

Environmental damage in Gulf War Kuwait seeks \$16b compensation

KUWAIT CITY, Dec 8: Kuwait will seek more than 16 billion dollars compensation for environmental destruction wrought by Iraq during the 1991 Gulf War, a newspaper said yesterday, reports AFP.

Kuwait public authority for assessment of compensations estimates claims to be 16.3 billion dollars, and will present its case to the UN Compensation Commission (UNCC) in February, Al-Anaba said.

The authority's Deputy Chairman, Adel Asem, said that "the figure was not final because a large part of environmental claims depends on the results of long-term studies."

The claim is five fold and includes damages to public health, water resources, the desert, marine and coastal areas and oil reserves, as well as the bill for research.

Asem added that there would be some coordination between Kuwait and neighbouring countries also affected.

"Neighbouring countries are very keen to coordinate with the UNCC on how to review and press these claims," he said, referring to the oil spillages that hit Saudi Arabia and Iraq's coastlines and the acid rain that Syria and Jordan suffered.

In 1991, Iraqi troops retreat-

ing after a seven-month occupation, smashed and torched 727 wells, badly polluting the atmosphere and creating crude oil lakes.

In addition, up to eight million barrels of oil were split into the sea by the Iraqi forces damaging marine life and coastal areas up to 400 kilometres (250 miles) away.

The magnitude of the impact of the oil spills and fires is still unknown, and might even lead to a permanent environmental disequilibrium," Asem said.

The officials, speaking on condition of anonymity, said the ministers also agreed to ask Mexico, which is not an OPEC member, to join in cutting back production.

The officials did not know the exact cuts agreed by the ministers, apparently at the urging of Saudi Arabia.

The oil ministers are among the delegations accompanying the six GCC leaders at a three-day summit in Abu Dhabi that opened Monday.

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"The ministers' decision likely will be reviewed by the GCC leaders, and it is expected to get their endorsement."

The GCC groups — Saudi Arabia, Kuwait, Bahrain, Oman, Qatar and the Emirates. All except Oman and Bahrain are members of OPEC.

The decision by the GCC oil ministers comes less than two weeks after OPEC ministers adjourned a testy, year-end meeting in the Austrian capital Vienna without agreeing on measures to halt the slide in oil prices.

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GCC states agree to cut oil output to boost prices

ABU DHABI, Dec 8: Gulf Arab oil ministers agreed Tuesday to cut oil production to shore up weak world prices that have hit their economies hard, officials close to the talks said, reports AP.

They said that oil ministers of the six-nation Gulf Cooperation Council agreed to reduce production starting in March and to ask other producers in the Organisation of Petroleum Exporting Countries to join them in the cuts.

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tracts for Brent crude — a widely watched benchmark — fell to a record low of \$9.92 a barrel on the International Petroleum Exchange in London. The contracts closed at \$10.26.

Gulf oil generally sells at a dollar or two less than the North Sea's Brent — which itself was selling for around \$20 a barrel as recently as 1997.

The Gulf countries, which together sit on half the world's proven oil reserves and depend on exports for 75 per cent of their revenues have been hard hit by plummeting oil prices.

The officials said that pressure for a decision on production cutbacks came from Saudi Arabia, the world's largest oil exporter.

"The main source of our income has been greatly shaken by the imbalance of the oil market," Saudi Arabia's Crown

Prince Abdullah said Monday.

"Such an imbalance requires us to exert our utmost efforts inside and outside OPEC," said Abdullah, who is leading the Saudi delegation to the GCC in place of his ailing half-brother, King Fahd.

He called for new and serious measures to restore market balance and "not hesitate to take further measures for the common interest."



South African President Nelson Mandela (left) and UN Secretary General Kofi Annan sit beside each other during the opening session of the annual Gulf Co-operation Council Summit (GCC) in Abu Dhabi Monday.

— AP/UNB photo

BCIC Tender Notice

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The Managing Director, TSP Complex Ltd, Patenga, Chittagong invites sealed quotation from the bona fide supplier for the supply of "Spares for Dilution Cooler" against Tender Enq No TSP/Pur/2.03/Maint-1172(A) dt 22-11-98 and Sulfuric Acid (SA) Dilution Cooling Unit against Tender Enq No TSP/Pur/2.03/Maint-1172(B) dt 22-11-98 on C&F(C) Chittagong basis from any suitable source of foreign exchange. Tender documents will be available from (i) the Controller of Accounts, BCIC, BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka (ii) BCIC Branch Office, 6, Agrabad C/A, Chittagong & (iii) TSP Complex Ltd, Patenga, Ctg on payment of Tk 200/- (non-refundable) per set. Tender will be received up to 11.30 AM on 13-1-99 (i) BCIC Purchase Division, BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka (ii) BCIC Branch Office, 6, Agrabad C/A, Ctg & (iii) TSP Complex Ltd, Patenga, Chittagong simultaneously and will be opened immediately therefore. No tender documents will be sold on the date of opening. The authority reserves the right to accept or reject any or all tenders either in part or in full without assigning any reason thereof.

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Brent oil falls to historic low

LONDON, Dec 8: Brent, the reference North Sea crude oil, fell to a historic low of 9.92 dollars a barrel yesterday on the international petroleum exchange, before climbing back up slightly to 9.96 dollars, says AFP.

Brent January contracts closed at 10.11 dollars a barrel on Friday.

Brent had been trading more firmly earlier Monday following the election of populist Venezuelan President Hugo Chavez amid speculation that he will be more supportive of the OPEC cartel's attempts to cut production and boost the market.

Venezuela is a founding member of the Organisation of Petroleum Exporting Countries, but has become one of the worst quota busters in the cartel, contributing to OPEC's inability to manipulate the market in its favour.

Downward spiral continues on Kuwaiti bourse

KUWAIT CITY, Dec 8: The Kuwait Stock Exchange (KSE) index crashed through the 1,700-point barrier to close yesterday at a record year-low, as investors shied away from a market which has slumped 37 per cent this year, reports AFP.

Analysts said the downward spiral of the bourse has been further affected by the failure of last month's OPEC meeting to extend or deepen existing output cuts.

"Kuwait is an oil-dependent economy, bad news on oil prices will keep up the negative sentiment on the bourse," said one trader.

"OPEC indecision on collective measures to bolster oil prices is not encouraging."

"Coupled with the recent wranglings between the central bank and government on intervention, none is interested in going near the KSE, he added."

Sheikh Salem Abdul Aziz Al-Sabah, Governor of the Central Bank of Kuwait (CBK), and five other senior bank officials had threatened to resign if the government allowed investment companies finance trading at the KSE.

One of the main topics they will deal with is Cambodia's

Pre-ASEAN summit meet begins

HANOI, Dec 8: Economics and Cambodia headed the agenda as high-level officials began meeting Tuesday to pave the way for next week's summit of the Association of Southeast Asian Nations, says AFP.

The officials are fine-tuning a declaration that will be signed by their leaders at the Dec. 15-16 summit. It calls for increased liberalisation of trade and services, faster implementation of a regional tariff agreement, better monitoring of economies in the region and stepped-up deregulation of the financial sector.

Some things will be added and tinkered with," a Vietnamese delegate said.

Tuesday's agenda included discussion about expanding the ASEAN Industrial Cooperation Scheme for a limited period because of the region's economic problems.

Foreign ministers and economic ministers from ASEAN's nine current members will meet separately Friday and Saturday, then jointly Sunday.

One of the main topics they will deal with is Cambodia's

Hong Kong bourse to impose pay freeze for employees

HONG KONG, Dec 8: The Hong Kong Stock Exchange said Tuesday it will join other major companies and freeze the salaries for its 450 employees next year, says AP.

The economy is not that good, said exchange spokesman Henry Law.

The news followed a flurry of layoffs and salary freezes among local companies.

HSBC, the territory's largest bank, said last week it would freeze salaries for all its 13,000 staff in Hong Kong next year.

Union leaders fear more companies will cut or freeze salaries ahead of the Chinese New Year, when most companies review their operations. Often, companies in Hong Kong lay off unneeded workers at the new year, handing them their annual bonus and offering a traditional thanks for the year's service.

Hong Kong's unemployment hit 5.3 per cent in the third quarter.



Bangladesh Express Co Ltd (BANEX), licensee of Federal Express Corporation (FedEx) sponsored the prize of the raffle draw held on the occasion of the 1st anniversary of AKTEL TM International recently. The Dhaka-Calcutta-Dhaka Air-Tickets prize-winners were Ulfat Kabir, a renowned magician, and his wife. The prize was presented by A S M Azad Khan (2nd-L), Director, BANEX, GSP-FedEx. GM of BANEX Bashir A K Chowdhury (L) was also present.

— BANEX photo

Bulls still dreaming of Dow 10,000

NEW YORK, Dec 8: Approaching the end of a wild year of ups and downs in the stock market, Wall Street's bulls still have their sights set on a target of Dow 10,000, reports AP.

That bull-market milestone is only a few hundred points beyond the record highs of 9,300-plus set by Dow Jones's average of 30 blue chip industrials in July and November.

Even with its recent drop back below the 9,000 level, the average would need a gain of only 12 per cent to 13 per cent in 1999 to put it into five-digit territory. The Dow has performed that well or better in each of the past four years.

Indeed, analysts such as Thomas Galvin at Donaldson, Lufkin and Jenrette Securities and Yale Hirsch, publisher of the annual Stock Trader's Almanac, talk up 11,000 as a possibility by the end of next year.

His explanation for this pattern: "Electing a president every four years has set in motion a political stock market cycle. Most bear markets take

make new foreign investments at attractive costs.

He also suggests that the so-called Y2K problem, involving the need to reconfigure many computers by the time the year 2,000 arrives, may have the beneficial side effect of increasing efficiency and productivity as it forces a general upgrade of computer systems.

"We believe that as the consensus begins to ponder these factors, the bleak outlook currently shared by most will slowly dissipate," Galvin concludes.

Hirsch, in the 1999 edition of his annual almanac, argues that the market is moving into the most bullish part of the four-year political cycle, the year before a presidential election. "No pre-presidential election year has lost ground in 60 years," he says.

His explanation for this pattern: "Electing a president every four years has set in motion a political stock market cycle. Most bear markets take

place in the first or second years after elections. Then the market improves.

"What happens is that each administration usually does everything in its power to juice up the economy so that voters are in a positive mood at election time."

Most important of all for the bullish case, say many analysts, is the recent series of three credit-easing moves by the Federal Reserve aimed at steering the economy clear of recession. Late last week, 11 European central banks also took steps to lower key interest rates.

"Life is good when central bankers are on our side," says Greg Smith, investment strategist at Prudential Securities. "When central banks decide to provide more liquidity, they exert a powerful positive force."

"There's every reason to believe that swift and significant action can prevent some of the economic problems that worried the world this summer from actually coming to pass."

Exchange Rates

American Express Bank Ltd foreign exchange rates against the Taka to clients.

Currency	Selling TT & OD	Buying H Clean	Selling BC	Buying OD Sight	Buying TT & OD
USD	48.7050	48.7450	48.3100	48.1570	48.0850
GBP	80.6652	79.5038	80.7315	79.2520	79.1335
DEM	29.0846	28.6723	29.1084	28.5815	28.5388
JPY	0.4063	0.3995	0.4066	0.3983	0.3977
FRF	8.7431	8.4878	8.7502	8.4609	8.4483
SAR	13.0314	12.8399	13.0421	12.7992	12.7801
MYR	12.4497	12.3457	12.4610	12.2562	12.2865
AED	13.2972	13.1163	13.0811	13.0748	13.0552
KWD	166.5698	154.5178	166.7066	154.0285	153.7988
QAR	13.4166	13.2313	13.4276	13.1894	13.1696

Bill Rates:

TT Doc	