

OPEC oil price off 59 cents in October

NICOSIA, Nov 10: The average price of OPEC oil fell off again in October, dipping to 12.39 dollars a barrel after a brief recovery the month before...

OPEC's basket of reference crudes dropped 59 cents on the month, it began the year at 14.42 dollars a barrel and bottomed out at 11.67 in June...

MEES did not report output figures but said last month that world production in September was up 0.26 million barrels per day...

Japan economy may shrink by over 1.8 pc

TOKYO, Nov 10: Japan's slowdown may worsen, with the economy shrinking even more than the predicted 1.8 per cent for this fiscal year...

Taichi Sakaiya, head of the Economic Planning Agency, said Japan's recovery will depend greatly on the health of the American and European economies...

"In the short term, the economy will worsen," he said. But as long as the American and European economies did not slide further...

The government has forecast that Japan's economy will shrink by 1.8 per cent for the fiscal year ending in March 1999...

But Sakaiya said the rising yen, which slashes exporters' profits, may further hurt the economy. The dollar was trading at about 122 yen Tuesday...

"In many ways, Japan's economy is in a dark period," Sakaiya said. "The situation is serious." In the past, Japan relied on exports to wrest its economy back to growth...

Japan instead needs public spending that will boost consumption at home, he said. Sakaiya said drastic cultural change was needed to create a more democratic, consumer-led "new Japan"...

EU unemployment below 10 pc first time in 6 years

BRUSSELS, Nov 10: Unemployment in the European Union fell to 9.9 per cent in September, the first time in 6 years that the jobless rate has fallen below 10 per cent...

In the previous three months, Eurostat reported unemployment holding steady at 10 per cent across the 15-nation bloc...

Eurostat said unemployment had been falling steadily since the beginning of 1997, but its monthly report still showed 16.6 million citizens out of work...

The EU rate compares with 4.6 per cent in the United States and 4.2 per cent in Japan. Eurostat showed varying degrees of success in reducing unemployment over the past six years...

Over the same period, the jobless rate rose in Germany from 7.1 per cent to 9.5 per cent and in Italy from 9.2 per cent to 12.3 per cent.

Global fashion meet begins in New Delhi

NEW DELHI, Nov 10: Experts from 16 leading global fashion institutes met here Monday to discuss the setting up of an international designers' forum...

The three-day conference, organised jointly by Nift, India's premier fashion institute, New York's Fashion Institute of Technology, the Institut Francais de la Mode de France and Britain's Nottingham Trent University...

Officials said delegates from Australia, Britain, Brazil, China, France, India, Italy, Japan and Holland would try to evolve guidelines to ensure professionalism in their structure and operation of the industry.

Row over banana business

US preparing ban on EU products

WASHINGTON, Nov 10: The United States, raising the stakes in its row with the European Union over trade in bananas, today plans to publish a list of European products that could be hit with US sanctions...

The sanctions would likely take effect in February or March if the European Union refuses to change its policy on banana imports, according to Jay Ziegler, spokesman for the office of the US Trade Representative (USTR)...

He said the list could cover European exports to the United States worth one billion dollars, the amount of money US banana exporters say they lose every year because of discriminatory EU import policies...

The United States maintains that privileges accorded by the European Union to banana growing countries in the 71-nations African, Caribbean and Pacific group — many of them former British or French colonies — harm the interests of Latin American and US banana exporters...

The United States in 1996 took its complaint to the world trade organization, which last year ruled that the EU banana import regime was discriminatory. While the EU has since tried to change its policies to conform to WTO regulations...

The problem we have here is not the United States' Ziegler argued. The problem here is that the European Union has quite deliberately failed to meet its international trade obligations...

He said US Agriculture Secretary Daniel Glickman and Trade Representative Charlene Barshefsky had urged EU counterparts "to enter a constructive dialogue" on the dispute. "But the EU has consistently avoided it now they have proposed ideas which only nibble on the margins..."

"There's got to be a balance and there's a certain fairness that one has to be concerned about," US Commerce Secretary William Daley said on Monday. "If the general populace believes that it's not fair, that it's not a fair game, then in the long run we'll all suffer and protectionist actions will get more support."

Ziegler said the sanctions would take effect February 1, although the date could be pushed back a month if the European Union questions the US damage calculations. Earlier Monday and EU spokesman warned Washington that US sanctions on European products could "undermine trans-Atlantic relations."

The intensification in the banana dispute comes at a delicate moment in US-European trade relations, with the United States making clear its desire to see the European Union boost growth and absorb more exports from struggling economies in Asia.

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French PM at UNCTAD meet in Lyon

Poor states need private investment to reap global economic benefits

LYON, Nov 10: More private sector investment is vital if the world's poorest countries are to share benefits of the global economy. French Prime Minister Lionel Jospin told an International Conference opening here, reports AFP.

But the countries themselves must create the right economic and legal framework to attract such investment, and for this they will need traditional development aid from foreign governments, Jospin said.

His speech opening the United Nations conference for Trade and Development's four-day partners' forum was also vital to development, he said, noting that about 85 per cent of long-term resources in developing countries already came from the private sector.

The conference brings together about 2,000 representatives of governments, business and non-government organisations from both the developed and developing world in a bid to create "partnerships" for development combining the finance and expertise of all these sectors.

Ricupero called for the "mobilisation of the vast resources" available in civil society and the private sector to aid development and said "the formidable forces of the market economy will be used in the service of development."

But while he promised a "pragmatic meeting focused on concrete projects to change people's lives," some representatives of the developing countries themselves were less sanguine. Ivory Coast Prime Minister Daniel Kablan Duncan noted that while foreign direct investment had soared in recent years, only two to three per cent went to developing African countries.

He acknowledged that Africa has to improve its image for social and political stability and a strong economic framework, but said that it could not attract private investment without "a minimum

volume of infrastructure," for which financing is hard to find. Inter American Development Bank (IDB) President Enrique Iglesias said that Africa had made great strides in economic reforms and political stability but still had trouble attracting private investment at least partly because people did not know enough about the possibilities.

The Asian financial crisis and its aftermath had also done a great disservice to the developing world as it made investors wary of any untried markets for their money. A stark reminder of the extra unpredictable problems of developing countries came with Jospin's announcement that he was calling for an international debt moratorium for the next few years for countries badly hit by hurricane Mitch, which killed more than 11,500 people and left some 13,000 missing across central America.

The UNCTAD conference here will focus on initiatives such as micro-finance — small loans to enable people in poor areas to set up business — and was to put producers in developing countries directly in touch

with potential customers through Internet trade. Micro-finance has proved a great success in areas such as Bangladesh and Latin America, but mainstream banks have so far been reluctant to get involved. The Director General of Axa Investment Managers, Kevin Dolana, told participants that his company is about to launch a fund which would initially make 10 per cent of its finances available to micro-finance banks.

But he said his group had to be very careful in setting up such operations since the funds it has to invest for its clients are largely pension funds where investors have a low risk threshold.

Lanka to trade 4m kg tea for Iraqi oil

COLOMBO, Nov 10: Sri Lanka is planning to trade four million kilograms (8.8 million pounds) of tea for Iraqi oil, a newspaper said Tuesday, reports AP.

Quoting unnamed officials, The Island said a formal agreement to this effect will be signed later this year. Any food-for-oil deal by Iraq must be endorsed by the United Nations under the ongoing embargo on Baghdad for its 1990 invasion of neighboring Kuwait.

The agreement to sell Sri Lankan tea came during a visit by a Sri Lankan ministerial delegation to Baghdad last week. The visit was the first since the 1990 Gulf War. Tea is Sri Lanka's lifeline, bringing in hard currency that the government needs to keep the economy going and to fight separatist Tamil rebels.

Sri Lanka produced 276.8 million kilograms (608.9 million pounds) of tea in 1997-1998, the highest ever recorded. The government exported 268 million kilograms (589.6 million pounds) in 1997-98, earning 42.5 billion rupees (807 million dollars).

The government's privatisation programme launched in 1995 has boosted tea yields through improved husbandry and better management. The government has sold 51 per cent of 19 plantations, and now has majority control in just three large plantations.

Nissan incurs \$267m loss in 6 months

TOKYO, Nov 10: Nissan Motor Co. Japan's second-largest automaker said Tuesday it suffered a net loss of 32.6 billion yen (US\$ 267 million) for the six months ended in September, reflecting a sharp fall in the value of its investment in domestic stocks, reports AP.

Despite savings from streamlining efforts, the company was unable to meet a forecast that it would break even. Nissan had reported a 38.5 billion yen (\$315 million) net profit for April-September in the previous year.

Over the summer, a plunge in Japanese stock prices to the lowest levels in more than a decade eroded the company's asset cushion. The drop forced Nissan to swallow 76 billion yen (\$ 621 million) in valuation losses on its securities holdings, it said.

That easily offset the 30 billion yen (\$245 million) derived from cost-cutting measures and an additional 17 billion yen (\$139 million) in currency-related gains, the automaker said. Nissan also suffered from a deepening slump in demand for vehicles in its recession-hit home market. Sales over the sixth-month period declined 7.7 per cent from a year earlier to 1.64 trillion yen (\$13.4 billion).

For the full fiscal year ending next March, Nissan reversed an earlier forecast that it would break even. It said Tuesday that it now expects a 10 billion yen (\$82 million) net loss for the year.

It reported a net profit of 16.6 billion yen (\$136 million) for the last fiscal year. Sales for the full year will fall an estimated 4.1 per cent to 3.4 trillion yen (\$27.8 billion), it predicted.

Unlike other Japanese automakers, Nissan has been unable to ride out the domestic slump by counting on strong sales overseas. At the group level, the parent company and its subsidiaries expect to report a 30 billion yen (\$245 million) net loss for the fiscal year on a 1.5 per cent decline in sales to 6.4 trillion yen (\$ 52.3 billion).

Huge smuggled salt seized in Bhola

BHOLA, Nov 10: A huge amount of smuggled salt was seized from Choukighata point in Daulatkhan thana of the district Sunday night, reports APB.

Police said, a patrol craft of Bangladesh Navy seized five trawlers with some 27 thousand maunds of salt at the point Sunday mid-night.

They also handed over 21 people including crew of the trawlers to Daulatkhan police. Most of the persons arrested in this connection hail from Cox's Bazar, Jhalakathi and Noakhali districts.

Asian stocks close lower

HONG KONG, Nov 10: Most Asian stock markets slumped Tuesday, with the key index in Bangkok tumbling more than 7 per cent on profit-taking, reports AP.

Dealers said the Thai market is undergoing consolidation after the index soared 14 per cent last week. The Stock Exchange of Thailand index fell 27.23 points, or 7.5 per cent, closing at 336.62.

In Seoul, the main index tumbled 5 per cent after the US dollar rose to its highest level against the Japanese currency in a month.

A weaker yen causes South Korean manufacturers to lose their price competitiveness against their Japanese rivals because they vie directly in such key industries as automobiles and semiconductors.

The Korea Composite Stock Price Index fell 21.21 points to 403.24. The dollar was quoted at 122.32 yen in late afternoon, up 2.96 yen from late Monday in Tokyo and also above its late New York level of 121.57 yen overnight. The dollar ranged between 121.42 yen and 122.70 yen, its highest level since October 8.

The dollar rose on buying by Japanese trust banks and institutional investors as fears of US financial instability receded, traders said.

Philippine shares also closed sharply lower as investors continued to take profits on the back of a weak peso and Wall Street's overnight fall. The 30-share Philippine Stock Exchange Index fell 75.41 points, or 4.4 per cent, to 1,637.10 after Monday's 84.86-point fall.

In currency trading, the dollar averaged 40.492 pesos on the Philippine Dealing System, up 64.7 centavos or 1.6 per cent, from Monday's close.

Tokyo's benchmark 225-issue Nikkei Stock Average fell 86.45 points, or 0.61 per cent, closing at 14,108.09. On Monday, the index had gained 72.57 points, or 0.51 per cent. Share prices rose in the morning on buying of export-oriented issues, encouraged by the yen's weakening trend against the dollar.

But the market fell in the afternoon in thin trading, with many players holding back before the government draws up economic stimulus measures on Nov 16.

Elsewhere: SINGAPORE: Shares closed sharply lower as profit-taking eroded the main index's heavy gains of the past month. The Straits Times Index fell 47.22 points, or 3.9 per cent, to 1,219.28.

TAIPEI: Share prices slumped after the chairman of

the Hanyang Group, Ho Hsi-fong, admitted that he bounced checks, although he said the financial difficulties were his personal problems and that all units of the group are operating normally. The key Weighted Stock Price Index fell 145.10 points, or 2.1 per cent, to 6,812.30.

HONG KONG: Share prices closed lower on continued profit-taking. The blue-chip Hang Seng Index fell 130.60 points, or 1.3 per cent, closing at 9,721.33.

WELLINGTON: New Zealand share prices closed lower, dragged down by overnight falls on Wall Street. The benchmark NZSE-40 Capital Index fell 21.32 points, or 1.1 per cent, to 2,007.41.

SYDNEY: Australian share prices closed lower after resource-related stocks took a tumble in response to lower base metals prices on the London Metal Exchange Monday. The All Ordinaries Index fell 6.7 points, or 0.2 per cent, to 2,682.4.

KUALA LUMPUR: Malaysian share prices closed mixed. The benchmark Kuala Lumpur Stock Exchange Composite Index rose 1.85 points to 467.54.

JAKARTA: Indonesian share prices closed sharply lower on escalating domestic political tension coupled with profit-taking.



A currency dealer bids his order Monday as the US dollar was higher against the Japanese yen on concerns the United States may attack Iraq. The dollar bought 119.28 yen at midday, up 1.28 yen from late Friday in Tokyo. — AP/UNB photo

DPRK into its fourth year of chronic food shortages

BEIJING, Nov 10: North Korea is entering its fourth winter of chronic food shortages with its people malnourished and at risk of dying from normally curable illnesses, senior Red Cross officials said Tuesday, reports AP.

The officials warned against international complacency and hostility toward North Korea as the food crisis stretches on and the isolated communist country shows little willingness to adopt far-reaching changes to revive its ruined economy.

"Humanitarian suffering cannot be routine in any part of the world," said Margaretta Wahlstrom the Red Cross undersecretary of disaster relief who returned to Beijing Tuesday after a week inspecting the aid agency's operations in North Korea.

She and other Red Cross officials saw further ravages of North Korea's slow-motion famine: electricity supplied to only half the capital, Pyongyang, at a time; the elderly looking swollen, a sign of long-term hunger; a generation of children stunted, with 10-year-olds looking like 6-year-olds and 5-year-olds like 2-year-olds.

Everywhere, from bakeries to government ministries, people are being served noodles and cakes made from soybeans mixed with acorns, grass and herbs. Red Cross president Astrid Heiberg said.

Heiberg likened the additives to "cattle food" and noted that doctors reported a rise in stomach illnesses from the mixtures.

"This is really part of the daily life," she said. "You would not give them to your children or your elderly mother knowing she would get cramps in her stomach and diarrhoea unless her stomach was moaning."

Matsushita, Compaq to develop digital TV tuner decoder for PCs

TOKYO, Nov 10: Japan's Matsushita Electric Industrial Co Ltd said Tuesday it had jointly developed a digital television tuner decoder for personal computers with Compaq Computer Corp of the United States, reports AP.

The two-card device enables computers to receive, decode and display digital television signals on the screen of a personal computer, the Japanese electronics giant said in a joint statement with the US computer maker.

Three years of floods and drought that started in 1995 devastated North Korea's collective farming and planned economy, already teetering on the loss of its Soviet block trading partners.

With few goods or money to barter or buy foreign supplies, the country lacks sufficient fertilizer for crops, and fuels and parts for machinery.

The Red Cross inspectors saw soldiers and people harvesting cabbage, the winter's main vegetable. The grain harvest is finished and by UN estimates little improved over last year's: about 3 million tons, only enough to meet two-thirds of the needs of North Korea's 22 million people.

As the long, harsh winter begins, doctors confirm and official statistics show widespread malnutrition, tuberculosis on the rise and hunger-weakened patients unable to recover from operations and sickness, Heiberg said.

Doctors worry that the respiratory illnesses so common in the winter may "take a toll" on the weakened population, she said.

One 10-bed hospital in the countryside is keeping only three patients at a time because it did not have food to care for more, said Heiberg.

The World Bank chief and Komura agreed that a comprehensive strategy is needed to assist developing nations on social and structural reforms for longer-term stability, a Foreign Ministry official said.

On Tuesday, Wolfensohn said that while the macroeconomic indicators of crisis-hit countries have received the most attention, the bank is intent on focusing on underlying structural problems.

He listed World Bank goals in many developing countries as instituting transparent financial and justice systems and improving education, health and rural infrastructure.

UAE threatens to stop new visas to foreign bank recruits

DUBAI, Nov 10: The United Arab Emirates (UAE) yesterday threatened foreign banks with a freeze on new foreign recruitment unless they step up their efforts to hire nationals, newspapers said, reports AFP.

It is possible that the government will stop new visas allowing banks to hire foreigners," the Minister of Labour and Social Affairs, Matar Hamid Al-Tayer, was quoted as saying by the Al-Bayan newspaper.

Banks were urged by the government last year to raise recruitment levels for locals by four per cent a year.

But Tayer said local recruitment by some of the country's 48 foreign banks stood at about one per cent a year.

He said his ministry "could sanction these banks, if they do not conform to the decision of the authorities, and forbid them to hire foreigners."

Official estimates put the number of Emiratis in the banking and insurance sectors at about 12 per cent of the total workforce of 12,000.

In 1996, the UAE expelled 170,000 illegal foreign workers and has tightened its immigration laws.

Foreigners account for about 85 per cent of the country's population of 2.4 million.

Pak beer enters British market this month

ISLAMABAD, Nov 10: Armed with catchy slogans like, "Eat, drink and be Murree," and "Eat curry with Murree," Islamic Pakistan's oldest and only brewery begins flogging its brew in Britain this month, reports AP.

After two decades of prohibition, business at home in Pakistan is barely a dribble for the 137-year-old Murree Brewery Co. Ltd, says owner MP Bhandara.

But he's hoping for a frothing business in Britain. "Murree Beer is a well-known beer," Bhandara said. "Before prohibition in 1979, it was exported to many markets, including the United States."

While Bhandara cannot export his beer from Pakistan, an Austrian brewery has been given a license to brew Murree Beer in Austria for export to Britain and other European countries.

Inspired by the success of subcontinental food in Britain, Bhandara said the first outlets for Murree Beer will be in the restaurants that serve cuisine common to the region, like spicy curries, lentils and meat kabobs.

"Subcontinental food has become the third favourite food in the United Kingdom after hamburgers and pizzas," he said. "Curry is very popular in

the UK, that is why one of our slogans will be "Eat curry with Murree."

Indian beers — Kingfisher and Cobra — are likely to be Murree Beer's main competitors.

While only the beer produced in Austria will be destined for foreign markets, there is concern about a backlash at home in Pakistan, where Prime Minister Nawaz Sharif is seeking to pass a law introducing a new Islamic order. Under strict Islamic law, alcohol is forbidden.

In Pakistan, non-Muslims who comprise barely three per cent of its 140 million people, are allowed to drink alcohol. For Muslims, it is an offense punishable by jail.

Bhandara's well-guarded brewery in Rawalpindi, some 20 (12.5 miles) kilometres from the capital, Islamabad, produces beer and liquor only for the non-Muslims — officially. But there is a big black market in Pakistan, where anyone can buy Murree Beer.

Producing beer in Pakistan can be troublesome. "There have been pressures on us from time to time ... and we are certainly very apprehensive," said Bhandara. "I hope this government is not carried away by populist slogans."

Poverty delaying Indonesian recovery

ROK, Thailand over worst of Asian meltdown

TOKYO, Nov 10: South Korea and Thailand are over the worst of the Asian economic crisis, but grinding poverty still stands in the way of recovery in Indonesia, the president of the World Bank said Tuesday, reports AP.

"We've come a long way in Korea and Thailand in building the economic and financial base ... to try to stabilise the economic situation," James Wolfensohn told reporters in Tokyo.

The two countries have largely overcome the "worst excesses" of problems of interest rates, foreign reserves and lack of credit, he said.

Indonesia, however, is making slower progress, in part because it was poorer than South Korea and Thailand before the

Asian financial crisis hit last year, Wolfensohn said. For example, 60 million Indonesians are surviving on just two dollars a day, while another 15 million scrape by on a daily budget of one dollar or less, he said. Private debt to foreign creditors also totals 60 billion dollars.

It's quite hard with that background to make an immediate jump forward," he said. Despite those problems Wolfensohn said the monetary and financial situations in Indonesia are "being brought into a better alignment."

Wolfensohn, scheduled to go to Russia on Thursday, was in Japan for talks with government officials on approaches to the expanding global economic slowdown. On Monday he met

with Prime Minister Keizo Obuchi and Foreign Minister Masahiko Komura.

The World Bank chief and Komura agreed that a comprehensive strategy is needed to assist developing nations on social and structural reforms for longer-term stability, a Foreign Ministry official said.

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Dollar rises as calm returns to US stock market

LONDON, Nov 10: The dollar continued to rise against leading international currencies Monday after fresh gains on the US stock market late last week and amid a build up of tensions with Iraq, says AFP.

The dollar was being traded at 119.68 yen from 118.38 yen and 1.6770 marks from 1.6637.

An economist at Bank of America, Robert Hayward, said that "international market stability is helping the dollar."

The US market rose after soothing words from Federal Reserve chief, Alan Greenspan who suggested that the worst of the recent market volatility might be over.

The Dow Jones Industrial Average drew close to 9,000 points for the first time since late July.

The US now looks more stable whereas there are some medium-term doubts about the Japanese and European economies," Hayward said.

He pointed to a number of recent surveys which showed business confidence in France, Britain and Germany to be at extremely low levels.

European officials have said that there would be no cut in key European interest rates until convergence of rates in the 11 future member countries of Economic and Monetary Union (EMU) at the 3.3 per cent seen in Germany and France.

The dollars gained from expectations that the International Monetary Fund (IMF) would finalise a bail-out package for the Brazilian economy in the coming days.

Sterling followed the dollar higher, rising above 2.79 marks, despite a bigger-than-expected cut in British interest

rates last week. The half-point cut in the British base rate was seen positively by the markets as seeking a speedy remedy to the threat of looming recession here.

The dollar was being traded at 1.6770 marks from 1.6637, 119.68 yen from 118.38, 1.3791 Swiss francs from 1.3696 and 5.6145 French francs from 5.5791.

The mark was being traded at 71.26 yen from 71.19, 0.8238 Swiss francs from 0.8233, was unchanged at 989.18 lire and was at 3.3529 French francs from 3.3518 and 85.05 pesetas from 85.01.

Starling was being traded at 1.6588 dollars from 1.6612, 2.7906 marks from 2.7638, 198.02 yen from 196.61, 2.2904 Swiss francs from 2.2751 and 9.3133 French francs from 9.2677.

Gold fell to 292.70 dollars an ounce from 293.5 dollars.