

Curbs on industry spare parts eased Iraq blasts US plan to lift cap on oil exports

BAGHDAD, Jan 16: An Iraqi Cabinet minister criticised on Friday a US proposal to remove the cap on Iraq's oil exports and renewed a demand that all UN trade sanctions on the country be lifted, says AP.

Trade Minister Mohammed Mehdi Saleh's comments came a day after the United States proposed ending limits on Iraqi oil exports under UN resolutions — provided all the income be spent for food and other humanitarian goods.

The United States put forward the plan Thursday at the United Nations to counter a French proposal to lift the oil embargo while establishing a system for long-term monitoring of Iraq's weapons production.

"Iraq will not accept anything short of a comprehensive lifting of the unfair embargo," the minister said in a statement carried on the official Iraqi News Agency.

Under the current oil-for-food programme Iraq is allowed to export up to \$ 5.2 billion worth of oil every six months as an exception to the UN trade sanctions imposed after its 1990 invasion of Kuwait.

The sanctions cannot be lifted until UN arms inspectors verify that Iraq has eliminated its weapons of mass destruction.

Iraq's resistance to the UN arms inspection programme has led to a series of crises that culminated in four days of US and British airstrikes on the country last month to try to force Iraq to cooperate with the UN inspectors.

Saleh told the news agency that Iraq needs the abolition of sanctions in order to "meet the needs of its people."

Saleh criticised the oil-for-food programme saying it has "proved its failure in alleviating the human suffering of the Iraqi people as it only meets 10 per cent of their needs."

The minister also rejected US accusations that Iraq was not using the programme effectively.

"The US administration... is playing with the humanitarian plight of the Iraqi people to achieve political aims," he said.

In introducing the plan, Peter Burleigh, deputy US ambassador to the United Nations, blamed the Iraqis' suffering on the regime of President Saddam Hussein.

In the past year, oil prices have fallen by half, and former Iranian President Akbar Hashemi Rafsanjani made a similar proposal Friday for decreasing world oil production.

Meanwhile, the US government relaxed on Friday its curbs on sales of spare parts to Iraq by its petroleum industry in another concession designed to provide more food and medicine to the Iraqi people.

State Department spokesman James P. Rubin said in making the announcement that "we're going to go the extra mile in trying to ensure that we do all we can" for the hungry and sick in Iraq "while ensuring the money generated does not go to assist the Iraqi regime."

He stressed the action applied only to spare parts that would help Iraq extract and export oil under the UN oil-for-food programme. On Thursday, the administration proposed removing a UN ceiling on Iraqi oil sales provided the proceeds were used to purchase food and other humanitarian supplies for the Iraqi people.

But in Baghdad, Trade Minister Mehdi Saleh demanded an end to all UN trade sanctions and said Iraq would not accept anything short of that.

Rubin responded saying "we are familiar with Iraq's immediate reaction to proposals to improve the plight of their people. We, for many years, have tried to improve the plight of their people and Iraq's response is usually 'no.' They don't want to improve the plight of their people. So this is a familiar pattern."

Calling on Baghdad to take advantage of the oil-sales exemption to an eight-year-old Security Council trade embargo, Rubin said Thursday that the process for approving contracts for food and medicine would be virtually automatic.

The job cuts include 2,200 workers in North America, while 2,000 employees will also be lost in Europe.

Most of the 4,600 jobs to go in South America, nearly 3,000, will come from Brazil, which is in the midst of an economic crisis having been forced to devalue its currency.

However it is unclear how many jobs will go in the UK. Ford has recently extended production cutbacks at Dagenham, its largest UK factory which produces the Fiesta. Workers will remain on a four day week until next month and there are fears that Dagenham workers could be involved in the latest round of job cuts.

In the slow lane
Massive over capacity in the car industry and a slowdown in demand due to problems in the world economy has forced Ford and its major rivals to cut costs.

Analysts believe the move is part of a plan by Ford to cut operating costs by \$1bn as it struggles to improve earnings.

However the massive job cuts will blow a hole in Ford's profits. The shake up at the group will cost the group a total of \$950m (\$573m).

Most of the money will go to pay workers' redundancy and retirement packages.

Profit blow
Ford is writing off \$110m for its investment in troubled South Korean car manufacturer Kia Motors and a further provision has been made for a transfer of a plant in Ohio.

Shares of Ford finished down \$1 at \$60 3/8 on the New York Stock Exchange.

The car industry is likely to go through a period of consolidation as manufacturers seek to overcome the over capacity that has dogged the industry over the past few years.

Ford has already been linked to a number of rivals and could launch an acquisition in the near future.

-- BBC Internet

Airtouch, Vodafone form mega-mobile powerhouse

SAN FRANCISCO, Jan 16: US and British mobile telephone operators Airtouch and Vodafone have announced a mega-merger, forming the world's largest mobile telephone company, says AFP.

The new mobile powerhouse, which will go by the name Vodafone Airtouch Plc will have a market capitalisation of 110 billion dollars and will serve 23 million customers worldwide.

The announcement came Friday after US telecommunications giant Bell Atlantic withdrew efforts to acquire the San Francisco-based Airtouch Communications.

The merger is a superb alliance of the two largest global mobile operators, said Chris Gent, Vodafone Chief Executive, in a joint statement released by both companies Friday.

"We share a vision of mobile communications as the principal platform for voice and data communications into the next century and have the people and the assets to realise this vision," he added.

Airtouch chairman and CEO Sam Ginn said the new company would have the size and financial resources to take advantage of future opportunities.

"It would become a 'leading force' not just in wireless services but throughout the telecommunications industry," he pledged.

The deal still requires the approval of both companies' shareholders plus governments and regulatory authorities, but it is expected to be closed in the second half of 1999, according to the statement.

The largest global wireless operator by a "substantial margin", Vodafone Airtouch will pair the world's largest wireless operator — Airtouch — with Britain's leading operator — Vodafone.

The new venture will rank as the third largest publicly traded company in the United Kingdom, and strategically will give Vodafone a foothold in the US market.

The two operators will also complement each other in Europe, where Vodafone has a presence not only in Britain but throughout continental Europe.

The US-based operator services 17 million customers globally through its various ventures, and the company is the number two US wireless operator behind AT and T, with 7.5 million subscribers.

It also has interest in cellular, paging and personal communication services in the United States, Belgium, Egypt, Germany, India, Italy, Japan, Europe and South Korea.

Through its global ventures, Vodafone already serves some 10 million subscribers, but the new venture will have the potential to reach one billion people in 23 countries on four continents, the statement predicted.

The duo are already partners through globalstar, a satellite mobile communication company competing with Iridium, which has the only network currently in place.

Vodafone's Chris Gent will head up the new company as CEO, with Airtouch's Sam Ginn becoming a non-executive chairman of the board of directors.

The new corporate headquarters will be in Newbury, England while US and Asia-Pacific operations will work out of San Francisco, California.

Japanese premier promises new coalition to revive economy

TOKYO, Jan 16: Japan's prime minister on Saturday vowed that the new coalition between the ruling Liberal Democratic Party and an opposition group will rebuild the country's ailing economy, a news report said, reports AP.

"I am determined to make utmost efforts so that the coalition government can take the initiative to rehabilitate Japan," Keizo Obuchi was quoted by Kyodo News agency as saying at the LDP's party convention.

Obuchi, who clinched a pact with the Liberal Party just days ago, said he was open to cooperating with other opposition groups as well, leaving the door open to an even broader coalition.

"The coalition with the LP is not the only option for building a stable power base. We will listen to opinions of political parties that will cooperate with us on all policies," Obuchi was quoted as saying.

Obuchi launched the LDP-LP coalition on Thursday by reshuffling the Cabinet. The alliance is chiefly aimed at creating a stronger power base for the LDP in Parliament, where its power was diluted in elections last summer.

The prime minister reiterated his pledge to achieve positive economic growth in fiscal 1999, starting April 1.

Dollar gains on floatation of Brazilian real

NEW YORK, Jan 16: The US dollar rose against most major currencies here after Brazil announced it would let its currency float, reports AFP.

At 4:30 pm (2:30 GMT) the dollar was trading at 113.99 yen compared to 113.63 yen the day before.

The euro was down to 1.1560 dollars compared to 1.1694.

Shipping Intelligence

Chittagong port									
Berth position and performance of vessels as on 14.01.99									
Berth No.	Name of vessels	Cargo	L/Port call	Local agent	Date of arrival	Leaving agent	Leaving arrival		
J/1	Golden D	Wheat (G)	K/Dia	Lams	R/A		14/1		
J/3	Jammi	Rice (G)	Cal	Royal	2/1		19/1		
J/4	Ecco Argo (48)	Cl	Tanj	Prog	12/1		14/1		
J/5	Samuda	Rice (P)	Kand	Seacom	1/1		16/1		
J/6	Lucky Oldendorff	M.Seed	Mad	Lutful	10/1		20/1		
J/7	Pirma Cynthia	Cl	Sing	Prog	23/1		14/1		
J/8	Song Lin	Cl	Sing	Bdship	30/12		19/1		
J/9	Al Swamir	Wheat (G)	K/Dia	ASLL	R/A		20/1		
J/10	Great Fortress	Wheat (P)	Turk	OWSL	28/12		19/1		
J/11	Banglar Mamata	Wheat (G)	K/Dia	BSC	R/A		15/1		
J/12	Kota Singa	Cont	Sing	Pil(BD)	6/1		16/1		
J/13	Banglar Momi (Flag)	Cont	Sing	BSC	5/1		14/1		
CCT/1	Budi Amana	Cont	Sing	RSL	3/1		15/1		
CCT/3	Prosrich	Cont	Sing	OWSL	4/1		14/1		
RM/14	Youngly	C.Clink	Sing	PSAL	10/1		25/1		
CCJ	Anodad Naree	C.Clink	Indo	Delmare	30/12		25/1		
CSJ	Banglar Shobha	Wheat (G)	BSC	R/A			15/1		
TSP	Qin Ling	R.Phos	Nanj	Seacom	4/1		14/1		
RM/3	Patty Ann	Cdso	Darb	TSL	4/1		15/1		
DDJ	Banglar Jyoti	C.Oil	BSC	R/A			14/1		
DDJ/1	Tanary Star	Idle	Para	PSAL			31/1		

Vessels due at outer anchorage					
Name of vessels	Date of arrival	L/Port call	Local agent	Cargo	Loading port
Anshuan Jiang	14/1	-	Bdship	Cl	-
Island Princes (48) 6/1	15/1	Cal	Cl	Rice (P)	-
Tea Dong Gang	15/1	-	PSAL	Cement	-
Nazligi	17/4	Mong	MBL	Lines	-
Surabaya Express	16/1	Yang	OLM	GIL (G)	-
Kota Naga (Cont) 5/1	15/1	Sing	Pil(BD)	Cont	Sing
Kim Dong	15/1	Cal	Cl	Rice	-
Ocean-1	15/1	Yang	SMSL	GIL (G)	-
Hexagram	16/1	-	Simni	Scraping	-
Talana	16/1	-	Simni	Scraping	-
Banglar Urmi	22/1	Male	BSC	Cl	-

Vessels due at outer anchorage					
Name of vessels	Date of arrival	L/Port call	Local agent	Cargo	Loading port
Banga Birol (Cont) 3/1	18/1	Sing	RSL	Cont	-
(Cont) 10/12	18/1	Sing	RSL	Cont	Sing
Yasmina	17/1	Sing	SMSL	Cl	Sing
General Mojica	18/1	Sing	Deophin	R.Seed	-
Qe Pintail	18/1	Sing	QCSL	Cont	-
Banglar Groub	18/1	Sing	BSC	Rice (P)	Sing
Bunga Maslapan (Cont) 12/1	19/12	-	EOSL	Cont	Sing
Sin Hai (Cont) 10/1	19/1	Yang	SMSL	Cl	Sing
Arktis Blue (48) 11/1	20/1	Hazi	RSA	GI (St. Coil)	-
Makassar Express (Cont) 10/1	19/1	-	Baridit	Cont	Sing
Starman	19/1G	G.Town	SSST	Wheat (G)	-
Ocean Brave (48) 4/1	20/1	-	Everett	Cl	-
Amfritriti	20/1	-	Oil	Cl	-
Bright Vega (Roro) 24/30/12	21/1	-	BBA	Vehi	-
Dragon Brani (Cont) 10/1	21/1	-	Nol	Cont	Sing
Banga Biraj (Cont) 10/1	21/1	Sing	Bdship	Cont	Sing
AA Venture	25/1	-	CLA	Rice (P) GI	-
Acacia (Cont) 13/1	22/1	Sing	RSL	Cont	Sing
Banglar Robi (Cont) 13/1	22/1	Sing	BSC	Cont	Sing
Qe Teal (Cont) 10/1	23/1	Sing	QCSL	Cont	Mgl.
Coastal Corpus Chrisn 23/1	-	-	Lams	Wheat (G)	-

Tanker due:					
Name of vessels	Date of arrival	L/Port call	Local agent	Cargo	Loading port
Trent	14/1	Sing	MSTPL	HSD/Ms	-
Nagayev	13/1	-	Tsl	Tallow	-
Pacific Hunter	16/1	Juba	ECSL	HSD	-
Sandgate	18/1	Kuwt	MSTPL	Sko	-

Vessels at Kutubdia					
Name of vessels	Cargo	Last port call	Local agent	Date of Arrival	
Sea Bulk Command	-	-	IBS	R/A (22/12)	
Hassbat Qatar	C.Oil	Jabe	USS	9/1	
Banglar Shourab	C.Oil	-	BSC	R/A (12/1)	

Vessels at outer anchorage:					
Name of vessels	Cargo	Last port call	Local agent	Date of Arrival	
Ready on:					
Ava	Cl	Yang	MTA	5/1	
Alpine	Cl	Yang	SMSL	6/1	
Jurong Balsam (Cont)	Cont	Sing	Nol	6/1	
Pulau Mawar	Cl	Bang	OLM	8/1	
Richmond	Cont	Sing	BSL	8/1	
Oilfieldland	Rice (P)	Kand	MHCSL	5/1	
Diligence (Cont) (Cont)	Cont	P. Kel	QCSL	10/1	
Blue Angel	Wheat (P)	Mad	AASS	10/1	
Kota Berjaya	Cont	Sing	Pil(BD)	10/1	
Banglar Shikha (Cont)	Cont	Sing	BSC	11/1	
Vishava Kaumudi	Rice (G)	Mum	SSLL	11/1	
Meghna	Cont	Sing	Bdship	11/1	
Sea Gallant (Cont)	Cont	Sing	Pil(BD)	11/1	
Abuja (Cont)	Cont	Col	Baridhi	13/1	
Anton Topic	Wheat (G)	Sing	SSST	12/1	
Bangla Birol (Cont)	Cont	Sing	Bdship	13/1	
Asian Century (Roro) 24	Vehi	Yojo	Ever	13/1	
Koral Hero (48)	Cl	Mad	Everett	13/1	
Gomain Naree	Cl	Sing	Prog	14/1	
Bunga Mas Lapan (Cont)	Cont	P. Kel	EOSL	14/1	

Vessels not ready					
Name of vessels	Cargo	Last port call	Local agent	Date of Arrival	
Meraks	Tsp	Qingz	USTC	8/1	
Mariupol	R.Seed	Pen	Seacom	9/1	
Filokittis	Wheat (G)	Mum	SSLL	11/1	
Elikon	Wheat (P)	P.Said	PSAL	11/1	
Superitas	Mop	Lyye	Litmond	12/1	
Nadel Horn	Wheat (G)	Varna	Ancient	12/1	
Meloi	Wheat (G)	Varna	Ancient	14/1	
Banglar Maya	Wheat (G)	K.Dia	BSC	R/A (12/1)	

Vessels awaiting Instruction:					
Name of vessels	Cargo	Last port call	Local agent	Date of Arrival	
Karya sentosa	Rice (G)	-	USTCR/A (18/09)		
Ritz	Rice (P)	Kaki	Cross R/A (24/09)		
Delta Star	-	-	RSA R/A (07/07)		
Chalkidon	-	-	OWSL R/A (08/1)		
Sea World	-	-	Lams R/A (5/1)		
Al Muztaba	-	-	Cl R/A (13/1)		
Barge: Wombat/le Macareux/PDC-1	-	-	Kamar/R/A (30/10)		

The above are shipping position and performance of vessels of Chittagong port as per berthing sheet of CPA supplied by HRC Group, Dhaka.



The heads of delegations (front row from left): Kiichi Miyazawa, Japan, Le Thi Bang Tam, Vietnam, Oskar Lafontaine, Germany, Marianne Jelved, Denmark, (2nd row from left): Robert Goebbels, Luxembourg, Gerrit Zalm, Netherlands, Dominique Strauss-Kahn, France, Sauli Niinistö, Finland, Rodrigo de Rato, Spain, Yves Thibault de Silguy, Commissioners of the European Commission, pose for a family shot prior to the beginning of the second Asia-Europe Finance Ministers' Meeting (ASEM) in Neu-Isenburg on Friday.

— UNB/AP photo

Japanese steel exports to US Tokyo reacts calmly to Washington warning

TOKYO, Jan 16: Japanese government and industry officials reacted calmly Wednesday to a US warning it might impose sanctions unless Japan quickly cuts its steel exports, reports AP.

"We don't see any problem as long as they respect the rules of the World Trade Organisation," said Yoshiaki Ohisa, an official in the Ministry of International Trade and Industry's steel division.

Ohisa's remarks came one day after US Trade Representative Charlene Barshefsky and Commerce Secretary William Daley told visiting Japanese Trade Minister Kaoru Yosano that the United States would file a government trade complaint against Japan if its steel exports don't drop fast.

In Tokyo, where the warning was largely seen as linked to US domestic politics, officials said they have no intention of making a controversy out of it.

Ohisa also emphasised, however, that Japan has made no promise to meet the target.

The US warning comes days after President Clinton submitted to Congress a report on Japanese steel exports and made a speech threatening a quota.

The US steel industry and its main union have filed a com-

plaint accusing Japan of "dumping" steel in the US market and seeking higher tariffs.

Such a filing could prompt Washington to impose tough quotas on Japanese steel imports to the United States.

Officials here say steel exports to the United States will fall in 1999 to levels seen before last year's 400 per cent surge. Japanese steel exports to the United States more than doubled in 1998 from a year earlier.

"Our US exports will naturally fall this year anyway, so there is no use enacting sanctions strongly to the threat," Takashi Kanke, a spokesman for Nippon Steel, the world's largest steel company, said.

The recent strengthening of the yen also makes Japan's exports more expensive in the United States and thus less competitive, Japanese industry officials said.

The Nihon Keizai, Japan's leading business daily, criticised the warning, calling it "a sign of a rise in unfair and protectionist trade."

"Is the steel dispute really Japan's fault?" the paper asked in a Wednesday editorial. "The core of the latest issue is the overheating US economy and structural problems within the US steel industry."

And the government-run Institute of Applied Economic Research says inflation is almost certain to rise. It estimates that a 23 per cent devaluation would more than triple inflation to 6 per cent for 1999. Without spending cuts by the government, it says inflation could rise even further.

In November, the government agreed to a series of budget cuts in exchange for a \$41.5 billion aid package put together by the International Monetary Fund in an attempt to keep Brazil from becoming the next domino to fall in the global financial crisis.

Making those cuts will be ever harder now because with the devaluation, the same tax revenue in reals will mean less in dollar terms.

Russia plans to restrict export of grain

MOSCOW, Jan 16: Russia plans to restrict export of grain, to prevent much-needed stocks of wheat being sold abroad, Agriculture Minister Viktor Semenov said Friday, reports AFP.

He said the measures have been made necessary by the difference in prices paid for cereals in Russia and on foreign markets which he said stimulated exports.

In 1998, Russia harvested only 48.5 million tonnes of wheat compared to 88.5 million tonnes in 1997. The shortfall had forced Russia to turn to the United States and the European Union, for help mainly in the form of wheat supplies, Semenov quoted by Interfax said.

Washington and Brussels are to deliver free 1.5 million and one million tonnes respectively to Russia during this winter.

However according to press reports, massive exports of Russian wheat have taken place in spite of the current shortage.

One tonnes of wheat fetches more than 100 dollars on the world market against 30 to 35 dollars in Russia.

Semenov also expressed concern about the prospects for winter wheat sown last autumn and harvested in the spring.

"Russian agriculture began 1999 in a still worse state than last year which already saw the worst harvest in 40 years," he was quoted as saying.

Ford cuts over