

Euro-zone economy set for recovery next year: ECB

AFP, Frankfurt

Prospects for the 12-country euro zone will brighten next year when the economy will begin to recover, the European Central Bank said on Thursday.

"The conditions exist for a recovery to take place in the course of 2002 and economic growth to return to a more satisfactory path," the ECB said in its November monthly

bulletin, released on Thursday.

"The economic fundamentals of the euro area are sound and there are no major imbalances which would require a prolonged adjustment," the report continued.

"The uncertainty currently overshadowing the world economy should diminish over time."

A substantial slowdown in inflation and tax reductions in several euro-zone countries should have

further positive effects on growth, the ECB argued.

Furthermore, "interest rates across the entire yield curve are now low, meaning that current financing conditions are clearly supportive to economic growth."

The ECB slashed half a percentage point off its key interest rates last Thursday, bringing the bank's central "refi" refinancing rate to 3.25 per cent, its lowest level

since spring 2000.

The bank had been able to reduce borrowing costs because of the "further abatement of inflationary pressures."

"The new level of interest rates is appropriate to maintain price stability over the medium term. This, in turn, will favour an economic environment conducive to restoring higher economic growth in the euro area," the ECB said.



PHOTO: EMIRATES

Photo shows Emirates engineers conducting major maintenance checks on a Boeing 777-300 using the new computer controlled US \$4.5 million aircraft docking system at the maintenance base of the airline at Dubai International Airport

Oil sinks to two-year low

AFP, London

The price of oil sank below 18 dollars a barrel briefly Thursday for the first time for over two years after OPEC energy ministers said they would not cut output unless non-members did too.

Brent North Sea crude for December delivery fell as low as 17.99 dollars in out-of-hours electronic trading. The last time prices were so low was in July 1999.

But prices stabilised somewhat when pit trading began, with the Brent contract down 30 cents from Wednesday evening at 18.45 dollars a barrel.

In New York, December dated light sweet crude futures tumbled 1.93 dollars overnight to 19.74 dollars a barrel.

Prices dropped after the Organisation of Petroleum Exporting Countries (OPEC) agreed Wednesday to slash output by 1.5 million barrels a day -- more than six per cent -- from January 1, 2002, but only if rival produc-

ers followed with a cut of their own. Saudi Arabian Oil Minister Ali al-Nuaimi Al-Nuaimi appealed Thursday to non-OPEC majors countries to help resolve an energy market "crisis" sparked by the September 11 terror attacks.

"It is really an appeal to all major producers to work together at (this) time of crisis so that we can manage the market at reasonable price," al-Nuaimi told journalists.

"Absolutely not... until everyone cooperates" he said when asked if OPEC will cut its output, in line with a conditional accord reached by the 11-member cartel.

But Russia has so far offered only symbolic cut of 30,000 barrels a day, infuriating OPEC energy ministers. Norway has snubbed OPEC's demands altogether.

Of the key non-OPEC producers, only Mexico is playing ball, saying it will reduce its outflow by up to 100,000 barrels a day if OPEC and non-OPEC producers do the same.

New Emirates aircraft dock opens for business

Emirates engineers have successfully completed the first major maintenance check on a Boeing 777-300 using a new computer-controlled US \$4.5m aircraft docking system recently installed at the airline's Dubai International Airport maintenance base, says a press release.

The massive custom-built 330-tonne facility gives engineers safe access to all areas of Emirates' multi-million dollar jetliners at up to 60 feet above ground. Built off-airport 14 kilometres from its final home, it was moved into place in the depths of the night.

Two giant trucks carried 14 separate components over specially closed roads to Emirates' giant hangar, where the pieces were assembled to create the new "smart" computer-controlled docking system.

This adjusts itself automatically to fit the differing profiles of Emirates' Boeing 777-200/300s and Airbus A300, A310, and A330s, plus many older aircraft, and will also house the latest long-range A340-500s entering Emirates service from next year.

As the world's most versatile multi-aircraft dock, it will allow the Dubai-based international airline to compete for third-party maintenance work for customers throughout the region, helping to reinforce Dubai's position as a global aviation hub.

Qantas to shed 2000 more jobs

AFP, Sydney

Australia's Qantas Airways Ltd. will shed up to 2,000 more jobs after it blamed a contracting aviation market for sharply diminished passenger loads on key overseas routes Thursday.

Australia's biggest airline will jettison the workers before Christmas, adding to the 250,000 jobs the carrier says have disappeared around the globe during the past eight weeks.

Qantas chief executive Geoff Dixon defended the move, saying as many as 8,000 positions could have been cut had rival Australian carrier Ansett not collapsed in September.

Jobs would be lost across the board -- with the intention of insulating some 32,000 other Qantas workers from further cuts, Dixon said.

As a result of the September 11 terrorist attacks in Washington and New York, Qantas "would also make further reductions to its international flying, taking the reduction in capacity... to around 11 per cent," he said.

Afghan crisis sparks Pakistan economic target cut

REUTERS, Karachi

The negative impact of the current Afghan crisis has prompted Islamabad to cut its gross domestic product growth target for fiscal 2001/02 (July/June) to 3.7 per cent from 4.0 per cent, a senior Pakistani official said Thursday.

"We have agreed that in view of the current situation that the growth rate may fall short of the original target of four per cent," a senior finance ministry official told Reuters. "We think that growth may be slightly lower at 3.7 per cent."

He said the government tax revenue target would be reduced to around 430 billion rupees (\$7.03 billion) from a previous 444 billion rupees because of declining imports and exports.

The target had already been lowered from 457 billion rupees after collected revenues fell short in July and August, the first two months of the current fiscal year.

Pakistan, which recorded 2.6 per cent GDP growth in 2000/01, says its exports have plummeted and other business costs have soared since the September 11 suicide plane attacks on the United States, losses projected to cost the country

more than \$1 billion.

Since the attacks, cash-strapped Pakistan has had to grapple with soaring freight and war risk insurance charges, disrupted trade flows as buyers fearing political instability cancel orders and a need for manufacturers to maintain higher inventories.

Buried under more than \$65 billion in foreign and domestic debt, Pakistan spends 83 per cent of its annual revenues on debt servicing and defence.

The official added that figures from September showed Pakistan was on track to meet original targets, but once October figures were available a clearer picture would emerge.

"The September figures do not show the shortfall but because of the prevailing situation... and because of the pressure on imports and exports it is expected there will be a shortfall," he said. "But this is a short-term phenomenon hopefully."

The Asian Development Bank (ADB), in its outlook for Pakistan last week, said it expected the Afghan crisis to restrain the impoverished country's GDP in 2001/02 to around three per cent and hamper plans to reduce its fiscal deficit.

S'pore retail sales tumble 10.2pc

AFP, Singapore

Singapore retailers have taken a beating with September sales tumbling 10.2 per cent from August as the once-buoyant economy sinks into its deepest recession, the government said Thursday.

Retail sales in September totaled 2,035 million dollars (1,112 million US), compared to 2,267 million in the previous month, the statistics department said in a statement.

The retail index was 8.7 per cent down on September a year ago.

"(The) majority of the retailers reported lower turnover," the statement said.

"In particular, dealers in motor vehicles and retailers of wearing apparel and footwear encountered double-digit declines in their sales." Excluding motor vehicles, retail sales were down 6.5 per cent in September month-on-month.

Sales of books, computers, recreational goods, optical and telecommunications equipment plunged eight to nine per cent.

But medical goods and toiletries rose 7.7 per cent, and food and beverage sales were up 3.2 per

cent. The figures showed Singaporeans were cutting back on fast food, but they were hitting the restaurants which enjoyed higher turnovers of 6.1 per cent.

The retail figures were released on the eve of the October non-oil domestic export data, closely watched for its insight into the island's economic health.

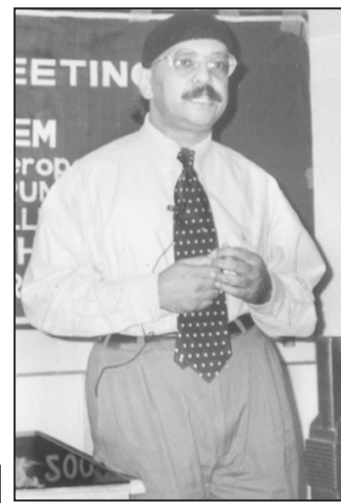


PHOTO: ACI

Prof. Taimor Nawaz makes a presentation at a meeting on newly introduced antibiotic Meronem organised by ACI Ltd. at Bangladesh Medical College and Hospital in the city on Wednesday.

ACI launches Meronem

ACI Limited arranged a clinical meeting on newly launched antibiotic Meronem Bangladesh at Medical College and Hospital (BMCH) in the city on Wednesday, says a press release.

Leading infection disease specialist Prof Taimor Nawaz presented the keynote paper at the meeting, which was chaired by Prof Anis Waiz, principal of the BMCH.

Meronem (Meropenem trihydrate INN) is a research product of AstraZeneca UK. It is an ultra-broad spectrum carbapenem antibiotic available in injection. Since its introduction in the world market in 1996, Meronem has the form of established itself as the ultimate life-saving antibiotic in serious and uncontrolled polymicrobial infections, particularly in the intensive care units (ICUs) of specialised clinics and hospitals.

Prof Nawaz said that Meronem can show excellent results when conventional antibiotics especially generation cephalosporins fail in controlling infections.

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