

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 spilled 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.

'UN sanctions against Iraq to go soon'

MOSCOW, Dec 8: Russia is in favour of lifting international sanctions on Iraq soon, Russian Prime Minister Yevgeny Primakov said yesterday during a meeting with Iraqi Deputy Prime Minister Tareq Aziz, the Interfax agency said, reports AFP.

"We (Russia) are following a policy that would lead to a lifting of sanctions against Iraq. We believe that soon sanctions will be lifted from Iraq," Russian Foreign Minister Igor Ivanov said earlier after talks with Aziz.

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.

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.

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.

Instead of agreeing to further production cuts or to extend previously agreed cutbacks, the 11-nation cartel decided to review the situation in March.

The decision sent markets into gyrations.

Shortly before the GCC meeting began, January futures con-

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

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 10.19 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.

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 AP.

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

application for membership, which was given a boost Monday when the United Nations agreed to restore its representation at the world body.

Cambodian Foreign Minister Hor Nam Hong told the UN General Assembly session that now there is nothing to prevent his country from joining ASEAN.

ASEAN leaders had put the application on hold until Cambodia installed a new government, which occurred late last month.

ASEAN includes Indonesia, Malaysia, Thailand, the Philippines, Singapore, Brunei, Vietnam, Myanmar and Laos. Japan, South Korea and China also will attend the summit as "dialogue partners."

A Vietnamese official indicated his country will try to receive some of the funds to be allocated in the "Miyazawa package," Japan's \$30 billion initiative to help economically troubled Asian nations.

Vietnam is hosting the summit for the first time since becoming a member in 1995.

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 take 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.

This kind of optimism is by no means unanimous, however. Many professional investors, including people who run some

of the big stock mutual funds, say it's very dangerous to project the future as a straight line running out of the recent past.

To their way of thinking, the market's dramatic comeback this fall from its late-summer selloff looked like too much too soon, putting stocks back on the same overvalued perch from which they fell in July and August.

Along with misgivings about valuation, many observers worry that corporate earnings growth will be a lot weaker in the foreseeable future than the torrid pace — about 13 per cent a year, by some measures — set over the past five years.

"This has been the best period of profit growth in this century," said John Ballen, chief investment officer at MFS Investment Management in Boston.

But Galvin at DLJ says he believes annual earnings growth can continue at 10 per cent to 12 per cent over the next three years, bolstered by such influences as technological progress and opportunities to

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	Selling Clean	Buying 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	13.3081	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 Buying Rates:							
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days		
48.2112	47.9074	47.5048	47.1023	46.6667	45.8945		
US dollar London Interbank Offered Rate (L/BOR) as of December 8, 1998							
	Buying	Selling	Currency	1 Month	3 Month	6 Months	9 Months
Cash	48.0850	48.7050	USD	5.53	5.25	5.125	5.06
T C	48.0850	48.7050	GBP	6.625	6.50	6.25	6.125

Exchange rates of some Asian currencies against US dollars						
Indian Rupee	Pak Rupee	Thai Baht	Malaysia Ringgit	Indonesia Rupiah	Koran Won	
42.56/42.57	54.10/54.20	35.93/35.98	3.8000/3.8002	7380/7430	1214/1217	

Amex notes on Tuesday's market
The USD/BDT market remains stagnant. The supply of USD has increased slightly. But the demand remains unchanged. The market rates were 48.6500-48.6525.

The call market was active today. The call rates rose slightly to 8.20% before falling to 7.75%.

The dollar was trapped in ranges early in Europe on Tuesday, while sterling came under the spotlight with its slide to one-month lows against the mark and one-week lows against the dollar.

Mounting evidence of a slowdown in British economic activity and last week's cut in European interest rates have fanned expectations that the Bank of England Monetary Policy Committee will cut interest rates after it meets this week.

The dollar was at 1.6768/73 marks and 119.80/90 yen from 1.6769/74 and 119.53/63 on Monday. The US currency was offered some support against the mark after European Central Bank Vice President Christian Noyer said overnight that prospects for growth in the euro zone had weakened and that the risks were predominantly on the downside.

His comments came a day after a newspaper quoted ECB president Wim Duisenberg as saying he hoped the euro would not unduly undermine the competitiveness of its founders.

Even so, the dollar has yet to break above a technical hurdle at 1.6815/30 marks which has blocked its way for four consecutive trading days. Meanwhile, only losses below the December 3 low at 1.6815 marks would reignite pessimism about the dollar's outlook, analysts said. For fresh direction, traders are looking to European Central Bank President Wim Duisenberg, who is to speak before the European Parliament Economic Affairs Committee at 1000 GMT.

Also, finance officials from the Group of 10 industrial nations are to attend a regular economic policy review meeting at the Organisation for Economic Cooperation and Development in Paris.

Meanwhile, persistent concern about Japan's economic woes is seen keeping the dollar well bolstered against the yen. Japan's Economic Planning Agency said in a monthly report released overnight that the economy was still in a prolonged slump. While the EPA said there were subtle signs of improvement, analysts said they were not yet noticeable enough to give the yen any help.

Still, the dollar will struggle to top the 124 yen barrier which rebuffed its attempts to rally on November 30 given that Japanese corporates are waiting for any move towards 123-124 yen to offload dollars, said Martin at Barclays Capital.

Rising speculation that rates could fall by more than the quarter-percentage point traders had discounted drove sterling as low as 2.7646 marks and \$ 1.6471 early in European on Tuesday.

At 12:00 GMT USD was at 1.6713/1.6718 DEM, 119.39/119.43 JPY, 1.3664/1.3674 CHF, 5.6040/5.6060 FRF and GBP was at 1.6510/1.6520 USD.

Shipping Intelligence

Chittagong port						
Berth position and performance of vessels as on 08.12.98						
Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Sea World	Wheat(G)	K Dia	FRANK	R/A	12/12
J/2	Arktis Blue	Q	BOMB	Sunshine	5/12	9/12
J/3	Dong Long-1	Rice(P)	Cal	MBL	R/A	9/12
J/4	Yang Lin	Q	Cing	Prog	22/11	15/12
J/5	Baltimar Venus	Q	Sing	Seacom	1/12	11/12
J/6	Norbuk Pine	Q	Miza	Prog	28/11	14/12
J/7	Robin	Sugar(G)	P Darb	Seacom	21/11	9/12
J/8	Banglar Maya	Wheat(G)	Q	BSC	R/A	9/12
J/9	Darin Naree	Wheat(P)	Capt	Total	17/11	10/12
J/10	Shan King	Wheat(G)	P Bin	Ancient	5/12	12/12
J/11	Prosrich	Cont	Sing	QCSL	3/12	9/12
J/12	Mariaspes	Wheat(G)	Sing	SSST	20/11	8/12
J/13	Kota Berjaya	12/12	Sing	PI(BD)	4/12	10/12
C/1	Jung Balam	Cont	SING	NSL	4/12	11/12
CCT/2	Manasul	Cont	Sing	RSL	2/12	8/12
CCT/3	Banga Birol	Cont	Sing	BD Ship	30/11	8/12
RM/14	Sehal Deval	C. Clink	Jaka	PSAL	R/A	11/12
RM/15	Jiang Yang	PSSP	Sing	TMIL	1/12	11/12
CJ/1	APJ	C. Clink	Jaka	PSAL	R/A	14/12
GSI	Global Jane	Wheat(G)	Mong	Ancient	R/A	8/12
TSP	AL Swamuz	C. Clink	CICA	ASLL	30/11	15/12
DOJ	Banglar Jyoti	C. Oil		BSC	R/A	13/12
DD/1	Banglar Mamata	Repair		BSC	R/A	10/12
BM/1	Tanvir Star	Para	PSAL	BSC	R/A	30/12
RM/8	Penguin	Repair	Yang	SMSL	19/11	13/12
RM/9	Banglar Shourabh	Repair		BSC	R/A	10/12
KAFCO(U)	Sun Bright	Urea		MBL	R/A	8/12

Vessels due at outer anchorage						
Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading	port
Makmur perkasa	12/12	Mong	Frank			
Al Muztuba	10/12	Kara	CLA	Rice(P)/Gi		
Kimdong	9/12	Baki	MSL	Rice(G)		
ESCO Virgo	8/12	Sing	Prog		Gi	
Ken Pan	9/12	Norf	OWSL	Wheat(G)		
Martina	10/12		USTC	Cement		
Sea Phoenix	8/12	Vanc	AASSWheat	(P)Peas		
Hai Nan No.1	9/12		MBL	C Clink		
Kota Naga (Cont)30/11	9/12	Sing	Pil (BD)		Cont	Sing
Bunga Mas Enem						
(Cont)29/11	9/12	P Kel	EOSL		Cont	Sing
Abuja (Cont)1/12	10/12	Col	Baridhi		Cont	Sing
Suthathip Naree	9/12		Move	R.Phos(TSP)		Cont
Xpress Resolve (Cont) 1/12	9/12	Sing	RSL			Sing
Banga Biraj (Cont) 22/11	9/12	Sing	BD Ship		Cont	Sing
Young Jiang	12/12	Col	BD Ship		Gi	
Jiang Chuan	10/12		Bdship		Gi	
Ocean-1	11/12	Yang	SMSL			
Merake	15/12		USTC			
Sa Fa (Cont) 1/12	10/12	Sing	RSL		Cont	Sing
Aghla Sophia	10/12	Le Harve	OWSL	Wheat(G)		
Dalmacija Frigo	11/12		MSA	GI(Onion)		
Xia Mei	11/12		BD Ship		Gi	
Al Quarmar	12/12		PSAL	C.Clink		
Mingzhou-3	12/12		Seacom	Urea		
Hibiscus (Cont) 2/12	12/12	Sing	QCSL		Cont	
Banglar Mori (Cont) 29/11	13/12	Sing	BSC		Cont	Sing
Qatarati (Cont)2/12	13/12	Sing	QCSL		Cont	Sing
Batbi Aman (Cont) 6/12	13/12	Sing	RSL		Cont	Sing
Acacia (Cont) 6/12	13/12	Sing	RSL		Cont	Sing
Kota Cahaya (Cont) 30/11	14/12	Sing	Pil (BD)		Cont	Sing
Qc Teal 7/12	14/12	Sing	Pil (BD)		cont	Sing
Asean Jumbo	20/12		Oil		Gi	
Kota Sitinga (Cont) 6/12	15/12	Sing	Pil (BD)		Cont	Sing
Makassar Express						
(Cont) 6/12	15/12		Baridhi		Cont	Col
Jaami	16/12	Cal	Royal		Rice	
Bangladekar Robi 7/12	17/12	Sing	RSC		Cont	Sing
Tierra Azul	18/12		Everett		Gi	