

### EU bans Indian spices on ground of hygiene

NEW DELHI, Nov 21: Indian exports of spices and oilseeds have fallen foul of the European Union (EU) which has described these as unfit for human consumption on account of very high toxic content, official sources said here, reports Xinhua.

India's spices and oilseeds exporting to the EU have been rising lately and a ban or any restriction would cost Indian exporters crores of rupees in lost business.

With the EU taking up the issue, it would be a matter of time before the United States, Japan and other countries could follow suit, government officials said.

The EU, Japan and the United States have laid high standards for pesticide residues in mangoes, bananas, grapes and potatoes.

The EU has also claimed that India's livestock production contained hormones, and placed tariff rate quotas on Indian mushrooms, they said.

It has also banned imports of all seafood from India on the ground of hygiene, causing big losses for the country.

The Indian government officials described the latest EU move as non-tariff barriers which they said were rising. Over 13 Indian industries have been hurt by non-tariff barriers, including fish, milk and meat products, fruits and vegetables.

## Pakistan manages to avert debt default

KARACHI, Nov 21: Pakistan has averted a debt default despite nuclear sanctions. Prime Minister Nawaz Sharif said in report yesterday as the government revealed it had repaid 90 million dollars to lending agencies, reports AFP.

Pakistan has taken a "principled stand" on the nuclear issue, Sharif said, vowing not to compromise on its national interest.

The Jang daily quoted him as saying Pakistan had not defaulted on its estimated 32 billion dollars foreign debt since it conducted nuclear tests in a tit-for-tat response to the Indian explosions in May.

The detonations triggered international uproar and led to the imposition of economic sanctions against India and Pakistan.

Sharif was also quoted as telling top textile industry ex-

ecutives here on Thursday the tariff tussle between his government and Independent Power Producers (IPP) had almost been settled.

The government will now concentrate on the reorganisation of the state-run Water and Power Development Authority (WAPDA), he said.

The row erupted in April after the government suspecting irregularities in power purchase deals urged the IPPs, most of them having foreign collaboration, to lower their power rates.

Five of the 19 IPPs this month agreed to lower the tariff upto 5.5 US cents from 6.1 cents a kilowatt hour.

Meanwhile Finance and Commerce Minister Ishaq Dar told reporters that Islamabad had paid a total of 90 million

dollars to various multilateral agencies including the World Bank, the International Monetary Fund (IMF) and the Asian Development Bank (ADB) since May.

"Pakistan will not default in any condition," Dar vowed.

"We have never defaulted on our debt at any point of time. Pakistan can clear its dues even if IMF package is delayed," he said.

Pakistan is currently negotiating with an IMF mission the resumption of a 1.56 billion dollars bailout package which was suspended after the nuclear detonations.

International donors stalled various loans and economic assistance to Pakistan after the nuclear tests, depleting the country's foreign exchange reserves from 1.43 billion dollars in May to only 400 million dollars this week.

## Habibie launches probe into Suharto corruption

JAKARTA, Nov 21: Exactly six months after he took power from the authoritarian President Suharto, Indonesia's current head of state, BJ Habibie, Saturday launched a commission of inquiry into corruption allegations against his predecessor and former mentor, says AP.

The probe into Suharto's wealth appears to be a major concession to protesting students.

They have fought bloody street battles with the military demanding that Suharto, 77, be tried for illegally enriching himself and his family during his 32 years as president.

About 200 students staged a protest near Suharto's residence Saturday, where the ex-president has lived as a virtual recluse since quitting amid riots and protests on May 21.

Speaking on behalf of President Habibie, State Secretary Akbar Tanjung told reporters

the commission would "examine and investigate the wealth of former President Suharto."

Members of the commission have not yet been appointed. However, they would have "credibility and high integrity within the nation and state," Akbar said.

Akbar said Habibie made the decision after a four-hour meeting with seven Cabinet ministers, including armed forces commander Gen. Wiranto.

Critics and opponents of Suharto say he plundered the wealth of Indonesia over three decades. They say his six children and a small group of cronies built huge business empires under his patronage. They also accuse him of stashing a fortune away in overseas bank accounts.

Suharto, who was forced to quit on May 21 after a wave of riots and protests, has repeatedly denied accusations of corruption during his three-decade

### Clinton strongly backs Japan reform strategy

TOKYO, Nov 21: US President Bill Clinton today strongly backed premier Keizo Obuchi's reforms strategy to pull the Japanese economy out of its worst ever post-war recession but hinted that steps taken so far were not enough, reports PTI.

I believe it is clearly not only in the interest of the world and the region but also in the interest of the Japanese people for Japan to move forward with Prime Minister Obuchi's strategy, Clinton told a press conference shortly after his summit meeting with Obuchi.

He lauded Obuchi's 24 trillion stimulus package announced last week as quite good but on a cautious note added whether it will be enough or not I don't know simply because the premier has had to change a policy that was not working.

Stressing on the need to initiate painful reforms, Clinton said I know there are painful choices and difficult challenges for Japan. Perpetuation is a no-growth strategy that offers no way out of the current crisis.

The president, who discussed the security matters and the economic turmoil in Asia with Obuchi also called for a vigorous implementation of a banking law that paves way for use of public funds to protect depositors of ailing banks that clean up their balance sheets.

### Final talks on India-Pakistan bus service in Dec 1

NEW DELHI, Nov 21: An Indian delegation will visit Pakistan next month for final talks on running the first bus service between the two countries, the government said here, reports AFP.

The External Affairs Ministry in a statement said the four-day talks "on operational details" of the service will begin in Islamabad on December 1.

The two sides hope to roll out the bus sometime next month.

A trans-border service was one of the few areas of "convergence of views" which emerged during week-long talks between India and Pakistan that ended November 13 in New Delhi.

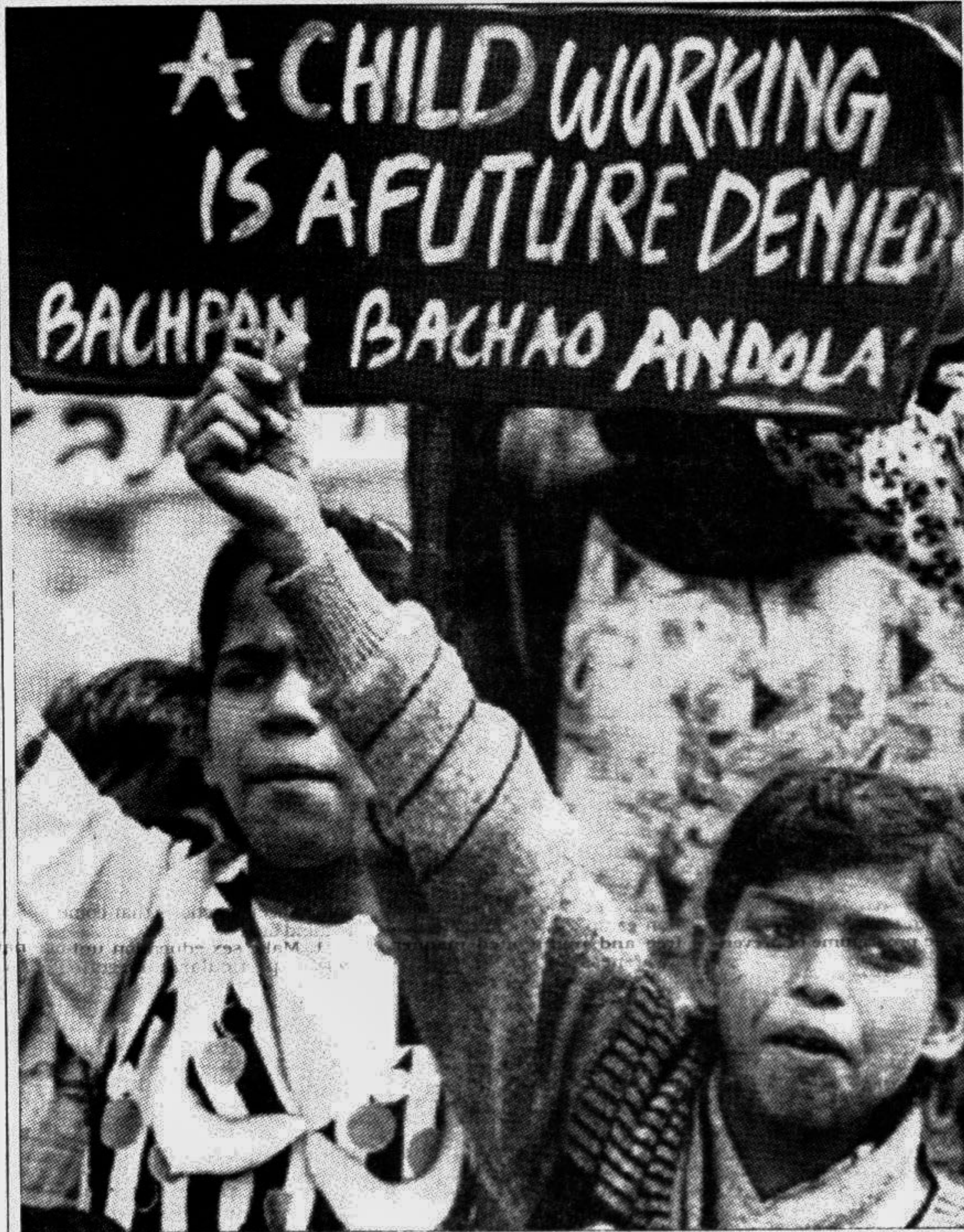
The two sides have blamed each other for delaying the 526-kilometre (328-mile) bus service which is scheduled to run three times a week.

Plans for the luxury bus emerged during a meeting between Indian Prime Minister Atal Behari Vajpayee and his Pakistani counterpart Nawaz Sharif in September in New York.

Observer say increasing people-to-people contacts will ease the uncertainty and mutual suspicion which cloud bilateral relations.

The bus could become popular because of the huge traffic involving a large number of Muslims with relatives on either side of the border.

Besides air traffic, a passenger train called *samjhouta* (understanding) plies between India and Pakistan twice a week.



One of nearly 1,000 freed child labourers protests in New Delhi against child labour Friday. Children passed out pamphlets asking motorists to make New Delhi a "Child Labour-Free State" and formed a human chain to win support for their cause as campaigning for local elections in four key Indian states reached a feverish pitch. — AP/UNB photo

### Russia to give ROK goods in loan repayment

SEOUL, Nov 21: Russia has agreed to provide South Korea with up to \$ 63 million in aluminium, copper and other raw materials this year in repayment of outstanding loans, officials said Friday, reports AP.

Russia will also deliver 10 helicopters over the next three or four years, said Finance and Economy Ministry officials who took part in last week's debt repayment talks in Moscow.

Russia borrowed \$ 1.47 billion from South Korea in 1990-92, but could not repay the debt on schedule.

Under a 1995 deal, Moscow has provided South Korea with \$ 210 million in weapons and ammunition, including 33 T-80U tanks and 33 armoured vehicles. South Korea also obtained 22 civilian helicopters and raw materials.

That still left Moscow with \$ 160 million in overdue principal and interest payments.

## Russia forges deal with creditors on repaying frozen debt

MOSCOW, Nov 21: Russia has forged a broad agreement with foreign creditors on how to repay the billions of dollars' worth of debt frozen in August, both sides said yesterday, reports AP.

The government reached an "agreement in principle" with western banks on a mechanism for restructuring the foreign-held treasury bills, according to a joint statement obtained here from lead negotiator Deutsche bank.

The fine print of the accord still has to be worked out at further talks in London next week, but the broad deal sets out a gradual reimbursement for foreigners who were caught by surprise when the government froze 250 billion roubles of domestic debt on August 17, then worth 40 billion dollars.

A mechanism would be set

up for "the periodic conversion and repatriation of roubles into dollars," the statement said, adding that the agreement was "subject to finalisation of a detailed summary of terms."

As the lions' share of the bonds will not be redeemed immediately, one key issue still to be resolved involves how foreigners can use the securities to pay taxes or buy equity in Russian companies, analysts say.

Russia's financial crisis and rouble collapse caught foreign banks in a web of debt and default and left investor starting at billions of dollars of losses.

Secondly, western banks were owed as much as 30 billion dollars according to some estimates by Russian banks and companies incapable of meeting their obligations on loans

and dollar forward contracts, due to the rouble collapse and debt default.

The Deutsche bank statement said that the central bank had at last agreed to get involve in talks on how to settle "on a consensual and constructive basis" the complex issue of forward contracts western banks took out with Russian finance houses.

A forward is a promise to exchange currency at a fixed rate on a certain date in the future. The collapse of the rouble from 6.2 to the dollar in August to 16.96 on Friday has left many Russian banks unable to honour the forward contracts.

Russia's central bank has warned that Moscow will not be able to simply flush funds through the banking sector to make good all the outstanding loans.

## Downward GDP revision UK growth pitched at 3-year low

LONDON, Nov 21: A downward revision of British economic growth figures yesterday took growth levels to three-year low point, underlining fears of a marked slowdown, if not outright recession here in the coming year, reports AP.

The government's data bureau revised down its estimate of gross domestic product (GDP) growth in the third quarter of 1998 to 0.4 per cent from the figure for the second quarter, and to 2.3 per cent on a 12-month comparison.

The office for National Statistics said that the annual growth rate was the lowest since the fourth quarter of 1995, while the pace of quarter-on-quarter growth was the lowest since the second quarter of 1996.

Economists warned that official forecasts for the coming year were too optimistic and some sounded warning bells of looming recession.

At Deutsche Bank, Mark Wall said: "At the moment we'd be looking for GDP growth in 1999 of zero, so no growth whatsoever and a recession in the first half of next year."

He added that "this morning's revision of GDP figures certainly fits into that."

The economist said that the

gloomy retail sales outlook was a key cause for concern.

"Despite discounts in the high street, sales volumes have been falling," he said, adding "it really seems as if consumers are pulling back from spending at the moment."

Retail sales fell by 0.4 per cent in October from the level for September and were 1.0 per cent higher than in October 1997.

The ONS said that the 12-month increase was the lowest since January 1996 and that the underlying trend in retail sales growth "has slowed."

The downward revision of the growth data was consistent with official estimates of a sharp slowdown of the economy.

Chancellor of the Exchequer Gordon Brown revised down his own growth forecasts earlier this month. He said the economy would grow by just 1.0 to 1.5 per cent next year because of the global economic slump.

The forecast was sharply below Brown's earlier prediction of between 1.75 and 2.25 per cent that he made in March.

Brown said that in 2000, growth would rise to between 2.25 and 2.75 per cent, and in 2001, growth would rise to between 2.75 and 3.25 per cent.

## Europe-wide stock market Nine bourse heads meet Nov 27 in Paris

PARIS, Nov 21: The heads of nine European stock markets will meet here on November 27 to discuss the creation of a Europe-wide stock market, the Paris stock market authority, the SBF said yesterday, reports AP.

The announcement came after Madrid, Milan and Brussels said they would be interested in joining a pan European stock market proposed by London and Frankfurt to start operating after the launch of the euro single currency in 11 European Union countries in January.

After the euro launch, stocks on many European markets will be quoted in euro.

The La Gefe newspaper said on Thursday that the Paris stock exchange had signed a letter of intent to join the planned single market, announced by London and Frankfurt in July, the two also invited other leading European bourses to join.

The agreement provides for "cross membership of members of the three markets to each of the two others, and will also offer members of all three exchanges to trade in the leading stocks of the three markets from January 4, La Gefe said.

Following discussions between European bourses that began after the initiative taken by the London and Frankfurt bourses in July, the SBF Paris bourse has decided to invite the presidents of the Amsterdam, Brussels, Frankfurt, London,

Madrid, Milan, Stockholm and Zurich bourses to Paris on November 27, the SBF said in a statement.

The aim is to agree on the procedure and conditions necessary for the creation of a federal type and competitive pan European stock market, the statement said.

Paris had ambitions of forming its own European stock market alliance, but was left out in the cold when the Frankfurt and London stock markets decided to tie up in July, inviting Madrid, Paris, Amsterdam and Milan to join them.

The French stock market now seems to have bowed to the inevitable, particularly as the Madrid market agreed to join the alliance on Wednesday.

The head of the Milan exchange, Stefano Preda, said on Thursday that he would be attending the November 27 meeting and hoped that an agreement will be reached rapidly although he said that he thought the tie-up would involve only six countries.

Brussels stock market President Olivier Lefebvre meanwhile told Europe 1 radio that the was very interested in such a tie-up.

"We immediately expressed an interest," after London and Frankfurt announced they had agreed on an alliance in July," because stock markets cannot remain isolated in a European context," he added.

### Commodity: Weekly Roundup

## Oil goes down despite resolution of US-Iraq standoff

LONDON, Nov 21: The lifting of the imminent threat of US-led military action against oil-rich Iraq this week sent oil prices, already in the doldrums, into a new downward spiral, reports AP.

"After the end of the Iraqi standoff, the market got depressed and is losing ground ever more because there are no positive fundamentals whatsoever," said an analyst at ED and F Man international brokerage.

Investors see no inspiration for buying oil, which in addition to the price-cutting effect of Iraq's decision to stand down in the confrontation with Washington, is hit by overproduction and increasingly poor demand.

Brent prices on the International Petroleum Exchange (IPE) closed the week at 11.56 dollars a barrel, from 12.53 dollars last week.

Prices briefly touched an all-time low of 11.15 dollars a barrel mid-week.

The market has for months been creaking under the weight

of excess supply and low demand amid the global economic slowdown. Prices have not been this low since October 1988.

Since the resolution of the latest crisis with Iraq on Monday, investment funds have been selling off their speculative positions driving prices sharply lower.

"There is nothing to drag the market out of here. People don't even expect anything from the next OPEC meeting next week," said Lawrence Eagles, an oil analyst at GNI brokerage.

The specialist Middle East Economic Survey (MEES) said that OPEC production, which represents 4.37 per cent of world supply, reduced output to 26.85 million barrels a day in October from 27.27 million in September, but still well above a pledge made in March to cut production to 26.287, but still well above a pledge made in March to cut production to 26.287 million.

Global production reached 74.20 million barrels per day

last month, the International Energy Agency said.

In addition to this vast production the world already holds record stock levels. There are almost 87 days' worth of reserves around the world, or some 481 million barrels, according to the Centre for Global Energy Studies (CGES).

The CGES research group said in its latest study that in the absence of a particularly severe winter in the northern hemisphere or an extraordinary event such as military strikes against Iraq, prices would not rise back to 14 dollars a barrel for more than a year.

**RUBBER:** Flat. Rubber prices remained unchanged in the absence of a particularly severe winter in the northern hemisphere or an extraordinary event such as military strikes against Iraq, prices would not rise back to 14 dollars a barrel for more than a year.

Rubber prices remained unchanged in the absence of inter-

vention by the International Natural Rubber Organization.

The climate in Thailand was once again favorable for rubber cultivation and local dealers have been shedding stocks, the Lewis and Peat trading house said.

The London rubber index remained unchanged at 495 pounds a tonne (November delivery) and 500 pounds (for December).

On the Kuala Lumpur market, the RSSI index remained unchanged at 2.74 ringgits a kilo.

**COFFEE:** Weak. Coffee prices fell slightly this week after the US Department of Agriculture upwardly revised by three per cent its estimate for Brazilian exports in 1998-99 to 19.1 million sacks of 60 kilos each.

However, the USDA gave a slight downward revision of its estimate for total production in the season, at 35.6 million sacks, down from 35.8 million sacks.

On the New York futures market, March Arabica contracts fell 80 cents to 110.05 cents.

On the London futures market, January Robusta contracts fell 30 dollars to 1.643 dollars a tonne.

However, Robusta for November delivery rose in price due to the scarcity of the coffee on the physical market, rising 81 dollars to 2,121 dollars a tonne.

Heavy rain in Vietnam slowed down exports by cutting the number of beans arriving in ports.

**COCOA:** Unsweetened. March cocoa contracts fell a sharp 34 pounds to 1,000 pounds a tonne in response to a huge Cote D'Ivoire crop.

Investors said that prices may edge back up because deliveries of cocoa to the ports in Cote D'Ivoire, the world's biggest producer, are unusually slow for the season, suggesting that yields in the plantations may be falling.

**TEA:** Cold. Despite good demand at the Mombasa, Kenya auctions, most lots fell in price, the tea broker's association in London said.

BPI top quality teas fell 10 cents to 25 cents a kilo while mediums fell between five and 10 cents a kilo. PF1s were mixed.

Pakistani and Somali traders buoyed the market with their buying, while traditionally strong buyers from Sudan, Egypt and the Middle East were less active.

**SUGAR:** High. Sugar prices remained pegged at high levels in the light of "aggressive" buying on the part of speculative investment funds, amid predictions of a fall in European harvests.

On the London market, contracts for delivery in May, 1999, closed unchanged at 244.70 dollars a tonne.

The Czarnikow trading house predicted that Brazil would depose Europe as the 94's dominant producer this year.

### Shipping Intelligence

Chittagong port						
Berth position and performance of vessels as on 21-11-98						
Berth No.	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/3	Banglar Kallol (24)	Q	Mong	BSC	17/11	19/11
J/4	Yasmina	Rice(P)	Kaki	SMSL	8/11	19/11
J/5	Global Bridge	Q	Busa	Rainbow	7/11	19/11
J/6	Orhangazi	Wheat(P)	Istam	AASS	3/11	22/11
J/7	Banglar Maya	Q	Male	BSC	14/11	22/11
J/8	Leona	Q	Osaka	Prog	11/11	20/11
J/9	Shong Chon Gang	Rice(G)	Kaki	USTC	16/11	23/11
J/10	Colden Virgo	Q	Col	OWSL	13/11	21/11
J/11	Godd Will	Q	Yang	Abahoni	15/11	20/11
J/12	S Pioneer	What(G)	S Hani	LSC	R/A	25/11
J/13	Banglar Robi	Cont	Sing	BSC	R/A	19/11
CCT/1	Makassar Express	Cont	Col	Baridhi	12/11	19/11
CCT/2	Richmond	Cont	Sing	QCSL	13/11	19/11
CCT/3	Manaslu	Cont	P. Kel	PSL	11/11	19/11
RM/15	Abat	Cement	Sing	USTC	9/11	22/11
CCJ	Sibel Deval	C.Clink	Jaka	PSAL	18/11	30/11
GSJ	Handy Trader	Wheat(G)	Sing	SST	13/11	22/11
TSP	Princes	R Phos	Hame	Litmond	11/11	22/11
RM/4	Vivi	Cdso	Durb	Rainbow	14/11	24/11
RM/5	Hawahain express	Sko/Ms	Sing	MSTPL	16/11	19/11
DD	Banglar Mamata	Repair		BSC	R/A	30/11
DDJ/1	Tanary Star	IDLE	Para	PSAL	-	30/11
RM/8	AL Salamas	Repair	Visa	ASLL	29/8	20/11
RM/9	Banglar Jyoti	Repair		BSC	R/A	20/11
Sm-10	Tug Ves Fair			Karna	-	19/11

Vessels due at outer anchorage						
Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading	Port
Banglar Shikha (Cont)	19/11	Sing	BSC	Cont	Sing	Sing
Xpress Resol (Cont)	19/11	Sing	RSL	Cont	Sing	Sing
Devolan	19/11	Aust	SST	Wheat(G)	-	-
Penguin	18/11	yang	SMSL	Q	-	-
Meraks	17/11		USTC	PSSP	-	-
Arktis Ocean (48)	15/11		Sunshine	Q	-	-
Martina	20/11		USTC	Cement	-	-
Robin	20/11		Seacom	Sugar	-	-
Dunga Maslapan (Codnt)	19/11		EOSL	Cont	Sing	Sing
Da Fa (Cont)	12/11	Sing	RSL	Cont	Sing	Sing
Min Jiang	20/11		Bdship	Q	-	-
Yanglin	19/11		Prog	Q	-	-
Abuja (Cont)	8/11		Bartol	Q	Col	Col
Corall	25/11	Indo	Delmure	C.Clink	-	-
Bright Vega	21/11		BBA	Vehi	-	-
Kota Cahaya (Cont)	12/11	Sing	Pil(BD)	Cont	Sing	Sing
Dong Long-1	20/11		Bdship	Q	-	-
Banglar Mont (Cont)	5/11	Sing	BSC	Cont	Sing	Sing
Cosmic	22/11	Rese	OWSL	What(G)	-	-
Liverty Star	22/11		Ancient	What(G)	-	-
Lasia	23/11	P.Land	Lams	Wheat (P)	-	-
Capent Letteris	23/11	Mong	Ancient	-	-	-
Ib Everet 18/11	23/11		Everett	Q	Cal.Sing	Cal.Sing
Mary Nour	23/11		BESL	Cement	-	-
Shizap 16/11	23/11		Ancient	Wheat(G)	-	-
Bunga Mas Enam (Cont)	15/11	24/11	Kaki	MSL	Rice(G)	-
Hibiscus (Cont)	15/11	24/11	Sing	QCSL	Cont	Sing
Yong Jiang	25/11	Col	Bdship	Q	-	-
Banga Biro 17/11	26/11	Sing	Bdship	Cont	Sing	Sing
Qc Pintal (Cont)	15/11	26/11	Sing	QCSL	Cont	Sing
Jing Yang	26/11		TMIL	PSSP	-	-
Acacia 16/11	26/11	Sing	RSL	Cont	Sing	Sing
Marine Hope	27/11		TMIPSSP(Per)	-	-	-
Norbuk Pine	28/11		Prog	Q	-	-
Kota Sanga 18/11	28/11	Sing	Pil (BD)	Cont	Sing	Sing
Kan Pan	30/11	Norf	OWSL	Wheat(G)	-	-

Tanker due						
Name of vessels	Cargo	Last port call	Local agent	Date of arrival		
Julie-N		19/11	Sing	MSTPL	Sko/ms	-
Romina-G		20/11	Jebe	ASTA	Cruide Oil	-

Vessels registered						
Name of vessels	Cargo	Last port call	Local agent	Date of arrival		
Trono (R)	Q	Yang	Everett	18/11		

Vessels at Kutubdia						
Name of vessels	Cargo	Last port call	Local agent	Date of arrival		
Seabulk Command					IIS	R/A(2/8)
Mariaspes	Wheat(G)		Sing	SSSP	BSC	R/A(17/11)
Banglar Asha	Wheat(G)			BSC		

Vessels at outer anchorage						
Ready on						
Name of vessels	Cargo	Last port call	Local agent	Date of arrival		
Jurong Basam(Cont)	Cont	Sing	Nol	13/11		
Kota Berjaya(Cont)	Cont	Sing	Pil(BD)	14/11		
Sun Bright	Q	Sing	Seaglor	14/11		
Ocean-1	Q	Yang	SMSL	15/11		
Prosrich	Cont	Sing	QCSL	15/11		
Marine Fortuner	Q	Sing	RML	17/11		
Sea Master-1	Q	Kues	Oui	18/11		

Vessels awaiting instruction						
Name of vessels	Cargo	Last port call	Local agent	Date of arrival		
Undok-1	Cement	Sing	PSAL	15/11		
An Nok Gang	Pssp	Egyp	SSTL	18/11		
Karya Sentosa	Rice(G)		USTC	R/A(18/9)		
Rongjiang	Rice(G)	Kaki	OWSL	R/A(9/9)		
Ritz	Rice(P)	Kaki	CROSS	R/A(24/9)		
Delta star			RAS	R/A(7/7)		