

KL-Islamabad deal
to develop dry port in Punjab

ISLAMABAD, Aug 2: Malaysia and Pakistan signed a deal Friday to jointly develop a dry port in Pakistan's eastern Punjab province, the state-run news agency reported, says AP.

Malaysia will finance the 80 million dollars dry port, to be located in Raiwind, 250 kilometres (150 miles) southeast of the federal capital of Islamabad.

The 400 hectare (1,000 acre) site is to include loading and storage facilities for truck and train cargo as well as a customs clearing station, the report said.

The deal was signed in Kuala Lumpur during a three-day visit to Malaysia by Pakistani Prime Minister Nawaz Sharif.

Sharif witnessed the signing ceremony along with his Malaysian counterpart Mohamman Mathatir, the report said.

China sets up 1st currency policy panel

BEIJING, Aug 2: China's State Council (Cabinet) has appointed members of the newly-formed currency policy committee of the People's Bank of China, the official Xinhua news agency said yesterday, reports AFP.

People's Bank Governor Dai Xianglong was appointed Chairman of the committee and Vice-Governor Chen Yuanan as Vice-Chairman, it said.

The other members of the committee include several Vice Ministers of economic ministries and officials in charge of foreign exchange, securities, the head of the Agriculture Bank of China and an academician.

After its first meeting Thursday, the committee agreed that China should continue its moderately-tight monetary policy and put forward a number of proposals on currency policies, financial supervision, financial services and other related issues, Xinhua said without elaborating.

The committee decided to hold a regular meeting in the first month of every quarter, it said.

Local experts believe the establishment of the committee will be beneficial to the drafting of state currency policies, improving the level of decision-making on the macro-financial level, and bolstering the sustained, rapid and healthy development of the national economy, Xinhua said.

Russian electricity giant to issue \$ 200m Euro bonds

MOSCOW, Aug 2: Russian electricity giant United Energy Systems (UES) will issue Euro bonds worth at least 200 million dollars in January 1998, following a convertible bond issue later this year, UES Chief Executive Boris Breynov told Interfax news agency yesterday, says AFP.

Breynov said UES will get a credit rating from standard and poor's rating agency before the Euro bond issue, which will be organised by investment banks Deutsche Morgan Grenfell and Renaissance Capital.

UES plans to issue 1.25 billion dollars' worth of convertible bonds this year, representing 2.7 per cent of the company's stock. UES was due to announce a tender later Friday to select the lead managers for that bond issue.

The government has announced plans to reduce the state's holding in UES from 52.7 per cent to 50 per cent plus one share.

Russia's largest oil company, Lukoil, and gas monopoly Gazprom have also opted for bond issues to tap the international capital markets, in preference to Russia's high-interest bank loans.

In April, Russian First Deputy Prime Minister Boris Nemtsov targeted UES for restructuring, accusing it of charging artificially high tariffs.

UES, set up in 1992, owns the national electricity grid and has controlling stakes in nearly every regional power utility.

TOKYO, Aug 2: Japan's jobless rate remained at an all-time high of 3.5 per cent in June, the government reported Friday.

Demand for labour was weak with only three jobs available for every four people seeking work, the statistics bureau of the Management and Coordination Agency reported. That ratio was almost unchanged from May.

One positive note was that the job situation improved slightly for women. The unemployment rate for women fell to 3.6 per cent in June from a record-high 3.8 per cent in May.

The jobless rate for men, though, worsened on the month, rising to 3.4 per cent from 3.3. Overall, the number of unemployed rose by 1.3 per cent from last year, the report said.

Japan's unemployment rate would be higher if calculated by US or European methods. Anyone who has worked at least one hour by the final week of the month is counted as fully employed in Japan.

JAPAN'S sales of new cars, trucks and buses, as measured by registrations, fell 10.1 per cent in July from the year-earlier month to 471,623 vehicles, the Japan Automobile Dealers Association said Friday.

Import sales fell 25.6 per cent to 31,353 vehicles.

All manufacturers saw their July sales fall except for Daihatsu Motor Co. and Suzuki Motor Corp. Daihatsu's sales jumped 213.4 per cent to 3,593 vehicles while Suzuki's sales rose 15.5 per cent to 6,724.

A spokesman for the Japan Automobile Dealers' Association said car sales in July fell for the fourth straight month due mainly to the April 1 hike in the national consumption tax to six per cent from three per cent, as well as the end of a special income tax cut. He noted the July sales were the lowest figure for any July in the last ten years.

He added that there is no telling when the influence of the tax increase will begin to fade.

Police in central Japan have seized 247 counterfeit US 100-dollar bills, a local police official said Friday.

Police were investigating whether a group of 12 Japanese arrested in May with 10,000 dollars in fake 100-dollar bills were involved in the new counterfeiting case, the official said.

The suspects were being held in Toyama prefecture, or state, which is about 300 kilometers (186 miles) northwest of Tokyo.

The official, who spoke on condition of anonymity, said the

Fisheries ban: India blasts EU decision

NEW DELHI, Aug 2: India will initiate a dialogue with the European Union (EU) over the latter's recent decision to ban marine imports from India, a government official said here yesterday, reports Xinhua.

Commerce Ministry officials have criticised the EU decision as another non-tariff barrier and pointed out that informing the sellers of the ban just before two weeks is improper and not a good practice in trading.

India has already directed the Indian mission in Brussels to seek bilateral consultations

in this regard as such move will place the Indian industry into a major crisis. India would drag the EU to the dispute settlement body of the World Trade Organisation (WTO) if it failed to respond to India's request, the officials said.

A few weeks ago, an expert team from the European community had visited the processing units in Kerala state and other seafood exporting units in India to inspect the quality standards being followed in the wake of the rejection of the Indian seafood consignments at

European ports recently. The team had expressed dissatisfaction with the certification procedures being adopted by the Indian inspection agencies. It was on the basis of its report that the ban decision was taken, upsetting the export plans of India's nearly 1,200 large and small exporting firms.

Almost 30 per cent of India's seafood exports go to the European countries. India's Commerce Ministry fears that the EU's decision will also hurt India's seafood exports to Japan and the US.



A N M A Zaher, Director of Islami Bank Bangladesh Limited, delivering his speech at the inaugural session of Branch Managers' Conference, Dhaka Zone of the bank, in the city yesterday.

UN-dictated deadline deals big blows to Iraqi crude sales

DUBAI, Aug 2: Iraq has lost hundreds of millions of dollars because of its suspension of UN-authorized oil sales and will not be able to recoup its losses, oil industry officials and analysts said yesterday, reports AFP.

The second term of the UN oil-for-food deal gave Iraq from June 8 until September to export one billion dollars worth of crude.

The UN Security Council on Monday rejected an Iraqi bid to postpone implementation of the second term until a new food distribution plan has been approved.

"Iraq has already lost several hundred million dollars," said Manousher Takin, an expert with the Centre for Global Energy Studies in London, contacted by telephone.

Iraq would have to export two million barrels a day (BPD) at current market prices to meet the one-billion dollar sales target by the deadline of early September.

Assuming that Iraq resumes oil sales next week, it would still have to export two million BPD, which is not pos-

sible. It cannot make up for the time lost," another oil expert warned.

Iraq's export capacity runs at between 1.3 million and 1.6 million BPD, he said, estimating the losses of the sanctions-hit country at around 500 million dollars because of its suspension of exports in June.

The oil-for-food deal allows Iraq to export two billion dollars worth of oil, in two 90-day periods, to finance imports of humanitarian supplies.

It was launched in December, easing the sanctions which were slapped on Iraq for its August 1990 invasion of Kuwait and have stayed in place since the 1991 Gulf War when it was evicted from the Emirate.

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tracts.

"Iraq has to submit a pricing formula and sign contracts with the clients. Exports will not be able to start up again before mid-August at the earliest," predicted an official of a European client for Iraqi oil.

In New York, diplomats said Iraqi Ambassador Nizar Hamadoun approached Security Council President Peter Osswald on Friday to argue that the oil exports should only be counted from the time the distribution plan is approved.

But the Security Council agreed that resolution 1111 clearly stipulates the second six-month phase of the oil-for-food arrangement came into force on June 8, the diplomats said.

In resolution 1111, adopted on June 4, the Security Council renewed for a further 180 days, starting from June 8, the oil-for-food arrangement.

Iraq's suspension of exports curbed a slide in crude prices, keeping them at above 18 dollars a barrel, to the satisfaction of its enemies such as Saudi Arabia, the oil export noted.

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