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HYUNDAI

CARS THAT MAKE SENSE

Iraq to regain oil market if ban on exports lifted: Analysts

BAGHDAD, Feb 17: Iraq will have little difficulty regaining the market it lost once the ban on its oil exports is lifted or eased, Iraqì oil industry sources and Baghdad diplo-

mats said, reports Reuter. They said irag's State Oil Marketing Organisation (SOMO) will waste no time in restablishing contact with the customers it held when it was hit by United Nations sanctions after it invaded Kuwait in August 1990.

Iraq, which sits on the world's second largest oil reserves after Saudi Arabia, is conducting talks with the UN on how to implement a plan allowing it sell 2 US billion dollars worth of oil over six months to pay for food and other humanitarian goods.

Western oil traders say fellow OPEC members Saudi Arabia and Iran are likely to feel the heat the most when Iraq returns to the market since

India may get

\$160m from

UNDP

is expected to receive around

160 million US dollars in

grants from the United Na-

tions Development Programme

(UNDP) between 1997 and

2001, the same as in the cur-

rent five-year period, a UNDP

official said yesterday, reports

governments recently in the

UN general assembly, if these

are not changed then the level

of support UNDP can provide

to India will probably be equal

to the current cycle," said

UNDP Assistant Secretary-

General and Asia-Pacific Re-

three recipients of UNDP aid

in terms of amounts granted.

a two-day UNDP regional

meeting in the nation's capital

Htun also announced it was

committing 5.2 million US

lion US dollars for develop-

ment of the Indian oil seeds

and pulses sector, to secure

reliable food supplies and

lars will be given over a period

of four years to help the Indian

government to train telecom-

munications staff and improve

tended to facilitate rapid ex-

pansion of basic telephone

rervices throughout the coun-

try and its 600,.000 villages.

and is being supplemented by

2.4 million dollars from the

two-day meeting. UNDP repre-

sentatives of the seven coun-

tries in the South Asian Asso-

ciation of Regional Cooperation

(SAARC) discussed how UNDP

could continue to assist the

region in an era of rapid

UNDP has allocated about 453

million US dollars to SAARC

countries, including the 160

million US dollars to India.

Between 1997 and 1996.

Htun said that during the

government. Htun said.

The programme is in-

productivity in that sector.

Another 2.6 million US dol-

UNDP will provide 2.6 mil-

dollars in new aid to India.

boost farmers' income.

India is among the top

Speaking to reporters after

gional Director Any Htun.

"Based on the pledges by

NEW DELHI, Feb 17: India

they will be competing for the And Iraq is likely to aggressively target refiners in the Mediterranean where Russia is

also a key supplier. SOMO has experience in regaining lost markets after it saw its exports tumble to 700,000 barrels per day (BPD) in 1983 during the 1980-1988 war with Iran from a peak of 3.25 million in 1979 only to rise to 3 million prior to the imposition of UN sanctions in

Oil experts in Iraq say the country's crude oil is considered among the highest quality produced by the Organisation of Petroleum Exporting Countries (OPEC) and is particularly appealing to west European and North American refiners

Baghdad has not hidden the fact that Iraqi oil officials have stayed in touch with their old customers since the embargo and are often seen talking with western oil company officials

on the fringes of OPEC meet-

Western businessmen have been travelling in and out of Baghdad over the past two years, either renewing past deals or striking new crude supply contracts to come into effect when the embargo is lifted or eased, Iraqi oil ex-

ports and diplomats say. "SOMO continued contacts with foreign buyers in the past five years either directly in Baghdad or indirectly through an active office in Amman. Jordan, negotiating future contracts," said a western diplomat in Baghdad.

The different export outlets available to Iraq in the past -Red Sea, the Gulf, terminals on the Mediterranean coast in Lebanon. Syria and Turkey — and its possession of various grades of crude helped create for Iraq an image of one of the most trust worthy suppliers in the world, industry sources say.

"Iraq, though depicted as a

hawk in OPEC, priced its crude in a manner reflecting both its own interests and those of its customers," said an other western diplomat closely monitoring developments in Iraq's oil industry.

When Iraq does return to the market, either partially or fully, OPEC will face one of the greatest dilemmas in its history, OPEC delegates say.

It is still unclear how the 11 other OPEC producers will accommodate the return of Iraqi crude after an absence of more than five years. Most of them have grown comfortable producing at the higher levels they achieved to make up for the lost Iraqi supplies.

Aiready, the United Arab Emirates said it would not cut production if the one-time oil deal goes through.

Iraq has long insisted that it is entitled to the 3.14 million BPD OPEC quota it held when the sanctions were imposed.

CompuServe introduces parental control software

MUNICH, Germany, Feb 17: CompuServe Inc. on Friday introduced its "Parental Controls Tools" software here Friday. saying it believes it is the best method for its four million plus customers to exercise individual control of questionable material on the Internet, reports AP.

However, the Bavarian state justice ministry, which is investigating the Columbus, Ohio-based company for possible criminal charges, said the software was not sufficient to provide controls on what users could pick up on the Internet in Germany.

Blocking access by individual users is the "best solution," argued CompuServe's German representative. Felix Somm at

a press conference. The company had announced Tuesday that it had reinstated access to all but five message-posting areas of the

WASHINGTON, Feb 17:

Output at US factories, mines

and utilities plunged in Jan-

uary, the biggest decline since

the struggle to emerge from

the last US recession nearly

lysts said, that the economy.

burdened by bad weather and

nervous consumers, had

slowed dramatically as the year

began. But many expect im-

US central bank, reported Fri-

day that industrial production

fell 0.6 per cent in January,

the steepest decline since

output slid 0.8 per cent in

March 1991, the final month

continued weakness in the

manufacturing sector, the cen-

tral bank said it was aggravated

by the blizzard that hit the US

East Coast in early January and

forced the closing of many fac-

"The industrial production

tories.

Although the drop reflected

of the 1990-91 recession.

The Federal Reserve, the

provement later this year.

It was one more sign, ana-

five years ago, reports AP.

Internet that had been cut off because of the German investigation of on line pornography available on the network.

Access was cut off in December to some 200 news groups, computer forums where users can post messages for all to see - including text and material that can be converted to both pictures and sound.

The action was taken after German prosecutors notified the Columbus-based company it was investigating distributors of sexually explicit material on the Internet. State prosecutors in Bavaria had advised CompuServe they could face charges. On Friday, justice ministry

spokesman Gerhard Zierl said that CompuServe is trying to push its criminal responsibility onto a third party, for example parents. Zierl said that while the fil-

US industrial output

tering software was a step in the right direction, the question about who is responsible for control has not been thoroughly cleared up.

He said he could not "discount the possibility" that CompuServe may still be charged in the case. Data networks such as Internet "cannot operate outside the law." Zierl and Access to child pornogra-

phy, or radical rightist propaganda, which is illegal in Germany, must also be blocked for adult use, Zierl said. If the case goes to court

and a decision is made that current law is not sufficient to insure control responsibility for on-line computer networks "Bavaria will consider taking the initiative to change the law," Zierl said. He provided no information

on when the investigation against CompuServe might be completed.

US, Japan, EU plan to hold trade talks in March

TOKYO, Feb 17: The United States, Japan and the European Union plan to hold talks in March to discuss problems involving semiconductor. trade, the Kyodo news agency reported today, according to

The talks are expected to focus on global market conditions, including the effects of growing microchip exports from emerging economies including South Korea dn Taiwan. Kyodo quoted a US administration source as saying.

The EU side might reaffirm its concern over a 1991 US-Japan bilateral agreement whereby Japan tried to increase its use of foreign-made chips, Kyodo said.

European nations have expressed their intention to file a case with the World Trade Organisation, complaining that Japan and the United States are discriminating against them through the bilateral accord.

Japan has been rejecting US demands for the renewal of the accord, due to expire in July, claiming that the foreign share of Japan's chip market has stayed above the 20 per cent mark targeted by the US

'DPRK should get 10,000 tonnes of int'l food aid next month'

LONDON, Feb 17: North Korea should receive 10,000 tonnes of international food aid next month but the shipments will bring little relief to millions of people left hungry by a disastrous harvest, a UN aid official said on Friday, reports Reuter.

The two shipments are not nearly enough to end shortages affecting almost the entire population, said Trevor Page, Director of the World Food Programme's office in Pyongyang.

Just over half the first consignment of 6,500 tonnes of rice is being funded by the United States, which recently pledged two million worth of aid for the highly secretive communist country. Page said by telephone from Pyongyang.

But Page said this and another shipment of 3,365 tonnes expected in late March would have little impact as almost the entire population of 23 million was not getting enough to eat.

"We need food right up to the next harvest," he said. The US aid reflects warming in ties with North Korea since October 1994 when the two countries struck a landmark accord to give Pyongyang a nuclear power plant

Washington believed had a military purpose. Until 1994, the two countries had barely spoken since the 1950-53 Korean War.

to replace a prototype reactor

Page said the two food shipments due in March would supplement 5,140 tonnes of WFP aid that arrived last November

But the aid is dwarfed by North Korea's total food needs, which the UN puts at 1.2 million tonnes after the harvest was devastated by floods last

Electricity supply by solar energy as an export winner. Even at this remote holiday resort, electrical appliances can be operated with the aid of two solar modules (pictured left). They are part of a novel Siemens photo-voltaic system to transform sunlight into electrical energy. Remote places which often can not be connected to the public grid can be supplied with electricity independently and environmentfriendly with this German equipment. Its peculiarity: While most customary photovolatic systems generate only DC, the Siemens installation produces AC for all standard TV sets, radios or refrigerators.

US Atlantic Richfield, Algeria sign \$1.3b oil deal

ALGIERS, Algeria, Feb 17: US-based Atlantic Richfield Co has signed a 1.3 billion dollars oil recovery contrast with Algeria's state petroleum

monopoly, says AP. . The Los Angeles-based company better known as ARCO said Thursday the production-sharing effort with Algeria's Sonatrach would focus on a field 720 kilometres (450 miles) southeast of Algiers, the capital

ARCO is the latest of several international petroleum companies to sign deals in Algeria since President Liamine Zeroual won a five-year term last November. It was the North African nation's first multicandidate balloting since ! won independence from France in 1962.

Major oil companies appar

ently see the election as a sign of growing stability in the country wracked by a 4-year Islamic insurgency and 25 per cent unemployment.

Last month, British Petroleum signed a 3 billion dollars natural gas contract with Sonatrach, and French petroleum giant Total SA also is expanding its operations.

The new contracts will likely mean employing hundreds more expatriate workers, who in the past have been targeted by the militants. Algeria's insurgency began

in January 1992, when the military-backed government canceled elections the Islamic Salvation Front was poised to win. More than 40,000 people have been killed.

ARCO said it expects the project, using special drilling and gas injection technologies,

to yield more than 500 million total barrels of crude oil equivalent over the 25-year life of the project. The company said it ex-

pects to increase production rates to a peak of 125,000 barrels a day sometime early in the next century from the current 25,000 barrels a day. ARCO said more than 450 million barrels have been pro-

duced from the field. Rhourde El Baguel, since its discovery in 1962. It is Algeria's second largest oil field. ARCO said it will pay a 225

million dollars bonus payment to Sonatrach, and will invest more than 1.3 billion dollars in the project. Under the production shar-

ing contract, ARCO will receive up to 49 per cent of the project's annual production.

Multi-media industry bets

More French people will connect personal computers to tele lines

CANNES, France, Feb 17: The multi-media industry is betting that more and more people will connect their personal computers to telephone lines to create a huge new market of online services on the global Internet, reports Reuter.

Hundreds of companies displayed their products for this market of on-screen information, banking and shopping on Friday during a fiveday milia annual multimedia show here which will last until Monday.

Created in 1963 by Larry Roberts as a fail-safe electronic messaging system for the US military, the internet has turned into a world-wide web of computer connections for people to communicate, get information or do transactions.

"1996 will be the year of electronic money," declared Nicholas Negrophonte, author of the book being digital, in his opening speech at the show, predicting the arrival of "invisible money" which will scare the world's finance ministries and central banks because they cannot control it.

"The digital revolution is over and we won. Now is the time for the digital society, said Andrew Anker, President and chief executive of multimedia publishers hot wired. Both are Americans and

they stunned their European audiences with stories about the speed with which online services are spreading in the United States. But in Europe, things are

hotting up. Compuserve, a company of leading US tax specialists H and R block, is expanding its operations in Europe by offering more local language con-

"We have 600,000 sub-

scribers in Europe today and we hope to have one million in August," said Andrew Gray, European General Manager for compuserve. He too believed that elec-

tronic transactions would become possible in 1996 and further boost the market. "The market is growing at

120 per cent per year," America Online Inc. founded in 1985 by Steve Case and now the biggest online company, is rolling out its services in Germany, Britain and from March 18 also in France with the AOL joint-venture with Bertelsmann of Germany.

Commodity market: Gold, silver firm while tea, cotton weak over the week

detail

LONDON, Feb 17: Speculative purchases of grains after the announcement of large import orders drove prices, up to record highs on a market that buzzed with a thousand rumoured import deals, reports AFP.

Weak global grain stocks after consecutive poor wheat and maize (corn) harvests compounded the nervousness of dealers in Chicago, the hub of worldwide cereal sales.

In addition, dealers feared that winter wheat in the United States may suffer from cold, dry weather. A repeat of the poor 1995 harvest would be a disaster for the market. Vegetable oils took off on

the back of gains in grains. Dealers thought the high maize price would put some 'importers off buying and that they would turn instead to

Elsewhere on the commodity markets, oil gained from cold weather in North America, to pick up after last week's

The decrease had followed talks between Baghdad and the United Nations on limited sales on Iraqi crude. The negotiations continued this week in New York, but they were shrouded in secrecy and it was impossible to ascertain any

outcome. GOLD: Resistance. Those who expected a sharp fall in gold after its dramatic surge at the start of the year were proved wrong this week, when the precious metal showed strong resistance and stayed firmly entrenched above 400 dollars per ounce.

Analysts warned in vain of an imminent plunge in gold purchases by jewellers if prices held at current levels, as the metal was fixed around

the 404 dollar per ounce

Meanwhile, production in the world's leading mining country, South Africa, plummeted. One dealer said that production could fall below 40,000 kilogrammes in January from 40,405 kilogrammes in December. Over 1995 as a whole, production fell by 10.5 per cent to 522,367 /kilogrammes. This fall came as gold pur-

chases in the main importing countries increased by an average 10 per cent in 1995 to a total of 2,746 tonnes, according to the world gold council. SILVER: Firm. A calm but firm market saw silver stabilise between 5.6 and 5.7 dollars

per ounce. PLATINUM: Strong. Platinum also held firm between 420 and 425 dollars per

ounce. COPPER: Lower. A big rise in stocks held in London Metal Exchange (LME) warehouses (up 11,525 tonnes) reawakened fears of the surplus mountains of copper seen in 1995. Prices retreated by around 30 dollars to below the

2.500 dollar per tonne barrier. Worldwide output is expected to grow strongly in 1995, with several sites having restarted idled capacity, after the market recovered in 1994 and 1995.

On the other hand, a substantial rise in demand is expected in the second quarter of the year for this metal, used mainly in the construction industry to make electrical wires

and water pipes. At a meeting of the exclusive New York copper club, experts were divided on the market's future. Their forecasts for the metal's average price this year varied wildly

to 5-yr low report is not a report about the economy," contended

economist Robert Brusca of Nikko Securities Co. International in New York. "It's a weather report. But Jerry Jasinowski, an economist and president of

the National Association of Manufacturers, said that in addition to the severe weather. the report "reflects ongoing problems such as weak spending and clearly points to a poor first quarter." The latest consumer confi-

dence report suggested no immediate increase in Americans' spending habits. The University of Michigan's midmonth report on consumer sentiment reportedly fell to 86.6 from 89.3 in January.

The Commerce Department reported Friday that construction spending rose 0.9 per cent in December, wiping out a similar loss a month earlier.

from 1,500 to 3,000 dollars

been scaling new heights, un-

derpinned by the plummeting

level of world stocks. This

week, the metal reached 771

dollars per tonne, just short of

its level on February 1, which

demand for metal from battery

manufacturers," explained a

study from the London-based

research body, the Economist

the northern hemisphere in

1995 wore out many car bat-

teries. And the freezing

weather in the United States

and in parts of Europe this

winter added to wear-and-tear,

which pushed up sales and

to lay their hands on lead that

they are buying lower-quality

metal from the former Soviet

Union, despite the extra cost

involved in transporting it to

sharp fall in LME warehouse

stocks, which hit a low since

1992 at 106,500 tonnes, after

a fall of 7,125 tonnes this

continued to advance mod-

estly, still held back by the

huge level of stocks on the

LME. After weakening early in

the week, prices rose to 1,062

slightly by 2,175 to 643,650

initially hit by the fall in cop-

per, the light-weight metal re-

covered to end the week at

around 1,640 dollars per

LME stocks built up

Stocks on the LME fell

ALUMINIUM: Supported.

dollars per tonne.

ZINC: Steady. The metal

The result of all this was a

Manufacturers are so keen

Intelligence Unit (EIU).

This rally is due to "a strong

The scorching summer in

itself was a high since 1990.

LEAD: Summit. Lead has

per tonne.

production.

plants.

week.

tonnes.

tonne.

But spending on single-family housing fell for a second

plunges

straight month. Analysts say the single-family sector was being held back by weak job and income growth that is offsetting falling mortgage rates. Government spending curbed by budget cuts, was vir-

tually unchanged. While construction outlays for all of 1995 were up 4 per cent, the advance was less than half the 9.1 per cent increase the previous year.

Analysts did find a glimmer of hope in a second Commerce Department report Friday. It said business inventories edged up just 0.1 per cent, the smallest increase since a similar increase in March 1994.

The inventory pile up has been blamed for much of the economy's recent weakness since a big pile up of goods often means reduced orders and production while businesses attempt to clear their shelves and backlots.

slightly, by 1,350 tonnes, to

recovered from its violent

price swings of last week and

settled at around 8,300 dollars

low at 38,790 tonnes, down

firm, anchored as it has been

for several weeks at between

6,250 and 6,300 dollars per

tonne. Stocks fell by 90 tonnes

of gloom amid discussions be-

tween Baghdad and the United

Nations on the resumption of

Iraqi oil sales, prices recov-

Arctic weather conditions in

brent reference price (for de-

highest point since mid-Jan-

uary, at 17.94 dollars per bar-

rel, ahead of the expiry of this

contract Wednesday next

week. The new contract (for

delivery in April) was trading

of three weeks of falling

prices, during discussions be-

tween Iraq and the United Na-

tions on implementation of UN

resolution 986. This provides

for Iraq to export up to one

billion dollars of oil per

quarter in return for

humanitarian supplies of food

barrels a day of Iraqi oil arriv-

ing on the international mar-

kets, after five years of ab-

sence, had terrified traders,

haunted by the nightmare of

bounced back, as demand for

heating oil and natural gas

But this week the market

global overproduction.

The prospect of 700,000

and medicines.

This rally marked the end

at 17.10 dollars per barrel.

livery in March) climbed to the

ered their sparkle thanks to

The North Sea crude oil

OIL: Reheated. After weeks

1,038 tonnes on the week.

NICKEL: Calm. The metal

Market reserves remained

TIN: Brittle. The metal held

666,700 tonnes.

to 10.485 tonnes.

the United States.

per tonne.

escalated amid the big freeze still gripping the United

States. Stocks of oil products remain low, explained analysts, and this means that prices rise each time 'demand is on the

Meanwhile in New York, at UN headquarters, the oil-forfood talks were still in progress, and appeared to have hit a difficult patch with substantive issues such as oil exports still to be discussed in

Analysts said that it remained unclear if Baghdad and the UN would finally strike a

RUBBER: Advanced. The London reference price advanced by some 30 pounds, as a spurt of buying took place ahead of Chinese New Year, on Monday, February 19, celebrated in Malaysia, Thailand, and to a lesser extent in Thailand. These three countries are the world's top producers. The festivities surrounding the start to the Year of the Rat will reduce output in the re-

gion and in particular disrupt exports. Importers rushed to stock up in advance, prompting a flurry in prices. COCOA: Wavering. The co-

coa market has been wavering between highs and lows this week. First, prices took a dive, then Thursday saw a rally, but the next day this ran out of steam. Prices ended at around 930 pounds per tonne. Little fresh news arrived to push the market in any certain

The latest estimates for the Ivory Coast's harvest still point to a huge crop for the world's number one producer. One Ivory Coast exporter forecasts the 1995-96 harvest at 1.05

direction.

million tonnes, which would be the best result for the past ten years, a period during which this country has dominated the world market.

COFFEE: Uncertain. The market has been torn in opposite directions this week, with figures showing a flood of exports from Mexico last year counter-balanced by falling supplies from Brazil, Colombia and Indonesia. Prices fluctuated between 1,900 dollars

In 1995, Mexico stole Indonesia's position as the world's third-largest exporter thanks to a 30 per cent leap in sales to 3.62 million sacks (60 kilograms each), according to figures of the International Coffee Organisation (OIC). But sales of coffee from

Brazil (the world's number one producer) plunged 17 per cent to 14.34 million sacks in 1995. In Colombia, the world's number two, sales fell 16.7 per cent to 9.79 millions sacks. In total, worldwide exports dropped by 9.4 per cent in

Meanwhile, heavy rains and frosts in Mexico could cut by the country's next harvest by up to third, and traders are expecting a drastic reduction in sales. TEA: Decline. Demand has

weakened on the London auctions, and prices are on the retreat. The price of mediumquality leaves dropped from 100 to 99 pence per kilogram. SUGAR: Sweetly-rocketing. Sugar, according to an exper-

iment by a British investor sponsored by the sugar giant Tate and Lyle, makes a good fuel for rockets. The market has shown the same faith in sugar's explosive qualities. The commodity soared to fresh heights this week, ending at

more than 370 dollars per

tonne. This latest rally, which has pushed prices to a high since March 1995, is due once again to scarce supplies at a time when demand continues to skyrocket. A big order from Iran particularly excited the

market.

According to GNI, delays affecting the crop in Cuba previously the world's number one exporter - and in other countries of this region are a major factor in limiting worldwide exports.

Elsewhere. Brazil is not likely to export much sugar from now until May, since this is not prime harvesting season. And India, another big producer, is still reluctant to sell its sugar abroad, preferring to keep it aside for the huge domestic market.

The shortfall in sugar supplies, as a result, is likely to persist for at least another month, GNI trading house predicts

VEGETABLE OILS: Recov. ery. Oils have recovered from the malaise of the past few weeks, on the back of the thunderous performance on the US grains market

A rally on the maize market lifted soya prices. These two grains are exchangeable commodities, at least for livestock feed. So with soya becoming comparatively cheaper as corn prices soared, dealers snapped up supplies in the expectation of a boost to soya sales.

The price of soya oil in Rotterdam gained 1.5 guilders to 91.5 per tonne. Palm of advanced 12.5 dol-

lars to 515 per tonne on the back of soya. Sunflower gained 10 dollars to 605 dollars per tonne, and rape seed rose two guilders to 87.5 guilders per

100 kilogrammes.

GRAIN: Explosive. The situation was explosive on the Chicago market. Global stocks of wheat and maize are weak after poor recent harvests and each new hefty purchase sends prices climbing.

A new wave of speculative buying by investment funds followed huge Russian imports of maize and rumours of large grain purchases in several countries. Maize prices climbed to

their highest point for 15 years during the week. The market trembled with rumours of massive imports into South Korea in particular. The market feared more

and more that the American wheat harvest for 1996 would suffer from the cold, dry weather that has hit the cereal-producing American great plains.

COTTON: Shrunk. The price of this fibre continued to fall on the American market. with fears that China may cancel a part of recently-placed orders. Prices on the cash market fell by one cent to 86 cents per pound.

The prospect of an increase in 1996 output in the United States, already the world's leading producer and a global surplus estimated at three million bales (of 217.7 kg), according to US figures also hit market sentiment WOOL: Depressed. The Aus

tralian market fell into depres sion, with the large Japanese and Chinese buyers continuing to stay away from auction houses in the world's number one producing country as they have done since the New Year Prices in Australia slipped

while the British index for rough wool held steady at 438 pence per kilo