

## US, Europe cold snap; OPEC supply curb extension chances

## Oil storms up to \$25 a barrel

LONDON, Nov 16: Oil prices stormed up to \$25 yesterday bolstered by a cold snap in Europe and the United States as well as more speculation from OPEC ministers that output curbs will be retained beyond March, reports Reuters.

London Brent blend future for December peaked at \$25.02 a barrel, a level not seen since October 1996 and just four cents off the highest price since the 1990-1991 Gulf crisis, when oil briefly ballooned above \$40 a barrel.

Brent ultimately settled at \$25 a barrel exactly, up another 41 cents after a \$1.70 gain last week.

Dealers said expectations that tight oil inventories would be drained quickly in coming weeks had brought fresh speculative buying into a market where many now see the possibility of \$30 oil this winter.

"There's no doubt we are heading south on inventories," said David Knapp of the Paris-

based International Energy Agency (IEA). "The direction of stocks appears to be firmly established. The rate of decline will depend on the weather."

A cold snap forecast this week in the prime heating oil markets of the US Northeast and Northwest Europe could rag petroleum stockpiles in the leading industrial nations of the OECD down to those seen in the approach to the winter of 1996 — when inventories were particularly lean.

US Weather Services Corp forecast temperatures would dip sharply below normal in both regions by midweek. Forecasters are predicting a severe northern hemisphere winter just when stockpiles are at their leanest.

"The winter is likely to get off to a fast start with an abundance of early season cold across much of the country," Salomon Smith Barney meteorologist Jon Davis said recently.

In his winter forecast for the United States.

London consultancy the Centre for Global Energy Studies (CGES) warned that inventories were getting so tight that commercial stock cover could hit minimum operating levels early next year.

After a heavy draw in September, commercial inventories held in the industrialised nations of the OECD fell again in October — by an estimated 800,000 barrels a day in the United States and Europe, the CGES said in a monthly report.

"What is more there are hardly any spare stocks at sea, in temporary storage or in the non-OECD countries, the companies having run them down first before tapping their own inner reserves," it said.

Oil also found support on Monday from OPEC President Abdullah al-Attiyah of Qatar. Attiyah said he thought OPEC should keep supply curbs in

place until the end of next year, nine months beyond the scheduled expiry in March.

"I believe all members seem to be supporting a rollover beyond March," he said of OPEC's 4.32 million BPD of supply cuts. I believe a rollover to the end of 2000 (is) the best way," he added.

Most other OPEC ministers have said they want to consider keeping the export limits in place at least until the end of June — although many have attached the condition that a extension should depend on stockpiles remaining above normal.

Such bullish comments have helped attract large hedge fund speculators back into the oil market.

"Non oil-related participation was clearly evident as fund buying orders were triggered by news increasing their positions," said Lawrence Eagles of brokers GNI.

## Thailand bans top officials' going abroad on millennium eve

BANGKOK, Nov 16: The Thai government is barring senior officials from traveling abroad Dec 29 to Jan. 5, saying they must be at their posts to deal with any problems arising from the Y2K bug, says AP.

Thai Airways is also considering canceling New Year's Eve flights despite earlier running a public test flight to assure the country that the state-owned carrier would be safe at the turn of the millennium.

"We do not want to be careless," Transport Minister Suthep Thaugsuban was quoted as saying by The Nation newspaper Tuesday. "We're thinking that if passengers aren't confident, why should we persist with the New Year's flights?"

Y2K, or the millennium bug, refers to the potential for chaos in old computer systems that read years by the last two digits. They could mistake 2000 for 1900 come Jan 1, causing breakdowns. Everything from airplanes to banking and elevators could be at risk of malfunction.

A Thai Airways spokesman, speaking on customary condition of anonymity, said the final decision on whether to cancel several flights over the New Year's period would be decided at a meeting of its executive board on Nov. 18.

The airline had earlier said it would still run flights — thought to number about 20 — straddling midnight on Dec. 31.

Deputy Prime Minister Trairong Suwankhri, the chairman of the government's Y2K committee, said the Thai carrier was ready to fly but expressed doubts about whether other countries were.

Trairong estimated that only half the world's airports were Y2K-compliant.

Thai officials are thought to be particularly wary of aviation preparations in nearby countries like Laos, Myanmar, Vietnam and India, according to media reports.

Thai Airways director Aran Apichart was cited by The Nation as saying that customer demand for flights on New Year's Eve was about 30 per cent lower than last year.

## EU takes snipe at lack of WTO talks preparation

BRUSSELS, Nov 16: EU Foreign ministers said Monday they were worried about the lack of progress in preparations for end-of-the-month World Trade Organisation (WTO) talks in Seattle, Washington, which will launch a new round of trade talks, reports AFP.

Meeting in Brussels, the ministers stressed in a statement the importance of the talks which "will cover many subjects and cater to the interests of all in the WTO."

The ministers also stressed the need for all WTO members "to be open-minded and take into consideration other countries' interests, especially those of the least-developed countries."

They confirmed their "total support" for the European Commission, which will represent the EU at Seattle, and encouraged the commission to "push for the EU's favoured approach of global talks."

EU Trade Commissioner Pascal Lamy said last week the lack of preparations for the Seattle conference was "worrying."

Lamy also hinted that disagreements between members could jeopardise the start of new trade talks.

Meanwhile, an AP report from Taipei says: As Taiwan edges closer to entering the World Trade Organisation, the island is evaluating whether to negotiate with China over ending its ban on direct trade links between the sides, a senior official said Tuesday.

Vice Economics Minister Lin Yi-fu said the last barrier on Taiwan's WTO accession was reduced after China reached an

agreement with the United States over its entry bid on Monday.

China now needs agreements with other key trading partners, particularly the European Union, to become a WTO member.

Taiwan has completed negotiations with all WTO members, but its entry into the Geneva-based body that set world trade rules has been stalled because China insists that it enter the organisation before Taiwan does.

Taiwan now expects a WTO working committee to meet in December to approve the island's entry bid before submitting the case for a final WTO vote, Lin said. Taiwan will then have to make clear its stand on trade links with the mainland, he said.

"It has yet come to the time when we will have to say whether we will invoke the exclusionary clause, and we are still evaluating the issue," Lin said.

The WTO permits a member to cite national security concerns for excluding trade favours to another member. Taiwan uses that rationale for its ban on direct trade links with China, saying lifting the ban could endanger the island's security.

But US and European businesses operating in Taiwan have pressured the government to end its ban on direct shipping and air links with China.

Although the two sides split amid civil war in 1949, China considers Taiwan to be a renegade province and has tried relentlessly to isolate the island diplomatically.



Mohammad Enamul Haq Choudhury, Managing Director of Agrani Bank, distributes certificates among the participants of the training course on "Innovative Management" conducted by the bank's Training Institute. Director of the Institute Badruddin Ahmed and faculty members were also present.

## exchange rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies.

Currency	Selling TT & OD	Selling BC	Buying T.T. Clean	Buying OD Sight Export Bill	Buying OD
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0850
Pound Sg	80.9604	81.0256	79.7652	79.5016	79.3862
Deutsche Mark	26.6826	26.7041	25.7091	25.6086	25.5711
Swiss Franc	32.2169	32.2428	31.6296	31.5250	31.4789
Japanese Yen	0.4751	0.4755	0.4666	0.4651	0.4644
Dutch Guilder	23.6813	23.7003	22.8173	22.7281	22.6948
Danish Krona	6.9671	6.9727	6.8106	6.7881	6.7782
Australian \$	32.6080	32.6342	31.3281	31.2245	31.1788
Belgian Franc	1.2937	1.2947	1.2465	1.2416	1.2398
Canadian \$	34.3131	34.3407	33.3288	33.2187	33.1700
French Franc	7.9558	7.9622	7.6656	7.6356	7.6244
Hong Kong \$	6.4107	6.4158	6.3329	6.3120	6.3027
Italian Lira	0.0270	0.0270	0.0260	0.0259	0.0258
Norway Kroner	6.2952	6.3002	6.1923	6.1719	6.1628
Singapore \$	30.1705	30.1947	29.1955	29.0990	29.0564
Saudi Rial	13.2975	13.3082	13.1142	13.0709	13.0517
UAE Dirham	13.5770	13.5880	13.3809	13.3466	13.3271
Swedish Krona	5.9771	5.9819	5.9030	5.8835	5.8749
Qatar Riyal	13.6071	13.7081	13.5068	13.4621	13.4424
Kuwaiti Dinar	169.5534	169.6897	167.3078	166.807	166.629
Thai Baht	1.2922	1.2932	1.2789	1.2747	1.2728
Euro	52.1867	52.2286	50.2827	50.0961	50.0127

## Bill buying rates

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
49.2112	48.9090	48.4980	48.0870	47.6760	46.8540

## US Dollar London Interbank Offered Rate (LIBOR)

Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
49.0850	49.7300	USD	5.45875	6.07	6.0125	6.0125	6.1025
80.4601	82.0644	GBP	5.32125	5.75484	5.8825	6.0606	6.20944
Cash/TC	Cash/TC	Euro	3.01838	3.44875	3.45288	3.51	3.59638

## Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
43.387/43.395	51.895/51.90	38.67/38.72	3.7995/3.8005	6950/7000	1177/1179

## Amex notes on Tuesday's market

USD/BDT rates moved between 49.49-49.50 in dull trading today. The call market was locked in 6.5-7.25 per cent level.

Yen softens across the board. Dollar/yen nears 105.28 Asian high, but dealers say gains likely to be limited, next barrier at 105.45. Euro/yen up one pct from 107.62 two-month low set on Monday. 109 area seen likely to cap for now. Dealers say little activity ahead of FOMC decision on US rates.

Announcement expected around 1915 GMT.

Sterling also held a firm tone against the dollar. GBP and earlier set a session high at \$1.6240, its highest since \$1.6288 set last Thursday. "We expect the inflation figures to be reasonably bullish for sterling," said Steve Barrow, currency strategist at Bear Stearns in London. The whole Policy backdrop in the UK, where you have pre-emptive tightening against inflation pressure, is supportive for sterling and the pound is set for more gains against the dollar and the euro. Economists expect retail prices to have risen 0.1 per cent in October and 1.2 per cent year-on-year. RPI excluding mortgage interest-rate payments is expected to show a 2.0 per cent rise year on year, compared with the government's 2.5 per cent target. Analysts said the pound has benefited from strong domestic fundamentals as well as the euro's recent weakening against the dollar and yen. "There is no sign the rate hike" have killed off the (domestic) recovery momentum, because that would be particularly negative for sterling. All the data from the real side of the economy look to be fairly firm," Bear Stearns Barrow said.

The euro was range bound in dull trading Tuesday. The market is waiting FOMC data, and euro moved within 1.0300-1.0350 range today.

At GMT 9:00 the exchange rates of major currencies against USD were GBP/USD 1.6229/1.6230, USD/CHF 1.5514/5521, USD/JPY 105.19/105.25, EUR/USD 1.0334/1.0339.

## Man plays main culprit in food emergencies: FAO

ROME, Nov 16: Man not nature is now the prime culprit in food emergencies, the United Nations Food and Agriculture Organisation said yesterday, reports Reuters.

Thirty-five countries face food shortages, the highest toll since 1984 when a severe drought hit sub-Saharan Africa, FAO said in a new food outlook report.

"The major causes are war/civil strife, adverse weather and financial and economic crises, and the number of people facing food shortages of varying intensity is estimated at some 52 million," the Rome-based agency said in the report.

The organisation noted a marked shift in the causes of food emergencies over the last 15 years.

"For the first time, human-induced disasters such as civil strife and economic crises have more effect on food shortages than nature-induced crises," FAO Assistant Director General Hartwig de Haen told a conference at the agency's headquarters.

"In 1984, man-made disas-

ters contributed to only about 10 per cent of total emergencies. Now, it is more than 50 per cent."

Civil strife had raised the spectre of famine for many in Africa, while in Asia millions were still affected by severe erosion of purchasing power and access to food as a result of financial and economic crises, FAO said.

Since last year the regional distribution of populations suffering food supply problems had shifted, with a fall in sub-Saharan Africa to around 19 million from 21 million but a five million rise to some 28.3 million in Asia, FAO said.

That was partly due to a reclassification of eight of the former Soviet republics into Asia, however.

Afghanistan, Iran, Iraq, Jordan and Syria had all been hit as the worst drought in decades sharply reduced food output.

War, pest outbreaks, insufficient rain and drought raised concerns over the Eastern Africa food outlook, while in

central Africa conflicts continued to displace large numbers of people.

Within southern Africa, FAO deemed Angola's food situation as "catastrophic" with rising starvation-related deaths reported from various parts and more than two million people estimated to need emergency food assistance.

East Timor, North Korea, Bangladesh, Indonesia and Mongolia were all in need of food aid in Asia, while in Latin America and the Caribbean assistance was going to hurricane-hit Honduras, Nicaragua, Haiti and Cuba.

FAO said, however, that the world's ability to fight food crises had increased since the 1980s. Early warning technology in slow emerging disasters such as droughts, had improved and information dissemination had become more rapid.

But the food aid situation remained fragile, FAO said, reflecting lower donor country budgets and possibly donor fatigue, particularly for protracted food emergencies.



Carly Fiorina, CEO and President of Hewlett-Packard, makes a point during a press conference at COMDEX Monday in Las Vegas. Fiorina unveiled a new logo for HP (L) and the told reporters that the company is reinventing itself to take advantage of new markets.

## Philippines eyes int'l markets for bulk of fund needs

MANILA, Nov 16: The Philippines plans to tap the international market for the bulk of its funding needs for the year 2000 instead of depending largely on local sources to keep rates stable, Finance Secretary Edgardo Espiritu said today, reports Reuters.

Manila has set a lower budget deficit of 62.5 billion pesos next year from a programmed deficit of 85 billion this year. "My priority is still maintaining the level of interest rates where they are now," Espiritu said in an interview with local television SNN.

"In terms of my programme for the year 2000, I have to reverse source the funds back to 65 per cent external and 35 per cent domestic borrowing," he said.

"My original plan was to reverse that — 60 per cent domes-

tic, 40 per cent external. But because of this experience of ours in terms of the bigger than expected deficit (in the first 10 months of 1999), I have to reverse my profile for borrowing," Espiritu said.

He did not say how much the government would borrow from both the local and international markets next year.

Espiritu said the government's higher than expected deficit in the first 10 months was "sending the wrong signal to the market."

Traders attributed the increase of treasury-bill rates in Monday's regular auction partly to worries that the government might be forced to borrow more locally to fund its higher than programme deficit.

The government said last week it accumulated a deficit of 98.804 billion pesos in the first

10 months of the year, higher than the 87.538 billion deficit in the first nine months and almost 14 per cent higher than the full-year target.

Officials attributed the government's widening deficit largely to shortfalls in revenue collections.

The President is worried about the performance of the Bureau of International Revenues and the Bureau of Customs," Espiritu said.

Espiritu said he expected President Joseph Estrada to announce drastic measures soon to compel revenue collection agencies to achieve their collection targets. He did not say what these measures might be.

He said the government was also studying plans to defer until next year payments on accounts payable.

## 'Chechnya issue won't halt IMF loan to Russia'

ANKARA, Nov 16: The United States said on Monday that while it had great concern over Russia's crackdown in Chechnya, it did not believe the conflict should affect International Monetary Fund assistance for Moscow, reports Reuters.

White House National Security Adviser Sandy Berger, in Turkey with US President Bill Clinton on an eastern Mediterranean tour, said Clinton would tell either Russian president Boris Yeltsin or Prime Minister Vladimir Putin at a European security summit later this week in Istanbul that Russia's current course in Chechnya "is not a wise one."

But Berger said "it would not make sense" for the United States to retaliate against Russia by blocking assistance for containing and storing Russian nuclear materials and reducing its nuclear weapons.

## Filipino House okays budget for 2000

MANILA, Nov 16: The Philippines House of Representatives has approved a 651-billion peso \$16.27 billion national budget for next year that calls for a freeze on government hiring to trim a hefty projected deficit, officials said Tuesday, reports AP.

The budget, 9.7 per cent larger than the current year's, must now be reconciled with a Senate version, and then must be signed by President Joseph Estrada.

House Majority Leader Manuel Roxas said the budget, approved by the House late Monday, may have to be revised before Estrada signs it to take into account the country's growing budget deficit.

The budget calls for a freeze on government hiring because of inadequate revenue and the already bloated government bureaucracy, House Speaker Manuel Villar said.

## White House, Congress in debt-relief deal

WASHINGTON, Nov 16: The Clinton administration and congressional leaders have agreed on the outlines of a plan to let the International Monetary Fund bolster its efforts to grant debt relief to poor countries, says AP.

The tentative deal, which still had some loose ends involving language, would help the White House achieve one of its foreign policy goals for the year. Support for an international effort to help spark the Third World Economy by relieving debt has come from Pope John Paul II, liberal and conservative politicians, and even the Irish rock star Bono of the group U2.

The agreement emerged Monday night after repeated meetings between House Majority Leader Dick Armey and Treasury Secretary Lawrence Summers and other Treasury aides.

Under the deal, the IMF would be allowed to revalue enough of its gold to create a \$3.1 billion, interest-bearing fund. IMF rules require it to value its gold at just \$48 an ounce, about one-sixth of its market value.

About 64 per cent of the interest raised by the fund could be used for international debt relief, said Sen Phil Gramm and an aide to Armey. The rest could only be used if it is approved by Congress.

The IMF intends to use money to ease the debt poor countries — mostly in Africa and Latin America — owe the fund itself and the world's regional development banks.

Still to be finalised is language ensuring that the money be used only for debt relief, and that the aid can only be conditioned on a country's policies aimed at encouraging economic growth.

## Deal struck to pay off US arrears to UN

WASHINGTON, Nov 16: A deal between the White House and Republican lawmakers has been reached that would allow the United States to pay the nearly one billion dollars that Washington owes the United Nations, the State Department said yesterday, reports AFP.

"There is a tentative agreement between the White House and Congress that paves the way to pay the UN arrears," a State Department official said.

The deal, agreed to late Sunday and still being hashed out, would resolve a long-standing impasse over UN funding of international groups that provide abortions or lobby for abortion rights, which Republicans oppose.

The State Department official declined to provide details of the agreement saying it was still tentative but said it "will meet our goal of minimising the

practical impact of US support for women's health programmes around the world."

And, the official cautioned: "This is not final yet."

"It is essential that whatever final agreement is reached has adequate provisions for international debt relief and payment of UN obligations."

Paying back UN arrears is one of the top foreign policy goals for the White House, and administration officials warned that the US arrears had put Washington's authority as a world leader at risk.

If the United States does not make an installment payment of at least 550 million dollars by December 31, it will lose its vote in the UN General Assembly. Failure to pay would not jeopardize the US General Assembly seat or its vote on the UN Security Council.

Agrani Bank  
Head Office, 9/D, Dilkusha, Dhaka  
Sale Notice  
M/s Hamidia Jute Mills Ltd  
Hajiganj, Chandpur

For realisation of arrearage of the company to Agrani Bank, Hajiganj branch, Chandpur amounting to Tk 17.65 crore sealed quotation/tenders are hereby invited from the bonafide intending buyers including foreign buyers for 'Sale of Assets' i.e. Land, Building, Machinery and all other assets of the above named jute spinning mill comprising of 14 frames and 1400 spindles situated at Hajiganj, Chandpur 'As-is-where-is basis'. The details particulars/information are as follows:

## 1) Name and location of the Mill:

1. M/s Hamidia Jute Mills Ltd

Hajiganj, Chandpur

Mouza — Toraghar, PO & Thana — Hajiganj, District—Chandpur. The

total area of the Mill are 16.86 acres along with its buildings, machinery of the plant, store spares and other facilities like gas, electricity, water & garage etc. & also includes hundreds of valuable trees situated within the Mill premises 'As-is-where-is-basis'.

## 2) Terms and conditions for submission of tender.

The successful bidders after paying the full amount will be treated as a buyer of the Mill. The Ministry of Industries will arrange hand over of the Mill through SAF-KABLA deed in favour of the buyer through Sub-Registrar Office. Registration cost will be borne by the purchaser.

Bank authority and the Ministry of Industries will not assume any legal obligation whatsoever on behalf of the company and its previous directors in respect of any dues/claims of Government, Semi-Government, Autonomous Bodies, Banks, Municipality, Electricity, Gas supply authority, Land Revenue Board or any other charge/claim that may arise afterwards.

Intending buyers/tenderer may inspect/visit the Mill during bank office hours. The Zonal Head of Agrani Bank, Chandpur and Manager, Hajiganj branch will extend necessary co-operation in this respect. For further information bidder/tenderer may contact the undersigned during bank office hour over phone.

Intending tenderer/bidders may drop their tenders/offers in sealed cover (applying in plain paper) along with 5% earnest money of the quoted value through account payee Bank Draft/Pay Order in favour of Agrani Bank, Head Office, Dhaka. The tender will be dropped positively on or before 7th December, 1999 by 2.00 PM in the tender box kept at the office of the undersigned (3rd floor, Agrani Bank, Head Office, Dhaka). Bank authority reserves the right to extend the time limit for dropping tenders.

Tender box will be opened on the 7th December 1999 at 2.00 PM in presence of tenderer/bidders/their representative (if any).