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Iraq-Kuwait tension keeps oil above \$32 a barrel

SINGAPORE, Oct 3: Oil prices in Asia held above \$32 a barrel in Asia today, after a price surge in New York fuelled by heightened tensions between Iraq and Kuwait, reports Reuters.

At 0615 GMT, benchmark New York Mercantile Exchange (NYMEX) November crude futures were \$32.08 per barrel, cutting just 10 cents from the \$31.34 gain in New York trading on Monday.

Monday's rally was sparked by renewed tension between OPEC members Iraq and Kuwait, who have accused one another of stealing the other's oil and the European Union's failure to agree on whether or not to release oil stocks into the market.

The rally followed two weeks of declines after NYMEX reached a 10 year peak of \$37.80 on September 20.

Kuwait accused Baghdad of stealing large quantities through pipeline laid during Iraq's 1990-91 invasion of Kuwait.

Deputy Prime Minister and Minister of State for Cabinet and Parliament Affairs Mohammad Sharar, speaking after the government's weekly cabinet meeting on Sunday, said Kuwait had satellite pictures and field evidence to back up its claims.

On Saturday, Kuwait had asked the United Nations to take urgent steps to end the threatening behaviour of Iraq towards its Gulf neighbours.

Last month, Iraq accused Kuwait of stealing Iraqi oil from a border field and vowed to take unspecified measures.

Kuwait has strongly denied the charge. The United States, the Emirate's main political and military ally, warned Iraq it would use force if Baghdad threatened its Gulf Arab neighbours.

The threat of extra oil supplies within the EU has been put on hold at least until the middle of October when regional leaders are expected to make a decision on releasing reserves at a meeting in Biarritz.

KL to prevent chain reaction from gasoline price hike

KUALA LUMPUR, Oct 3: The government vowed Tuesday to prevent local business people from increasing the price of their products and services following a recent hike in retail gasoline prices, reports AP.

Malaysian Deputy Prime Minister Abdullah Ahmad Badawi, quoted by the national Bernama news agency, said that consumer affairs authorities would step up efforts to monitor prices throughout the country.

The Finance Ministry announced last week that Malaysia was raising the price of gasoline by 10 sen (2.63 cents) or 9.1 per cent per liter (0.26 gallons) effective this month.

Malaysia had kept pump prices of unleaded gasoline unchanged since 1983 at 1.10 ringgit (29 cents) per liter. The country still enjoys the region's lowest fuel prices next to Indonesia thanks to hundreds of millions of dollars in government subsidies.

Analysts have warned that the gasoline price increase could cause a sharp impact on inflation, which has remained high this year.

Myanmar's crude oil production up in 6 months

YANGON, Oct 3: Myanmar produced a total of 1,829 million barrels of crude oil in the first six months of this year, up 10.18 per cent compared with the same period of 1999, according to the Central Statistical Organisation Monday, says Xinhua.

During the period, the country yielded 766.85 million cubic meters of natural gas, dropping however by 10 per cent from the corresponding period of 1999.

So far, Myanmar's petroleum and its products are insufficient to meet the demand and the country still has to import 280,000 to 300,000 tons of crude oil and 100,000 to 150,000 tons of diesel oil annually.

Meanwhile, during the first half of this year, foreign investment in the oil and gas sector amounted to \$2.8 million US dollars in 5 projects.

According to official statistics, since Myanmar opened to foreign investment in late 1988, such investment in the oil and gas sector coming from Australia, Britain, France, Indonesia, Japan, Thailand and the United States has reached over 2.3 billion dollars in nearly 50 projects, taking up the highest percentage of the country's total foreign investment by sector.

B The Daily Star BUSINESS

DHAKA, WEDNESDAY, OCTOBER 4, 2000

Country witnesses 50pc FDI drop in '99

South Asia registers 13pc decline: UNCTAD report reveals

Star Business Report

Bangladesh witnessed a dramatic 50 per cent drop in foreign direct investment (FDI) last year while it grew by about 16 per cent worldwide.

UN Resident Co-ordinator in Bangladesh Jorgen Lissner launched the report titled 'Cross-border Mergers and Acquisitions and Development' in Dhaka at a press briefing in the city yesterday. United Nations Conference on Trade and Development (UNCTAD) report was also launched around the world.

The developing countries recorded a 16 per cent rise in FDI to \$208 billion in 1999. The FDI to South Asian countries declined by 13 per

cent to \$ 3.2 billion in 1999 from \$4.9 billion in 1997. India remained the largest recipient of \$ 2.2 billion FDI last year, it stated.

The report pointed out that FDI by transnational corporations (TNCs) was being fueled by cross-border mergers and acquisitions which also enhanced the investment volumes to new records.

It noted that in a longer term, the South Asian region has great potentials, and said the pace of liberalisation and economic reforms as well as domestic and political stability

would decide the future of the area.

According to the report, inflows of FDI to developing Asia (South, East and Southeast Asia, Central Asia and West Asia) increased by nine per cent in 1999, reaching a record level of \$106 billion.

Most of the increase in FDI flows to Asia in 1999 went to only about a half a dozen countries like South Korea, Singapore, Taiwan and Malaysia.

Speaking at the briefing Lissner observed that the quality of investment is more important for Bangladesh.

ICC President Mahbubur Rahman said it is indeed a

startling fact that the country's FDI dropped drastically last year while other developing countries witnessed encouraging growth 16 per cent growth.

Bangladesh could hardly attract any FDI worth mentioning despite policy changes and different efforts by the governments to open up the economy," he observed.

Many LDCs like Bangladesh continue to suffer from an image problem, rightly or wrongly. Efforts need to be taken to overcome this problem, Rahman added.

Three more Exim branches by Nov

Export Import Bank of Bangladesh Limited (Exim Bank) will open 3 more branches by November this year, says a press release.

This was recalled at a conference of the branch managers and executives of the bank held at its head office in the city on Saturday.

Md Nazrul Islam Mazumder, Chairman of the bank, presided over the conference.

The conference was held to review the operational performance of the bank.

Speaking on the occasion, the chairman lauded the success the bank has achieved in different areas of its operations and credited the members of the staff totally for the success.

Mohammed Lakiotullah, Managing Director of the bank, highlighted its operational aspects and urged the managers to achieve the profit target of Tk 10 crore for the year 2000 through vigorous efforts.

Emirates launches new web site

Emirates has launched a totally revitalised web site that features the airline's products, services and new offers, using the latest web techniques in functionality and navigation, says a press release.

Accessible at <http://www.emirates.com>, one of the most innovative features of the site enables the visitor to take a virtual tour of Emirates' fabulous new First and Business Class lounges at Dubai International Airport.

The can also view animated images of the Business Class seats in the state-of-the-art Boeing 777 and Airbus A330 aircraft.

The new site allows UAE residents to book flights to any of the airline's 52 destinations. With the aid of 'Flash' technology, passengers can plan trips by navigating the Emirates' route map, zooming in on particular destinations and clicking on them to get up-to-date information.

The new site also enables visitors to check out the status of a flight, whether it will be on time or delayed.

Improved links to Skyswards, the frequent flyer programme of Emirates and Sri Lankan Airlines, enable visitors to join online, while existing members can check the latest promotions and their mileage account.

4th AGM of City General Ins held

The 4th Annual General Meeting of City General Insurance Co Ltd was held at a local hotel on Thursday, says a press release.

Anwar Hossain, Chairman of Anwar Group of Industries, attended the meeting as chief guest.

All the shareholders of the company were present in the meeting.

MA Ali Bhuiyan, Managing Director, and AMM Nasrullah Khan, Advisor were also present.

Speaking on the occasion, the Chairman said the company has earned 8 times growth of net profit than that of the previous years.

The managing director pointed out various problems prevailing in the insurance market as well as made some valuable suggestions on probable measures to be taken for their solution.

AMM Nasrullah Khan, Advisor also spoke on the occasion.

New chairman, vice-chairman of City Ins

The Board of Directors of City General Insurance Co Ltd at a meeting held recently unanimously re-elected Hossain Akhtar Chairman and elected Moid Abu Taher Vice-Chairman of the company, says a press release.

Rangs introduces new 14" B/W TV

Rangs Electronics Ltd, the leading electronics organisation of the country, has introduced its new Rangs brand 14" Black and White TV Model RB-M14R through an inaugural ceremony at their Airport Road showroom, says a press release.

The ceremony was formally inaugurated by Akhtar Hussain, Managing Director of the company.

S Iqbal Khan, Service Manager, and other officials of Rangs Electronics Ltd were present on the occasion.

In view of bringing the latest technological developments to the doorsteps of the common people, Rangs Electronics Ltd has taken this step.

Rangs Electronics Ltd is going to introduce its another latest model Rangs Brand 17" Black and White TV soon.



Islam Group Chairman Manzurul Islam speaks at the launching ceremony of Aftab IT Limited in the city yesterday.

— Star photo

Oct 5-7 ASEAN meet to try to resolve free trade row

Investor confidence slipping in region

BANGKOK, Oct 3: With investor confidence slipping in Southeast Asia, its economic ministers will meet in Thailand this week to try to resolve disputes over a regional free-trade zone and to expand economic ties with countries outside the area, reports AP.

Another goal of the three-day meeting, beginning Thursday in the northern town of Chiang Mai, will be to reduce investor concern about security and political problems in some of the 10 nations that will be discussed by the ASEAN ministers in Chiang Mai.

But the main task for the ministers will be to find ways to get their own house in order: an ambitious plan to create a free-trade area in ASEAN has run into trouble over Malaysia's insistence on a temporary exemption for its car industry.

Malaysia said it nationalised car manufacturers more time to rehabilitate after the Asian crisis. Prime Minister Mahathir Mohamad has argued that the industry risks being squeezed by global auto giants.

Funston said Malaysia's backtracking has "sent the wrong message about what ASEAN is trying to achieve in economic reform and trade liberalisation."

Under the ASEAN Free Trade Area, six members—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—have until 2002 to reduce tariffs on a number of manufactured and agricultural products within the range of zero to

5 per cent. The less developed economies of Cambodia, Laos, Myanmar and Vietnam have a longer grace period.

But in May, ASEAN states agreed to give Malaysia grace until 2005.

That Deputy Prime Minister Supachai Panitchpakdi—who will lead the World Trade Organisation from the year 2002—said last week that ASEAN needs a way of settling exemptions from the ASEAN Free Trade Area to make sure that all members honor multilateral trade agreements.

In Chiang Mai, the ministers are expected to review a proposed procedure whereby states seeking exemptions would have to negotiate first with individual states and to offer tariff reductions in other areas as compensation.

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