 per cent of the bank's capital had not yet been attributed to a financing country, to leave the door open to European and Gulf nation who refused the project in Amman.

Libya names 3 new ministers

CAIRO, Feb 14: Libya named new economy, agriculture and marine wealth ministers on Tuesday, reports AP.

The appointments, reported by Egypt's Middle East News Agency, followed a meeting of the General People's Congress, which functions as a sort of parliament in the North African state.

MENA said Abdel-Hafez el-Ziletny was given the economy portfolio, Ali Ben Ramadan was given responsibility for agriculture, and Bashir Ramadan Khalifa the portfolio for marine wealth, the agency said.

Although Libya is governed by a variety of people's committees and congresses, the real power rests with 53-year-old leader Moammar Gaddafi, who took power in a military coup in 1969.

Despite oil that brings Libya between seven billion and nine billion dollars a year, the nation is beset by economic problems caused by an ambitious water development project and international sanctions.

The diplomatic, air and arms embargoes were imposed by the UN Security Council in 1992 to force Libya to turn over two men wanted in the bombing of a Pan Am passenger jet over Lockerbie, Scotland, in 1988.

The sanctions were tightened in 1994 to include a freeze on some foreign assets and a ban on the sale of oil equipment.

Even so, the official Libyan news agency JANA reported Tuesday that Libya will go ahead with a plan announced by Gaddafi in 1992 to share oil profits with the citizens.

Iraqi women sell foodstuff at a market in Baghdad on Wednesday. Iraq indicated for the first time that it is willing to accept a UN resolution that would allow it to sell limited qualities of oil in order to buy food and medicine. — AFP/UNB photo

Nepal invites foreign investment for power project

NEW DELHI, Feb 15: Nepal is inviting foreign private investment to develop an ambitious hydro-electric project which the World Bank has rejected as unviable, Nepal's Water Resources Minister Pashupati Shumsher Rana said yesterday, reports Reuter.

Rana, on visit to the Indian capital, said the 402-megawatt Arun III Project in eastern Nepal's Sankhuwasabha district was one of many projects open for private sector participation and foreign investment.

"The Arun III is ready for tendering and thus in the forefront of project opportunities (for investors)," Rana told a meeting of the Confederation of Indian Industry (CII).

Last August, the World Bank withdrew a promised 175 million dollar loan for the first phase of the project, which was designed to produce 201 megawatts of electricity in the remote Arun valley. The bank said the facility was too big for Nepal to support.

The one billion dollar plan was to have been co-funded by Western donors, including Germany and France and the Manila-based Asian Development Bank (ADB).

Rana dropped out of Prime Minister Sher Bahadur Deuba's tour of southern India — part of an ongoing week-long goodwill visit to discuss details of hydro-electric projects with Indian businessmen.

"Nepal's economic policy is clearly in favour of private enterprise", Rana said. His majesty's government of Nepal has embarked on, and remains committed to an ambitious economic liberalisation programme".

Rana told a news conference the Himalayan kingdom offered a 15-year tax holiday, cut-rate land and import duty concessions to foreign investors.

India and Nepal on Monday signed an agreement to develop the Mahakhali river on Nepal's western border, ending a decade-old dispute over sharing power and water from projects on the river. The pact has paved the way for Indian investment.

Officials said India had agreed to buy from Nepal excess electricity generated by a planned multi-billion-dollar project, the Pancheswar Project. An Indian project already exists in Tanakpur village.

Officials from the two countries have in the past few days been finalising the draft of the agreement on electricity exchange, which will ease power purchases by private institutions.

"Fixation of tariff (of electricity) is a problem," said Indian Power Secretary P Abraham of the talks, adding that "this should not come in the way of project implementation".

Dwarika Nath Daungel, Nepal's Water Resources Secretary, told Reuters his country wanted to sell electricity at the "avoided cost", which would bring more benefits to the Himalayan kingdom than the actual production cost India has asked for.

The avoided cost is the amount India would incur if it had to build its own facility to provide the same amount of electricity that it imports from Nepal, while the actual cost is the production cost plus some profit margin to Nepal.

Haggling over Delhi's pay for electricity

Another report adds: India and Nepal are haggling over how much New Delhi should pay for electricity from a planned hydroelectric power plant near their mutual border, officials said.

"We want to build on the goodwill created by the latest accord on hydro-electricity and sort out our difference," added Dhungel in New Delhi with colleagues involved in the talks.

The Mahakali River basin treaty singed on Monday in New Delhi settles a decade-old dispute over water and a electricity, with Nepal complaining that it was not receiving enough of either.

The new Dam will not only create power but also irrigate vast stretches of agricultural land in both countries while India's purchase of surplus electricity from Nepal will help trim Kathmandu's 304 million dollars trade deficit with its neighbour.

The Pancheswar Dam will also be built on the Mahakali with a generating capacity of between 2,000 and 6,000 megawatts of electricity, while India has agreed to buy Nepal's excess power from the facility.

ROK companies doubtful about DPRK econ zone

SEOUL, Feb 14: The majority of South Korean companies doubt that North Korea's plan to attract foreign investment into its first economic free zone would succeed, a survey showed Monday, reports AP.

The North's communist government opened in 1992 a free trade zone in its isolated northeastern region, hoping it would bring opportunities for obtaining foreign currency, trade, investment and tourism.

But 65.7 per cent of 100 South Korean companies trading with the North are sceptical about the success of the 300-square-mile Rajin-Sonbong zone, according to a survey by Seoul's Unification Board, a government ministry in charge of relations with the North.

The companies cited the North's political instability as the biggest reason that foreign companies were reluctant to make big investments in the area.

They also mentioned the sealed-off socialist economy, its bad credit record and lack of infrastructure and legal protections for foreign investors.

Only 33.7 per cent of the potential investors said they prefer North Korea to China and Vietnam, which are also seeking outside investment. They cited the North's quality labour, geographical proximity and the same Korean language.

The Rajin-Sonbong area is part of a UN sponsored trade zone along the estuaries of the Tumen River that borders China and Russia. The United Nations hopes to develop the area as a new Northeast Asian trade hub.

Foreign investment in the area is negligible. There is virtually no US investment. But the North claims that Stanton Group, General Motors, Marphy Overseas Ltd. and other US companies showed interest since Washington and North Korea agreed in 1994 on measures to bring Pyongyang's nuclear programme under international controls.

Abu Dhabi takes steps to sell non-oil industries to public

ABU DHABI, Feb 15: The Gulf emirate of Abu Dhabi said yesterday it had started measures to sell its non-oil industries to the public as part of a drive to lessen reliance on oil and ensure fixed income for its people, reports AFP.

More than half the shares of three government farms would be granted free to low-income nationals while a large stake in three key factories would be sold to local investors at a subsidised price, officials said.

Some 7,600 people would benefit from the grants, the latest in a series of social aid programmes launched by the government since oil was struck in the Gulf desert emirate in the early 1960s, bringing it immense wealth.

Officials said beneficiaries from those grants would not be allowed to trade in their shares while those offered subsidised shareholdings would be permitted to sell shares at a later stage.

"Measures are underway to implement the decision," said Sheikh Hamad Ibn Tahnun Al-Nahyan, head of the state-owned General Industry Corporation (GIC).

"Nationals who will benefit from such grants will not be allowed to sell their shares at all to ensure them a permanent income from their profits," Sheikh Hamad told the officials news agency WAM.

He said each citizen would be granted 10,000 dirhams (2,725 dollars) worth of shares in the three merged farms, the value of which has been estimated at 140 million dirhams (38.1 million dollars). The move will enable UAE people to control 55 per cent of the farms, while the rest will be owned by the state.

The decision also covers the sale of nearly 175 million dirhams (47.7 million dollars) worth of shares at subsidised prices in three state-owned food factories worth 350 million dirhams (95.3 million dollars).

The government will retain an 18 per cent stake and the rest will be held by the state-run Abu Dhabi investment authority, according to WAM.

"These institutions have been estimated at far below their real value. This is in line with the policy of ensuring high earnings for the citizens — nearly 30 per cent every year," Sheikh Hamad said.

Industry sources said the three factories involved in the sale were the Abu Dhabi Flour Mill, the Al-Ain Water Bottling Factory and Al-Ain Ice Factory. They have an estimated capital of 385 million dirhams (105 million dollars).

The measures, approved by UAE President Sheikh Zayed Ibn Sultan Al-Nahayan last week, are part of overall reforms designed to ease dependence on unpredictable oil earnings, which provide around 80 per cent of its income.

Officials said last year they planned to sell nearly 80 per cent of Abu Dhabi's key factories, with a total capital of around 722 million dirhams (197 million dollars). They include two cement plants worth around 165 million dollars, a flour mill and two mineral water and bags factories.

GIC, which runs Abu Dhabi's non-oil industrial sector, has also earmarked 100 million dirhams (27.2 million dollars) for setting up three new industrial areas near the city to attract investment for manufactured projects.

Gambling in US opens way for laundering money

WASHINGTON, Feb 15: The rapid expansion of legalized gambling across America, combined with limited resources for enforcement, has opened opportunities for laundering ill-gotten cash, the government says, reports AP.

"The extraordinary growth of the gaming industry in recent years — especially riverboat and Indian gaming — may create new scenarios for money laundering for which we are not prepared," Sen. Sam Nunn said Tuesday.

A report Nunn requested from Congress' investigative branch, the General Accounting Office, said casinos are most at risk to money laundering are casinos because they handle more than 80 per cent of the money bet legally nationwide.

Cash betting in casinos grew from 117 billion dollars in 1984 to dlrs 407 billion in 1994, reports an industry trade publication, "International Gaming and Wagering Business."

As partial safeguards without having to pay for more Internal Revenue Service inspectors, the GAO recommended considering federal limits on casino transactions.

Forty-eight states allow some legalized gambling. Almost 60 riverboat casinos were launched between 1991 and March 1995. American Indians began 237 gaming operations, including 119 casinos, in the decade ending in March 1995, the GAO said.

While most gambling businesses follow federal laws that require reporting cash transactions of at least dlrs 10,000, a person could buy slightly less than dlrs 10,000 worth of chips, "do little or no gaming and then redeem the chips for a casino check without any record of the transactions," the report said.

Under an agreement with the Treasury Department, Nevada casinos avoid some federal reporting requirements because the state has its own, more stringent.

"Nevada prohibits certain cash transactions that could lend themselves to money laundering such as cash-for-cash exchanges involving small denomination bills for larger denomination bills in amounts of dlrs 2,500" the GAO said.

Noting funding cutbacks for the IRS's examination division since 1989, even as casino gaming increased, the GAO urged the Treasury secretary to consider potential federal legislation prohibiting some casino transactions nationwide.

PHE scheme to install deep, shallow tubewells in Barguna

BARGUNA, Feb 15: Public Health and Engineering Department has taken up a programme to install 790 deep and 450 shallow tubewells in 38 thanas of six southern districts in the current fiscal year, reports UNB.

A total of 300 shallow and 100 deep tubewells were commissioned in Barisal district at a cost of Taka 57.58 lakh, 78 shallow and 60 deep tubewells in Jhalokathi at a cost of Taka 28.89 lakh, 75 shallow and 100 deep tubewells in Pirojpur costing Taka 45.46 lakh, 220 deep tubewells in Bhola costing Taka 91.12 lakh, 200 deep tubewells in Patuakhali costing Taka 82.84 lakh and 110 deep tubewells in Barguna costing Taka 45.56 lakh.

Official sources said the Saudi Government is financing the project under the post cyclone rehabilitation programme at the coastal areas of the country.

Mobil launches takeover bid for Australia's Ampolex Ltd

SYDNEY, Feb 15: Mobil Corp. on Wednesday announced a bid to take over the Australian oil and gas production company Ampolex Ltd for 936 million US dollars, reports AP.

Mobil said that its Australian subsidiary, Mobil Exploration and Producing Australia Pty Ltd (MEPA), has bought "substantial" shares of Ampolex stock.

In a statement to the Australian Stock Exchange, Ampolex said it has been advised by Mobil that it will make its buoyant offer through MEPA.

Under the Mobil proposal, Ampolex would be acquired by MEPA through a cash offer for all Ampolex listed securities.

Mobil indicated that it would expect to pay 3.20 US dollars per share (4.25 Australian dollars) for Ampolex's ordinary shares, a 34 per cent premium over Tuesday night's closing price.

Ampolex shares were suspended from trading earlier Wednesday after the price rise.

The total price is 936 million US dollar (1.24 billion Australian dollars) plus additional amounts for preference shares and convertible notes. Mobil also indicated that it expects to offer continued employment to all Ampolex employees.

"We believe the potential benefits of a union between Ampolex and Mobil represent a winning proposition for the shareholders of Ampolex and Mobil, for Ampolex employees and for the overall business of both companies," said Paul J Hoenmans, Mobil Director and President of its Exploration and Production Division.

Our strategies and interests are complementary. Ampolex's resource base and current production will contribute to Mobil's upstream goal of profitably growing production and reserves.

Singapore now aims to become Switzerland of Asia

SINGAPORE, Feb 15: On January 1, the Organisation for Economic Cooperation and Development (OECD) officially recognised Singapore as a developed country. "So what is new"? Would be the response of many visitors to this affluent city-state.

Singapore marked its 30th anniversary of statehood in 1995. It split from Malaysia in 1965 — an event that put the country on the launching pad for economic lift off. Since then, Singapore's annual per capita income has soared 20-fold to 23,000 US dollars, says IPS.

The country is today the second richest nation in Asia after Japan, and a role-model for many of its neighbours.

The architect of this economic miracle is Lee Kuan Yew Who, until November 1990, was Singapore's Prime Minister. After heading office to his protege Goh Chok Tong M Lee — now a senior minister — still exerts a strong influence in the running of the country's affairs.

And having put Singapore firmly at the communications, trading and financial hub of East Asia — the fastest growing region in the world — Lee's next goal is to make Singapore the Switzerland of Asia. The OECD's reclassification is official recognition that tiny Singapore is now in the big league.

The country is also a driving force behind next year's planned summit of European and East Asian leaders in Thailand.

Since independence, and up until 1990, Singapore's economy has for the most part zoomed at 8.5 per cent growth a year. In 1994, growth touched 10 per cent, and this year, brisk international computer sales indicates even further improvement.

Singapore, with a population of 2.7 million, produces nearly half of the world's total output of hard disk drives, and is the largest manufacturer of computer sound cards and semi-conductors.

Still, Singapore's leaders are a cautious lot, forever warning citizens not to be complacent and reminding them of the fragile ground on which their tiny country has been built. They cite the example of the 1985 recession that exposed the country's economic vulnerability to external factors.

Goh recently said Singapore would not be throwing a party to celebrate the country's elevation to rich nation status.

The restraint is uniform. Lee's son and one-time heir-apparent, Deputy Prime Minister Lee Hsien Loong, often tells Singaporeans they have to be conscious that things could easily go wrong.

"However favourable economic prospects may appear, circumstances can change suddenly ... we must be prepared for temporary set-backs, or indeed, totally unexpected developments," he told a recent meeting here.

Lee said Singapore still needs to catch up with its economic mentors — Japan and Switzerland — in the areas of higher education skills training and investments abroad.

Singapore's success has also been tempered by the strong debate this year that followed the publication of an article by economist Paul Klugman in the 'foreign affairs journal' that East Asian growth is mainly due to labour and capital inputs — and improvement in productivity.

Klugman took Singapore as a case study and said that its experiment could not be replicated.

Singapore's foreign investment-led growth is dominated by transnational companies and local state-run monopolies, Klugman wrote, adding his now-famous line: "the miracle turns out to be based on perspiration rather than on inspiration."

Faced with limits to its domestic growth, Singapore is increasingly using foreign markets as a prop. Going the way the Taiwanese and Koreans went boldly before. Singaporean companies' investments abroad shot past the 35 billion US dollars mark in 1994, and continues to grow in leaps and bounds.

Previously, Indonesia was the main target for investors, but Lee's pet projects close to Shanghai have seen China take over that top slot. Goh, meanwhile, has been making forays into India, while the country invested 272 million US dollars in Myanmar in 1994, being the main investor in that country.