

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 that 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 drag 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.

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.

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 industrialized nations of the OECD fell again in October — by an estimated 4.32 million barrel 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.

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Sadri Ispahani, Chairman of Ispahani Group of Industries, accompanied by Salman Ispahani, Managing Director, and Shakir Ispahani, Director, Ispahani Group of Industries, is seen with the members of German Asia-Pacific Association delegation at a dinner party hosted in their honour in Chittagong.

— Ispahani photo

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 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 a 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 decried 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 told reporters that the company is reinventing itself to take advantage of new markets.

— AFP photo

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.

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.

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

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

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 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.

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"I believe all members seem to be supporting a rollover beyond March," he said of OPEC's 4.32 million barrel 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.

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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 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.

— Agrani Bank photo

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	Buying OD Transfer
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0560
Pound Stg	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 Krone	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	33.3289	33.2187	33.1700
French Franc	7.9558	7.9622	7.6656	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 Krone	6.2952	6.3002	6.1923	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	13.3009	13.3466	13.3271
Swedish Krone	5.9771	5.9819	5.9030	5.8835	5.8749
Qatari Riyal	13.6971	13.7081	13.5068	13.4621	13.4424
Kuwaiti Dinar	169.5534	169.6697	157.3708	156.8657	156.6209
Thai Baht	1.2922	1.2932	1.2789	1.2747	1.2728
Euro	52.1867	52.2286	50.2827	50.0861	50.0127

Bill buying rates

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