

## OPEC agrees to cut output by 1m bpd despite rivals' snub

AFP, Vienna

The OPEC oil organisation agreed on Wednesday to slash output by at least one million barrels per day (bpd) to boost sagging crude prices, despite failing to win immediate support from key rival Russia.

After an apparent attempt at 11th-hour brinkmanship with Moscow, the cartel's ministers agreed the reduction but said they still hoped key non-OPEC countries would yet offer more help to bolster crude prices.

"There will be a cut," Iranian Oil Minister Bijan Namdar Zangeneh said after an informal meeting of Organisation of Petroleum Exporting Countries (OPEC) ministers in a Vienna hotel, before a formal session later in the day.

OPEC President Chakib Khelil, Algeria's oil minister, said there was "consensus on at least one million barrels per day (bpd) to be cut from the 11-member cartel's total output."

Nigerian delegate Rilwanu Lukman, who takes up the OPEC presidency from January 1, said OPEC was maintaining pressure on

non-OPEC producers. "We are asking them to offer more, a little bit more," he said.

Asked if he was confident they would offer more, he said: "When they see what we are offering to cut."

Another meeting of the cartel, which produces 40 per cent of the world's crude, was scheduled for 6:00 p.m. (1700 GMT), several ministers said.

Earlier in the day officials said the 11-member grouping had to get tough after Moscow offered nothing but a token reduction in its own vast production.

"The ministers are playing tough: no cut unless the Russians come out with a sensible figure," a senior OPEC source told AFP.

In London prices slumped by nearly a dollar as markets apparently took the threat seriously. Benchmark Brent North Sea crude for December delivery slumped 79 cents to 20.02 dollars in early trade.

Saudi Arabian Oil Minister Ali al-Nuaimi, the cartel's kingpin, singled out Russia for criticism, saying he was disappointed at its token

30,000 barrels a day cut announced on Monday.

"Thirty thousand barrels out of seven million, that disappoints anybody. The Russians know that," he told journalists, referring to Russia's total oil production capacity. "Their cooperation is very very important."

Kuwaiti Oil Minister Adel al-Sebeih said bluntly that he "would not support a cut," if Russia did not cut by a proportionate amount.

OPEC, which produces 40 per cent of the world's crude, has been widely expected to cut its output by at least 1 million bpd, its fourth reduction this year. A final decision on the exact amount was expected later Wednesday.

But several ministers are uneasy about turning down the taps again when other independent crude producers such as Mexico, Norway and Russia are showing no signs of following suit.

Analysts had appeared divided on whether OPEC was just bluffing.

"OPEC is really in a jam, but they have to cut because everyone is expecting that," said Leo Drollas of

the Centre for Global Energy Studies. "They can't play that game because they can't afford it."

But Raad Alkadiri of the Washington-based Petroleum Finance Company said OPEC could be serious.

"They can play a game of chicken: if non-OPEC doesn't move, we won't move and let's see who blinks first. They are sick and tired of non-OPEC picking up market share," he said.

OPEC has already cut output by more than 13 per cent this year. But OPEC members fear a cutback might not rescue prices but would be usurped by non-OPEC countries eager to pump their volumes to boost market share.

OPEC is being forced to act because crude prices have tumbled around 25 per cent since the September 11 terrorist attacks on the United States. Prices fell last week to two-year low points, eating into revenues of oil dependent OPEC state economies.



Bangladesh and Austria recently signed an agreement on promotion and protection of investments. Pictures shows Bangladesh Ambassador to Germany (concurrently accredited to Austria) Ashfaqur Rahman and Dr Herbert Rauss, Charge d'Affaires of the Austrian Embassy in Berlin, exchanging the ratified texts of the agreement at the Bangladesh Embassy in Berlin.

## More Emirates flights on two routes this winter

Extra flights of Emirates, the award-winning Dubai-based international airline, are being introduced on two key business routes this winter, says a press release.

The flights will serve Johannesburg, South Africa and Tehran, Iran both of which offer fast growing commercial opportunities.

From December 01, Johannesburg, departures rise from daily to 10 a week, all flown by Emirates' latest quiet, fuel-efficient Airbus A330.

Like the daily services, the new frequencies, carrying joint Emirates/South African Airways flight codes, will leave Dubai International Airport at 9.55 am on Wednesdays, Fridays and Sundays, returning next day.

## Oil price falls heavily as OPEC loses grip

AFP, London

The price of oil fell sharply here on Wednesday as OPEC energy chiefs meeting in Vienna struggled to hold their grip on prices after key non-OPEC producers shunned calls for them to scale down production.

Benchmark Brent North Sea crude for December delivery slumped 79 cents to 20.02 dollars in early trade.

In New York, December-dated light sweet crude futures jumped 44 cents to 21.67 dollars overnight, boosted by news the United States planned to increase its strategic reserves by 28 per cent.

But support waned after oil ministers of the Organisation of Petroleum Exporting Countries (OPEC) admitted the output cutback they were readying might have little impact without support from key non-OPEC producers such as Russia and Norway.

OPEC was expected to slash output by up to 1.5 million barrels a day later Wednesday.

But OPEC producers, notably Iran — the second-biggest OPEC producer — and Kuwait have signalled that they might not even back a cut without a corresponding move by major non-OPEC producer Russia.

"I would not support a cut," Kuwaiti Oil Minister Adel al-Sebeih said in Vienna when asked if OPEC should pare production if Russia does not cut by a proportionate amount.

Saudi Arabian Oil Minister Ali al-Nuaimi, the cartel's kingpin, also singled out Russia for criticism, saying he was disappointed at its token 30,000 barrels a day cut announced on Monday.

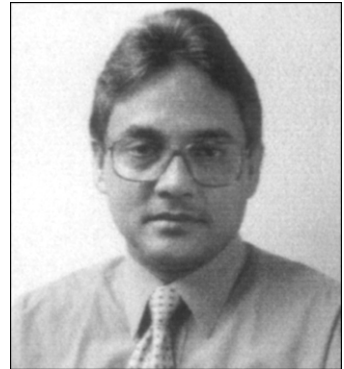
"Thirty thousand barrels out of seven million, that disappoints anybody. The Russians know that," he told journalists, referring to Russia's total oil production capacity. "Their cooperation is very very important."

Lawrence Eagles, commodities watcher at the GNI brokerage, said: "The loss of market share by OPEC has reached a critical level."

"Clearly OPEC members can not continue to cut output and lose market share indefinitely. But at what point do they say enough is enough?"

"We do not believe that OPEC has the stomach for an all-out war for market share, and its desire to prevent an oil price collapse is likely to lead it to offer some support for the market."

## New MD of Sonali Bank



Rabiul Hossain has joined Sonali Bank as managing director, says a press release.

Prior to this assignment, he was the managing director of Rupali Bank Limited.

Hossain joined the then United Bank Limited, now Janata Bank, in 1968 after obtaining master's degree in Management.

During his career, he held many responsible positions in Bangladesh Krishi Bank, Agrani Bank and Sonali Bank. He also served as deputy managing director and managing director of Bangladesh Shilpa Bank.

## Orientation programme for DBL probationary officers held

A day-long orientation programme for the probationary officers of Dhaka Bank Limited (DBL) was held on Monday at the bank's head office, says a press release.

Md Mokhlesur Rahman, Managing Director, DBL inaugurated the programme as chief guest while A I M Iftikar Rahman, Advisor, delivered welcome address to the future leaders of the bank.

Majedur Rahman, EVP, Kazi Farid Uddin Ahmed, EVP, Arham Masudul Huq, EVP and Company Secretary, A K Ahmadullah, EVP, Golam Hafiz Ahmed, EVP, Shamshad Begum, SVP, Principal of Dhaka Bank Training Institute, other senior executives, and branch managers were present on the occasion.

A total of 35 newly recruited probationary officers participated in the programme.

## New BKB MD



AKM Sajedur Rahman has joined Bangladesh Krishi Bank as Managing Director on Tuesday. Before joining the BKB he worked as the Managing Director of Janata Bank, says a press release.

On completion of his post graduate degree in Agricultural Economics, Rahman joined BIBM as a research fellow. He joined Bangladesh Krishi Bank in 1979 as faculty member. He also worked as Managing Director of Rajshahi Krishi Unnayan Bank, Rajshahi.

Under a fellowship, he studied in the United States and obtained MS Degree from Central Michigan University. In 1981, he participated in Agricultural Project Course at the College of Agricultural Banking, Poona, India. In, 1989, he attended an international seminar on Irrigation Management in Colombo, Sri Lanka.

## British jobless total rises as layoffs bite

AFP, London

British unemployment rose in October for the first time for a year as layoffs by firms grappling with the economic slowdown took their toll, putting a decade-long trend of rising employment at risk, figures showed on Wednesday.

The Office for National Statistics said that 4,300 people signed on to the benefits register in October — the first increase since October 2000.

That gave an unemployment rate of 3.2 per cent, unchanged from a revised figure for September.

With the exception of a couple of blips, the most recent in October 2000, unemployment has been falling steadily since 1992, to a 26-year low point.

But with British firms, especially airlines, wielding the axe in response to the weaker economic outlook in the wake of the September 11 terrorist suicide attacks on the United States, that trend looks certain to change, economists said.

"It's the beginning of job cuts, yes," said HSBC economist David Bloom.

"I wouldn't describe them as big job cuts — yet," he told AFP. "It's the start of a new trend — that's the worrying thing."

An economist at Gerrard Stockbrokers, Simon Rubinsohn, agreed that the figures were the start of turnaround.

"The UK, although it may be an island geographically, is unable to escape the global pressures that are beginning to exert on companies across the world," he said.

Manufacturers, in the grips of recession, have been hit particularly hard.

They have been given some breathing space by seven British interest rate cuts this year, but the Bank of England's latest quarterly inflation report published Wednesday suggested to some economists that more rate cuts might not be forthcoming.

"Growth over the two years is broadly the same as in the August report, as the effects of the cuts in official interest rates offset the consequences of deteriorating global conditions," the central bank said.



Md. Mokhlesur Rahman, Managing Director of Dhaka Bank Limited, delivers speech at an orientation programme organised for the bank's newly recruited probationary officers at the bank's head office on Monday. A I M Iftikar Rahman, advisor, senior executives and the probationary officers are also seen in the picture.

## Japan's current account surplus rises 10.8pc

AFP, Tokyo

Japan's current account surplus rose for the first time in 10 months in September on record financial income, but analysts said gains would be short-lived amid a global economic downturn.

The surplus, a measure of trade in goods and services, financial income and monetary transfers, climbed to 1.6 trillion yen (13.3 billion dollars), up 10.8 per cent from a year earlier, the finance ministry said Wednesday.

The September figures comprised a 758.0 billion-yen surplus in trade of goods and services, 927.6 billion yen in financial income and a deficit of 71.1 billion yen in monetary transfers.

"The surplus in September rose due to record high financial income,"

said a ministry official. Financial income includes profits from Japanese direct foreign investments and those generated by stocks and derivative trading abroad.

A weak yen also helped boost the income of firms with overseas operations, boosting earnings when repatriated. The Japanese unit traded at 118.98 to the dollar on average in September, compared with 106.75 a year earlier.

"We believe the income surplus will continue to increase because overseas affiliates are performing well and those companies are increasing investments in foreign government bonds, particularly in the US," a second official said.

"This trend will likely continue until December."

But Japanese surplus in goods

trade continued to fall amid sluggish demand, down 17.3 per cent to 1.2 trillion yen, with exports plummeting 11.3 per cent to 4.0 trillion yen and imports tumbling 8.5 per cent to 2.8 trillion yen.

"The double-digit fall in Japanese exports reflected weakening economies in the United States, Europe and Asia," the ministry official said.

US-bound shipments in September fell 11.8 per cent, exports to the European Union declined 11.1 per cent and those to Asia dropped 14.7 per cent.

Hideki Fuji, senior economist at the Japan Research Institute, said the increase in the September current account was merely seasonal.

## Pakistan may get \$300m Japanese grants in 2 yrs

REUTERS, Tokyo

Japan was expected to give \$300 million in grants to Pakistan over the next two years to ease the financial burden caused by an influx of refugees fleeing the US-led strike on Afghanistan, Japanese media said yesterday.

Tokyo has suspended sanctions on Pakistan and India, clearing the way for fresh economic aid in a show of support for the two nations during the "war on terrorism."

Quoting unspecified government sources, Kyodo news agency said Japan was expected to announce the aid plan for Pakistan on Friday.

Japanese officials were not immediately available to comment on the report.

Japan had pledged to give \$40 million in assistance to Pakistan

following Islamabad's decision to support the US-led coalition's campaign.

But it stopped short of agreeing to Pakistan's request to reschedule \$5 billion in debt.

During his visit to Tokyo earlier this month, Pakistan Finance Minister Shaukar Aziz urged Japanese Prime Minister Junichiro Koizumi to reschedule Islamabad's debt and cut interest rates in order to lessen the debt burden.

Japan is Pakistan's largest bilateral creditor. Pakistan's public-sector debt to Japan totals \$5.6 billion, according to Japan's Finance Ministry.

Japan had frozen all new loans and grants except for humanitarian aid after India and Pakistan carried out tit-for-tat nuclear tests in May 1998.

## Casio posts \$35m loss, to cut 3,000 jobs

AFP, Tokyo

Japan's Casio Computer Co. Ltd., one of world's top digital watchmakers, said Wednesday it will cut 3,000 jobs by March 2002 after it posted a 35 million-dollar loss in the first half to September.

Casio incurred an interim group net loss of 4.2 billion yen (35 million dollars) against a profit of 2.8 billion yen last year, citing sluggish global demand and a sharp drop in the price of electronics goods.

Its pre-tax loss also hit 4.2 billion yen, reversing a profit of 5.7 billion yen last year, as sales sank 4.4 per cent to 204.0 billion yen.

"We faced a severe situation as electronics parts prices dropped due to slumping IT (information technology) demand," Casio said in a statement, adding fierce competition resulted in sharp falls in product prices.

In a desperate bid to stem haemorrhaging losses the firm announced a drastic job cut plan involving 17.6 per cent of its global workforce.

About 2,500 to 2,600 staff will go from overseas plants in North America, Malaysia, Thailand, Singapore and Indonesia, with the remaining reductions through natural attrition and a reduction in contract workers at home.

The job cuts along with a reorganisation of overseas production operations would trim 10 per cent or 15 billion yen per year off Casio's costs, the firm said.

Casio was forced to slash payrolls as growth worries lingered.

"If we look at our forecasts, we cannot expect much growth in revenue," said company spokesman Kazuhiko Ichinose. "Of course there will be some growth from new products, but with basically flat revenue, to post a profit we have no choice but to cut our fixed and management costs."

Ichinose said growth prospects shrank because of a global slowdown in consumer spending and a slump in domestic prices.

The Japanese economy is caught in a deflationary cycle with inflation or deflation — down for the 24th consecutive month in September.

Casio also blamed the September 11 terrorist attacks on the United States for its woes.

"(The watch division) stayed slack, affected by a slump in the North American market and weakened demand in the aftermath of the serious incident in September," it said.

Retirement allowance payments and restructuring charges also aggravated group losses, it said.

For the full year to March 2002, Casio expects to incur a group net loss of 3.7 billion yen and pre-tax loss of 2.3 billion yen on sales of 404 billion yen due to the continued slump in demand for technology.

The firm offered the same forecast late last month, contrasting sharply with a net profit of 1.5 billion yen, pre tax profit of 3.5 billion yen on sales of 430 billion yen projected earlier.

## CURRENCY

## SHIPPING