

World oil prices ease

LONDON, Oct 11: World oil prices eased on Friday as a sickly refinery profit margins and rising North Sea output nibbled at the edges of the recent strong rally, reports Reuters.

London November futures for bellwether North Sea Brent crude closed down six cents at 22.71 dollars a barrel. Petroleum product prices, though modestly higher versus Brent this week, remain weak relative to crude, leaving refiners with poor profit margins.

A Rotterdam refinery on Friday stood to make about 1.38 dollars a barrel compared to an average of 1.32 dollars last month and 1.22 dollars so far this year.

In the North Sea, the start up of several new fields, delayed from earlier in the year, was likely to boost the crude loading schedules for November, dealers said.

Jakarta ready to make major reforms to fix economy

JAKARTA, Oct 11: The government said Friday it was ready to make big changes to fix Indonesia's troubled economy with the help of the International Monetary Fund, reports AP.

"We told the IMF we need deep structural reforms to the economy, not just deregulation," said Finance Minister Mar'ie Muhammad.

Mar'ie assured reporters that he did not foresee any conflict with the IMF in formulating its reform package and expected a "consensus on issues."

He did not elaborate on what changes would be made.

The Indonesian government announced Wednesday it had asked the IMF and the World Bank to help repair its economy that has ravaged by a more than 30 per cent depreciation of the rupiah since August.

The move delivered a positive result on Friday when the currency's value rose to 3,360 rupiah to the dollar, a jump of six per cent over Thursday close of 3,567 rupiah.

Optimistic dealers predicted the rupiah would stabilise further to 3,200-level next week.

French economy may create 200,000 jobs next year

PARIS, Oct 11: French Economy Minister Dominique Strauss-Kahn said yesterday that forecast economic growth of three per cent next year will automatically lead to the creation of 200,000 jobs, aides said, reports AFP.

Strauss-Kahn also told a national jobs conference that the country's economic growth could be maintained at three per cent over several years, but said growth alone is not enough to reduce unemployment, currently at 12.5 per cent with 3.1 million people out of work.

National Assembly Speaker Laurent Fabius meanwhile told journalists that Thursday's decision by the Bank of France to raise interest rates counter to efforts to cut unemployment. "This decision seems to have been taken without any reference to any political authorities" and in the desire to align rates with those of the German Bundesbank, Fabius said.

"The number one problem of our economies is seeking growth and encouraging employment, and here we have a move in the opposite direction with a decision to raise rates," he said.

Wholesale prices jump in US

WASHINGTON, Oct 11: US wholesale prices jumped 0.5 per cent in September over August and the core rate, which excludes food and energy, gained 0.4 per cent, the Labour Department reported yesterday, reports AFP.

The increases were far greater than had been expected on Wall Street, where analysts were predicting a 0.2 per cent hike in both producer price index (PPI) and the core rate.

The September advance in the PPI, largely reflecting increased energy prices, was the largest monthly hike since December 1995, when it rose 0.6 per cent.

The gain in the core rate is the largest since January 1991, when it went up 0.7 per cent.

But over the first nine months of the year, the PPI fell at a 1.4 per cent annualized rate, compared with a 2.5 per cent increase in the same period a year ago, the department said.

The core rate rose at a 0.3 per cent pace over the first nine months 1997, against a 0.8 per cent rise in the same period last year.

On a year-on-year basis, producer prices were unchanged. In August, producer prices rose 0.3 per cent while the core rate fell 0.1 per cent.

Energy prices rose 1.5 per cent last month after a 1.4 per cent gain in August.

Gasoline prices were up 2.2 per cent in September, while home heating oil prices fell eight per cent.

Food prices were up 2.2 per cent in September, while home heating oil prices fell eight per cent.

Food prices in September gained 0.1 per cent after rising 0.3 per cent in August. Tobacco prices rose 3.2 per cent in September, the largest gain since December 1993, while those for automobiles went up 1.4 per cent, the biggest gain since October 1991.

Indian minister calls for phasing out oil subsidies

BOMBAY, Oct 11: An Indian minister has called for the phasing out of 4.4-billion-dollar subsidies on petroleum products, reports said Friday, according to AFP.

Janeshwar Mishra was quoted in the Asian Age daily as saying the government should remove state controls and let the international market determine prices of petroleum products.

"With the growing proportion of India's petroleum needs being met through imports, and to ensure that economics of cost of petro-products are maintained, domestic pricing based on international prices has become imperative," Mishra said. He said India had tradition-

ally protected consumers from volatility in the international market, but argued these controls should be dismantled in a phased manner.

The Indian government subsidies to the tune of 4.4 billion dollars a year, it imports about six billion dollars of petrol annually.

The minister's proposal, however, is likely to be opposed by Communists parties within India's fragile multi-party coalition government. They argue increases would hit the poor and fuel inflation.

New Delhi was forced to postpone planned oil price increase for more than two months earlier this year due to Communist opposition.

It finally increased prices of diesel by 22 per cent, petrol by five per cent and liquid petroleum gas by 15 per cent on September 1. The price of kerosene, used for cooking, were left untouched.

Mishra said oil consumption in India was expected to grow from the present 79 million tonnes a year to 155 million tonnes by 2006-07.

India's domestic oil production is about 35 million tonnes a year. The rest is met through imports.

Mishra added that India would require about 60 billion dollars in the next 10 years for oil exploration, drilling and development.

Lanka gets ADB loan for crop development

MANILA, Oct 11: Sri Lanka's farm productivity is expected to increase with a 20-million dollar concessional loan approved by the Asian Development Bank (ADB), the bank said, reports AFP.

The second perennial crops development project's main component is a credit line for crop and nursery development, market development and agro-processing, the Manila based bank said in a statement.

A 550,000-dollar technical assistance grant will also be provided by the ADB.

Some 10,000 farmers, nursery operators and agro-processors are expected to benefit from the project which will cover 20,000 hectares (49,400 acres) throughout Sri Lanka.

Sri Lanka's perennial crops include coffee, cocoa, spices, fruits and cashew nuts. Agriculture contributes to 20 per cent of Sri Lanka's gross domestic product, and employs one third of the labour force.

US Ex-Im Bank signs loan deal in China

BEIJING, Oct 11: The US Export-Import Bank signed a 60 million dollar loan agreement Friday that will enable a Chinese company to buy US-made equipment for Shanghai's subway, the US Embassy said, reports AP.

Terms and conditions of the loan weren't disclosed. But Jackie Clegg, the bank's vice president, said the agreement signed with the Bank of China matched other concession financing offered by European export credit agencies.

Clegg accompanied US Commerce Secretary William Daley on his first visit to China this week.

Shanghai Sitico International Trading Co. will use the loan to buy US equipment that will be shipped and installed over the next two years.

The equipment includes a signal and control system from Union Switch and Signal International, an automatic fare collection system from Cubic Automatic Revenue Collection Group, a fire alarm and suppression system from Simplex Time Recorder Co., and engineering services from de Leuw, Cather International.

Eximbank, a government-backed bank that provides favorable financing to support US exports, also financed more than 20 million dollars of US equipment services in 1996 for the subway.

IMF loan to Latvia

WASHINGTON, Oct 11: The International Monetary Fund (IMF) on Friday approved a 45 million dollars loan agreement with the Baltic state of Latvia to help the former Soviet Republic press ahead with economic reforms, reports Reuters.

The IMF said the 18-month stand-by credit would support the government's 1997-1999 economic programme, which calls for trade liberalisation and tariff reductions.

Auto talks with Japan US disappointed

WASHINGTON, Oct 11: The United States and Japan ended their annual review of a 1995 auto trade agreement with the US side expressing frustration over the lack of progress in boosting sales of American-made cars and parts, reports AP.

In three days of talks, the United States had presented a series of proposals on ways that Japan could speed efforts to remove barriers to sales of both cars and auto parts, said Wendy Cutler, assistant US Trade Representative who led the US team. But the Japanese made no commitments, she said late Thursday.

"We strongly urged Japan to accelerate its deregulation efforts," she told reporters in Washington participating in a telephone conference call. "Japan, however, was only prepared to discuss the past and not what actions are needed in the future."

The US proposals included recommendations for expanded deregulation of the auto repair market as a way of boosting sales of US-made brakes and other replacement parts.

"We are disappointed that Japan could not commit to significant concrete steps that could benefit all parties," Cutler said. American auto companies have urged the administration to launch a process that could lead to US trade sanctions if Japan does not speed up its deregulation process. But American officials refused to discuss what options the administration has under review if the goals of the agreement are not met.

Cutler said that the next step would be for the United States to prepare a semiannual monitoring report due in November. The talks were held in San Francisco and included the participation of trade officials from the 15-nation European Union, Canada and Australia as observers.

Japan and the United States reached agreement in 1995 on a

five-year programme to expand sales of American and other foreign-made overall trade deficit with Japan has begun to widen after two years of improvement and is running at an annual rate of 53 billion dollar, up from a 1996 deficit of 48 billion dollars.

World wheat production better: IGC

LONDON, Oct 11: World wheat production is put two million tons higher at 588 million tons, mainly resulting from an increase in the figure for China, International Grains Council (IGC) announced here.

However, a number of minor revisions for various countries bring down the total for world trade by one million tons to 93 million tons, IGC said in an announcement.

Forecast exports are higher for Canada, but reduced for the EC and the United States. The figure for world consumption is two million tons higher at 584 million tons.

Feed use is projected to rise to 98 million tons mainly because of larger availabilities in central/eastern Europe, Russia and other CIS countries, according to the announcement.

As far as coarse grains are concerned, higher estimated for the EC, the Ukraine and Australia offset a reduction for the United States, to raise the figure for world production by two million tons to 877 million tons.

Despite updates for several importers in Far East Asia the total for world trade remains at 92 million tons, IGC said.

Exports from China are forecast 0.5 million tons higher at 3.1 million tons, prompting a corresponding decrease in those from the United States.

Second-hand smoking suit US tobacco firms agree to pay \$300m

MIAMI, Florida, Oct 11: US tobacco companies agreed yesterday to pay 300 million dollars to settle second-hand smoking suit brought on behalf of 60,000 flight attendants, reports AFP.

The 300 million dollar settlement will be paid into a fund for the detection and treatment of second-hand smoke-related illnesses, plaintiffs attorney Stanley Rosenblatt said.

The settlement, announced by Judge Robert Kaye in court here, provides for payment of 47 million dollars in legal fees to attorney Stanley and Susan Rosenblatt, who have represented the flight attendants for six years.

Smoking was banned on US domestic flights in 1988. Norma Broin, a non-smoking flight attendant who be-

came ill with lung cancer in 1989, initiated the suit in 1991. The suit, which went to trial June 2, had sought five billion dollars in damages and was the largest in the country.

The tobacco companies, including Philip Morris, RJR Nabisco Corp's RJ Reynolds Tobacco Co and Brown Williamson Tobacco Co said they had agreed to pay 300 million dollars to establish a fund for scientific research on diseases related to cigarette smoking.

The settlement announced today in the Broin Flight Attendant lawsuit represents a common sense approach to resolving the class action aspects of the case in a way that is consistent with the legislative solution pending in congress, the companies said in a joint statement.



This was how Igloo marked the launching of its new ice-cream van Tun Tun in the city yesterday.

MANILA, Oct 11: Sales of passenger cars in the Philippines declined seven per cent to 61,175 in the first nine months of the year compared to a year earlier.

In September alone, car sales totalled 5,349, down 25 per cent from the previous month and 28 per cent from a year earlier.

The Chamber of Automotive Manufacturers of the Philippines attributed the decline to higher interest rates that resulted from the weaker peso and the slower approval period for the processing of car loans.

The dollar has appreciated around 32 per cent against the peso since July 11, when the central bank abandoned an expensive defence of the local currency and allowed it to trade in a wider range. On Thursday the dollar averaged 34.852 pesos.

SEOUL: German Foreign Minister Klaus Kinkel will visit Seoul October 21-23 to strengthen political and economic relations, South Korea's Foreign Ministry said Friday.

During his stay in Seoul, Kinkel will hold talks with his South Korean counterpart, Yoo Chong-ha, and pay a courtesy call on President Kim Young-

to forfeit 630,000 dollars — the same amount she collected from South Korean businessmen in gambling debts and sent to her employers.

In South Korea, it is illegal for an individual to send more than 10,000 dollars abroad without government permission.

SINGAPORE: Singapore government-owned Pidemco Land Ltd and leisure and entertainment group Hotel Properties Ltd said Friday they have launched a major development project in London's Canary Wharf.

A joint statement said the first phase of the project comprises 317 luxury apartments, a five-star hotel, a health club and retail outlets.

Some of the apartments will be marketed to potential buyers in Singapore and Hong Kong. While others will be reserved as service apartments. Most of the residential units overlook the Thames River.

BEIJING: A unit of Raytheon Co., the US manufacturer of Patriot missiles, has installed a 19 million dollars air traffic control system in Beijing and is looking for new deals as China upgrades its air safety equipment, executives said Wednesday.

Dollar steady in New York

NEW YORK, Oct 11: The dollar was steady in early trading here Friday despite a higher-than-expected US producer price index for September, says AFP.

The dollar traded at 1.7505 German marks from 1.7428 Thursday; 119.93 Japanese yen from 121.13 yen; 5.8797 French francs from 5.8570 Thursday; 1.4569 Swiss francs from 1.4563; and 0.6170 pound sterling from 0.6158.

Gold rose 1.40 dollars an ounce to 328.30 dollars.

The Labour Department reported Friday that US wholesale prices jumped 0.5 per cent in September over August and the core rate, which excludes food and energy, gained 0.4 per cent.

The increases were far greater than had been expected on Wall Street, where analysts were predicting a 0.2 per cent hike in both the producer price index (PPI) and the core rate.

The September advance in the PPI, largely reflecting increased energy prices, was the largest monthly hike since December 1995, when it rose 0.6 per cent.

Russia to combat computer software piracy

MOSCOW, Oct 11: Prime Minister Viktor Chernomyrdin assured Microsoft chairman Bill Gates on Saturday that Russia is taking serious steps to combat computer software piracy, Russian news agencies said, reports AP.

Chernomyrdin's spokesman, Igor Shabdurasulov, said the two agreed to cooperate in the fight against unlicensed software, Interfax reported. An estimated 90 per cent of the software sold in Russia is unlicensed.

The two also discussed the prospects of Russia developing its computer industry.

Earlier in the day, Gates, completing a two-day trip to Moscow, met with leaders of 30 Russian computer companies.

Gates' whirlwind visit began Friday with a series of meetings with top government and business leaders, followed by a speech at the Kremlin. It has been extensively covered by the Russian news media.

Asia business briefs

The two foreign ministers also will sign agreements to promote technology cooperation and avoid double taxation for investments in each other's country, the ministry said.

The second German foreign minister to visit Seoul in four years, Kinkel will be accompanied on the trip by 80 officials, businessmen and reporters, it said.

In 1996, South Korea exported 4.7 billion US dollars worth of automobiles, electronic goods, machinery and textiles to Germany while importing 7.3 billion dollars worth of machinery and electronic, chemical and steel products.

South Korea has invested a total of 370 million dollars in Germany while Germany has invested 712 million dollars in South Korea.

A Las Vegas casino employee was sentenced to a suspended one-year prison term Friday for violating South Korea's foreign currency control laws.

Laura Choi, 42, a Korean-born American employee of the Mirage Hotel, also was ordered

Raytheon Electronics Systems has won contracts at nine mainland Chinese airports, two in Hong Kong, and is angling for more at new airports, said C Dale Reis, the senior vice-president.

"We're working very hard to boost up the volume," Reis told reporters. He had no new contracts to announce.

Beijing's new air traffic control system, to be unveiled Thursday, will allow controllers to track 500 flights at a time.

Executives said Raytheon isn't bidding for contracts with the military, which controls sections of China's air space.

China says it plans to spend 100 billion dollars by the year 2000 on construction at 41 airports nationwide, Raytheon executives say they expect China to build five to ten new airports a year for the next decade.

While Asia's market is the fastest-growing, Africa, Russia and former Soviet Union countries also offer big potential, said Reis. "Everyone needs to fly safely," he said. — Source: AP



Microsoft Chairman Bill Gates (R), and President of the Lukoil oil company Vagit Alekperov share a drink after their meeting in Moscow Friday. Gates, on a two-day swing of business meetings in Moscow, said he was surprised by the extent of piracy in Russia — an estimated 90 per cent of all software is unlicensed — and hoped Russian authorities would crack down on the problem. A woman at centre is unidentified. — AP/UNB photo

Dam that promises death to Bengali gourmet's delight

WASHINGTON, Oct 11: If the Sardar Sarovar Dam is built across the river Narmada in the western Indian state of Gujarat, it would destroy the last stronghold of the Bengali gourmet's delight, the hilsa fish.

This is the contention of a recent book on large dams written by an activist and expert on the ecology of dams.

"Silenced Rivers: The Ecology and Politics of Large Dams," written by Patrick McCully of the California-based International Rivers Network, brings out the dangers allegedly inherent in building large dams around the world.

He deals at length also with the controversial multi-billion Sardar Sarovar Dam being built on the Narmada river from which the World Bank was forced to withdraw following

international opposition from nongovernmental environmental organisations. Sixty per cent of the spawning grounds of the hilsa, a migratory fish of great commercial value in South Asia, was lost when Pakistan built the Gulam Mohammed Dam on the Indus, while the Stanley Dam wiped out the hilsa from the Cauvery River in southern India, McCully notes.

The Sardar Sarovar is likely to eradicate the Narmada hilsa fishery, probably the most productive left in India," the author asserts. Though the hilsa does not as far upstream as the dam, he qualifies, "the drastic reduction in the flow of the Narmada due to diversions for irrigation would make its spawning migration impossible." Apart from the hilsa, the giant freshwater

prawn would also suffer a similar fate, McCully warns.

The loss of fish species is among the many criticisms McCully has against the building of large dams. His book details the fate of thousands of species lost in countries like the US and former Soviet Union, homes to some of the largest dams in the world, and the consequent environmental degradation suffered by the land, the flora and fauna in these regions.

India is placed fifth in the world in terms of the greatest number of large dams. China leads with 18,820 large dams, followed by the US with 5,459. India has 1,137 large dams.

"Dams are the reason why fully one-fifth of the world's freshwater fish are now either endangered or extinct," McCully

maintains. And the World Bank has been the largest financier of large dams historically, he notes.

The struggle of the Narmada Bachao Andolan (Save the Narmada Movement) against the government of India as well as the World Bank's participation, "has inspired environmentalists around the world and humbled the might World Bank," he says.

Ironically, McCully's book has a blurb written by Robert Goodland a World Bank employee and environmental expert, who concedes that "McCully graphically enumerates what errors have been perpetrated. Now it is up to dam proponents to learn from this warning and strive for sustainability."

McCully says supporters of the Sardar Sarovar who claim that continuous monitoring would enable any serious environmental problem to be identified and dealt with, are functioning under false assumptions. This attitude, he says, "fails totally to allow for the fact that many environmental impacts cannot be mitigated once the project is built."

But the book argues against small dams as well emphasising that these were not panaceas and could cause much environmental damage as well.

Although the rationale for building dams was to control floods, McCully notes, dams have been the cause of many floods. For instance, he notes, the Hirakud Dam in Orissa was first justified in the name of flood control, "yet extreme

floods in the Mahanadi were Delta between 1960 and 1980 were three times more frequent than before Hirakud was built."

Most dams are built to generate electricity and hardly any have the main purpose of supplying water to households, he notes. Even as dams are being built, the World Health Organisation has pointed out that one billion people on this planet do not have access to clean drinking water, McCully argues.

The writer looks at the history of anti-dam struggles in India starting from the thousands of people who marched against the Hirakud in 1946. He chronicles the protests against the Pong Dam in south India and the Chandil dam in Bihar as well as the Narmada movement.

— India Abroad News Service

Pak cotton output may cross target

KARACHI, Oct 11: Pakistan may surpass its cotton production target of 10 million bales this year if weather conditions remain favourable over the next six weeks, experts said yesterday, reports AFP.

The area planted to cotton crops has increased by 0.6 per cent from a targeted 2.9 million hectares for the current year, they said after a meeting here to discuss the prospects.

The damage from leaf curl virus on the cotton crop is less than in the previous years when the pest damaged more than 20 per cent of the cotton crop for consecutive four years.

Reports from the main cotton growing province, Punjab, said the crop position was satisfactory and the yield per hectare would be better than last year.

Last year Pakistan produced around eight million bales of cotton, less than the set target. One bale contains 375 pounds of cotton.

Cotton contributes more than 62 per cent to Pakistan's total exports which stood at 8,261 billion dollars during July-1996 to June-1997.

ADB approves loans for China, Kazakstan

MANILA, Oct 11: The Asian Development Bank on Wednesday approved loans of \$256 million to reduce air pollution and ease a water shortage in China and \$45 million for education in Kazakstan, reports AP.

The Manila-based bank said a loan of \$156 million would be used to reduce air pollution in China's Shaanxi province, including Xian city, site of the world famous terra cotta warrior statues.

The loan is repayable in 20 years, with a four-year grace period.

A loan of \$100 million was approved to build a water storage dam, a diversion dam and 18 tunnels to improve water supply in Wenzhou prefecture in Zhejiang province, where about two million residents receive poor quality water, and only for a few hours daily.

The loan also will help increase the amount of irrigation water, help shield several small communities from floods and generate an additional 220 megawatts of electricity, the bank said.

The loan is repayable in 24 and a half years, with a grace period of a four and a half years, it added.

The loans for Kazakstan are to improve out-of-school programmes, textbooks and other instructional materials in 800 elementary and secondary schools, half of them in rural areas.

The bank provided a separate \$100 million grant to help Kazakstan's Ministry of Education and Culture plan for the educational improvements, intended to benefit nearly half a million schoolchildren.

One loan of \$35 million is repayable over 25 years, with a five-year grace period. One of \$10 million is interest-free and is repayable in 35 years, with a one per cent annual service charge.

Cuba flooded with foreign investment proposals

HAVANA, Oct 11: Cuba's communist state has so many proposals for partnerships from foreign companies that it can pick and choose among those it wants to do business with, a top government official said Thursday, reports AP.

"We are not for sale for everyone who comes along," Marta Loma, vice minister for foreign investment, told a news conference. "We receive many proposals every day."

Loma said that Cuba currently had more than 290 agreements with foreign companies for mixed enterprises. That's up from the 260 agreements Cuban officials reported several months ago.

She said that the Helms Burton law, passed by the US Congress to punish foreign companies that do business with Cuba, has slowed but not stopped the flow of business deals proposed by foreign countries.

"We are not giving out figures about the amount of foreign investment, but we can say it has grown," she said. She said the amount of foreign capital invested in Cuba grew about 10 per cent last year and was expected to grow a similar amount in 1997.

Loma's statements came as members of Cuba's Communist Party heard Vice President Carlos Lage announce that the nation's economy is expected to grow 2.1 per cent this year. That is down from the original growth estimate of four