OPEC blames high-taxing govts, speculators for soaring prices

JAKARTA, Sept 20: The Organisation of Petroleum Exporting Countries said Wednesday high-taxing governments and market speculators, not its members, were primarily to blame for soaring fuel prices, reports AP.

"Make no mistake, there is a balance between supply and demand, meaning that OPEC is producing enough crude to satisfy the global thirst," the group's Secretary General Rilwanu Lukman told an international energy conference.

In Europe, motorists and other fuel consumers have staged massive protests against rising costs.

Lukman said one reason why they complain so bitterly about high pump prices was due to exorbitant taxes placed on petroleum products by regional governments.

Some of the taxes are as high as 80 per cent of the pump price. It was unfair to blame OPEC alone, he said.

Protests in Britain, France and other European countries began earlier this month as prices for gas and diesel fuel soared due to high world prices for oil and a strong US dollar.

Since the spring OPEC countries have committed some 3.2 million barrels a day of crude to international markets in a bid to take the hit out of prices, according to Lukman.

"Yet prices have stubbornly maintained their strength," he said. "The main reason behind the high oil prices is what I like to term as market hype."

Meanwhile, OPEC would not increase in its output targets until at least late October, Lukman said.

Lukman said OPEC wanted to first see the market's reaction to a scheduled 800,000-barrel-a-day increase effective Oct 1.

If prices remain above the OPEC basket price band of $22 to $28 a barrel, he said, then another increase in output targets late October would be possible before the next OPEC ministerial meeting Nov 12 in Vienna.

OPEC's price-band mechanism would trigger a 500,000 barrel-a-day increase if the average price of seven OPEC crudes remains above $28 a barrel for 20 consecutive trading days beginning Oct 1.

Lukman also said he did not think United States should make any releases from its Strategic Petroleum Reserve.

"Because there is no shortage of oil on all accounts. Even in experts' and analysts' opinions, there is no shortage of oil," he said.

Reuter says from London: Soaring oil prices ended lower yesterday after posting fresh 10-year peaks, but OPEC's president said the cartel had no control over the overheated market.

London Brent crude for November delivery last traded 83 cents lower at $33.65.

US light futures last traded 37 cents down to $36.51 after hitting a post-1991 Gulf War pinnacle of $37.15 on Monday.

Oil prices have been driven up by fears that dwindling Western fuel stocks will provide inadequate cover for the peak-demand northern hemisphere winter.

OPEC President and Venezuelan Oil Minister Ali Rodriguez said rocketing prices are being fueled by speculation and are out of the exporter cartel's control.

Rodriguez also blamed refining bottlenecks and transport problems for the overheated market.

He said that is prices reach $40 a barrel, oil markets would be facing a "delicate" but not necessarily an "emergency" situation.

Mexican Energy Minister Luis Tellez said earlier on Tuesday that world oil stockpiles should stack up after a recent output hike agreed by OPEC and other producers.

"What we should see is an accumulation in world inventories," Tellez said at a conference on solar energy, adding that such a build up should stave off any sharp increase in oil prices in the near future.

Assurances from OPEC power Saudi Arabia on Monday that the cartel could lift supplies again before the group's November 12 meeting have done little to soothe consumers' concern.

Fears of a supply crunch are particularly acute in the United States, the world's biggest oil consumer, where heating oil stocks are running 40 per cent below last year.

Energy Secretary Bill Richardson said on Tuesday that US President Bill Clinton would not hesitate to use all options to deflate dangerously high," oil prices.

Oil prices are likely to remain high unless weekly inventory data from the American Petroleum Institute (API) released late on Tuesday show oil stocks in the United States are piling up, analysts said.

High oil prices threaten global growth: IMF

Euro slump seen hurting Europe

PRAGUE, Sept 20: The International Monetary Fund yesterday praised the stellar economic performance around the world, but said high oil prices were casting doubts over upbeat forecasts for next year, reports Reuters.

The global lender said the collapse of Europe's sagging single currency could hurt economies in Europe and beyond.

The time could be right for concerted intervention to support the euro, chief economist Michael Mussa said.

"Circumstances for intervention are relatively rare, but they do arise," Mussa told a news conference launching the report. "One has to ask 'If not now, when?'"

Central banks intervene in foreign exchange markets when they want to strengthen a currency. By buying euro and selling dollars they would reduce the supply of euro in the market and give the currency some support as it hovers at record lows.

But there has been no concerted central bank action to support the euro, which has tumbled more than 25 per cent against the dollar since it was launched in January 1999.

Mussa, adding his voice to that of nervous European policy makers, said financial markets had pushed the euro below levels which were justified by economic fundamentals. The euro traded at around 85 US cents on Tuesday, just above its record lows.

Mussa said the weak euro would only complicate efforts to rein in the record US current account deficit or to manage European monetary policy, and it could even undermine Japan's fragile economic recovery.

"I used to say the weak euro is more of an embarrassment than a problem, but it has become more of a problem," said Mussa. "Going forward it is a source of concern in all the major currency groups."

The World Economic Outlook the IMF's flagship publication on the state of the global economy, forecast world growth of 4.7 per cent this year and 4.2 per cent in 2001, well above the forecasts it made six months ago.

But Mussa said the higher than expected oil price could knock half a percentage point of those growth figures, bringing global growth down to 3-¾ per cent.

"Rather than 4-1/4 (per cent) next year, we think of 3-3/4, assuming that the increase in oil prices does recede gradually over the course of the year," Mussa said.

"If oil prices were to stay at $35 a barrel throughout 2001 or if they were to escalate to $40 a barrel or over, than the impact on inflation and world growth would be more significant."

Exchange Rates

Following are yesterday's **Standard Chartered Bank** rates (indicative) major currencies against Taka:

Central bank buying and selling rate of USD: BDT 53.85/BDT 54.15

Selling TT/OD	Selling BC	Currency	Buying TT Clean	Buying OD sight doc	Buying OD transfe
54.2500	54.2800	USD	53.8150	53.6464	53.5779
46.7243	46.8112	EUR	45.0341	44.8507	44.7741
77.0035	77.0455	GBP	75.2126	74.9461	74.8915
30.5681	30.5926	AUD	27.5666	27.4742	27.3941
0.5131	0.5133	JPY	0.4947	0.4945	0.4935
30.7337	30.7582	CHF	30.0567	29.9622	29.877
5.5277	5.5329	SEK	5.4342	5.4165	5.4006
36.8858	36.9103	CAD	36.0031	35.9095	35.8263
6.9920	6.9933	HKD	6.8685	6.8508	6.8334
31.588	31.6095	SGD	30.4410	30.3972	30.2826
14.8919	14.9095	AED	14.5023	14.5242	14.483
14.5803	14.5987	SAR	14.2406	14.2039	14.185

Usance Export Bills

TT DOC	30 Days	60 Days	90 Days	120 Days	180 Day
53.7041	53.3727	52.9304	52.4217	51.8688	50.6303

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Thai Baht	Mal Ringgit	Indo Rupiah	NZ Dollar
45.95/ 46.15	55.55/ 55.90	42.23/ 42.28	3.7995/ 3.8005	8595/ 8620	0.4119 0.4127

US Dollar	Buying	Selling	Libor Months	1	3	6	12
Cash notes	53.6150	54.2800	USD	8.6225	6.66	6.77	6.845
TC	53.5650	54.2600	GBP	6.07063	6.20719	6.30375	6.480

Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 20.9.2000

Berth No.	Nameof vessels	Cargo	L.Port call	Local agent	Date of arrival	Leavin
J/1	Fua Kavanga	CI(Copra)	Sant	Mutual	11/9	25/
J/2	Mana	C.Clink	Jaka	NWSL	14/9	25/
J/3	Pinya	Rice(P)	Yang	MTA	6/9	21/
J/4	Bago	Rice (P)	Yang	Cla	27/8	22/
J/5	Glory	Sugar(G)	Sant	Fortune	16/9	20/
J/6	Orange Sky (Roro/24)	Vehi	Sing	Everett	16/9	20/
J/7	Allegro	C.Clink/GYP	Krabi	RML	15/9	25/
J/8	Jin Cheng	GI	Janj	Bdship	16/9	24/
J/9	Maritime Friendship	Wheat(P)	Kuin	Mutual	31/8	22/
J/10	Aptmariner	GI(Maize)	Dali	Seaglory	8/9	29/
J/12	Xpress Resolve	Cont	Sing	RSL	17/9	21/
J/13	Banga Biraj	Cont	Sing	BdShip	17/9	21/
CCT/1	Tiger River	Cont	Sing	Nol	15/9	21/
CCT/2	Banga Birol	Cont	P.Kel	BdShip	12/9	20/
CCT/3	Chu Hong	Cont	Sing	QCSL	18/9	22/
RM/14	Samara	C.Clink	Pada	SMSL	25/8	21/
CCJ	St.Aubin	C.Clink	Jaka	Everett	13/9	21/
TSP	Handy Zadi	R.PHOS	Xing	Seacoast	15/9	23/
RM/3	Nagayevo	CPO	Indo	TSL	19/9	21/
RM/5	Banglar Urmi	Bunker	-	BSC	R/A	20/
DD	Dredger Gemini	Repair	Chand	Karna	R/A	22/
RM/9	Banglar Jyoti	Repair	-	BSC	R/A	22/
Kafco (U)	Darya Shubh	Ure	Viza	MBL	19/9	24/

Vessels due at outer anchorage

Name of vessels	Date of arrival	L.Port call	Local agent	Cargo	Loadin po
Bay Fortune	20/9	Yang	SMSL	Rice(P)+GI	
Banglar Shikha (Cont?6/9	20/9	Sing	BSC	Cont	Sir
Hilda	20/9	Osaka	Prog	GI	
Pacific Emerald	22/9	Sing	Allseas	GI(Copra)	
Banga Buoy (Cont)10/9	21/9	-	BdShip	Cont	Sir
Ocean Reyna (72)10/9	21/9	Kaoh	ASA	GI(St.Coil)	
OSG Argosy(Cont)12/9	20/9	-	Everbest	Cont	C
Asian prosperity (Roro/24)	21/9	P. Kel	JF	Vehi	
Pride	22/9	Kand	UML	Salt	
Arabella (Cont)11/9	22/9	-	QCSL	Cont	Sir
Bao Yun Shan (48)14/9	26/9	Sing	RML	GI(S.coil)	
QC Pintail (Cont)11/9	22/9	Sing	Pil (Bd)	Cont	Sing
Kota Naga (Cont)11/9	21/9	Sing	PIl(BD)	Cont	Sir
Linghai-18	21/9	-	BSL	GI	
Shun Cheng	22/9	Lian	Concord	GI/Drum	
Xiang Jiang	22/9	-	BdShip	GI	
Topaz	23/9	Sing	Prog	GI	
Kota Berjaya (Cont)13/09	24/9	Sing	Pil (BD)	Cont	Si
Sea Destiny	23/9	Tkoi	Litmond	MOP	
Orient Independence(Cont)14/9	23/9	-	BdShip	Cont	Si
Ocean-1	25/9	Yang	SMSL	GI(Log)	
Eltanin	25/9	Pada	SMSL	C.Clink	
Tokyo Queen(72) 17/9	25/9	Mgl	Everett	GI(St.coil)	
Xpress Padma (Cont)13/09	25/9	Sing	RSL	Cont	Si
QC teal(Cont)14/9	25/9	-	QCSL	Cont	Sin
Da Fu(Cont)24/9	25/9	Sing	RSL	Cont	Sin
Jurong Balsam(Cont)14/09	25/9	Sing	NOL	Cont	Si
Asian Saffron	27/9	-	Everett	GI(St.Coil)	
Lucky Emblem (72)17/09	27/9	-	Everett	GI(St.cargo)	
Jaami (Cont)19/9	27/9	Sing	Cross	Cont	Si
Kota Singa(Cont)19/9	28/9	Sing	PIL(Bd)	Cont	Sin
Jaya Mars (Cont) 18/9	28/9	-	Everbest	Cont	C
OSG Alpha (Cont)18/09	28/9	-	RSL	Cont	Si
Xpress makalu (Cont)18/9	28/9	Sing	RSL	Cont	Si
Banglar Moni(Cont)19/9	28/9	Sing	RSL	Cont	Si
Joy Hracle(72)17/9	30/9	Jaka	SSLL	GI(St.Prod)	
Freedom	No Eta	-	Atlantic	GI(Proj.mat)	

Tanker due

Eagle Aries	22/9	Sing	MSTPL	HSD/MS

Name of vessels	Cargo	Last port call	Local agent	Date arri
Vessels at Kutubdia				
Energy Explorer-IV	-	-	BBAL	05/
Ismaya	-	-	BBAL	17/
Dea Conqueror	-	-	Arafeen	R/A(11/
Dea Champion	-	Sing	Arafeen	09/
Seabulk Comamnd	-	-	IBs	R/A(16/
Dea Captain	P.Mat	Sing	Arafeen	16/
Vessels at outer anchorage				
Ready on:				
Argus	R.Seed	Rouen	Royal	11/
Boxer Capt Cook (Cont)	Cont	P.Kel	Bdship	18/
San Pablo (Roro/24)	Vehi	P.Kale	JF	19/
Oriental Dominion-II	CPO	Sing	Sealift	19
Banglar Robi(Cont)	Cont	Sing	BSC	20/
Banglar Maya	GI/S.Ash	Momb	BSC	20/
Vessels not ready				
World Amber	Wheat(P)	Sing	Angelic	24/
Pavonis	R.Seed	Rouen	Royal	13/
Bay Pride	Rice(P)/GI	Yang	SMSL	16/

The above are shipping position and performance of vessels of Chittago Port as per berthing sheet of CPA supplied by **HRC Group**, Dhaka.

Workers' strike hits Indian phone service

NEW DELHI, Sept 20: A nationwide telephone shutdown affected long distance calls in India on Wednesday, and defiant unions promised to end the protest only if they were assured of job security under an ambitious privatisation programme, reports AP.

A strike by telecommunication department workers ended Sept 8 after an agreement between Communications Minister Ramvilas Paswan and labour unions, but some workers' unions have continued their protest. These include bureaucrats and junior officials.

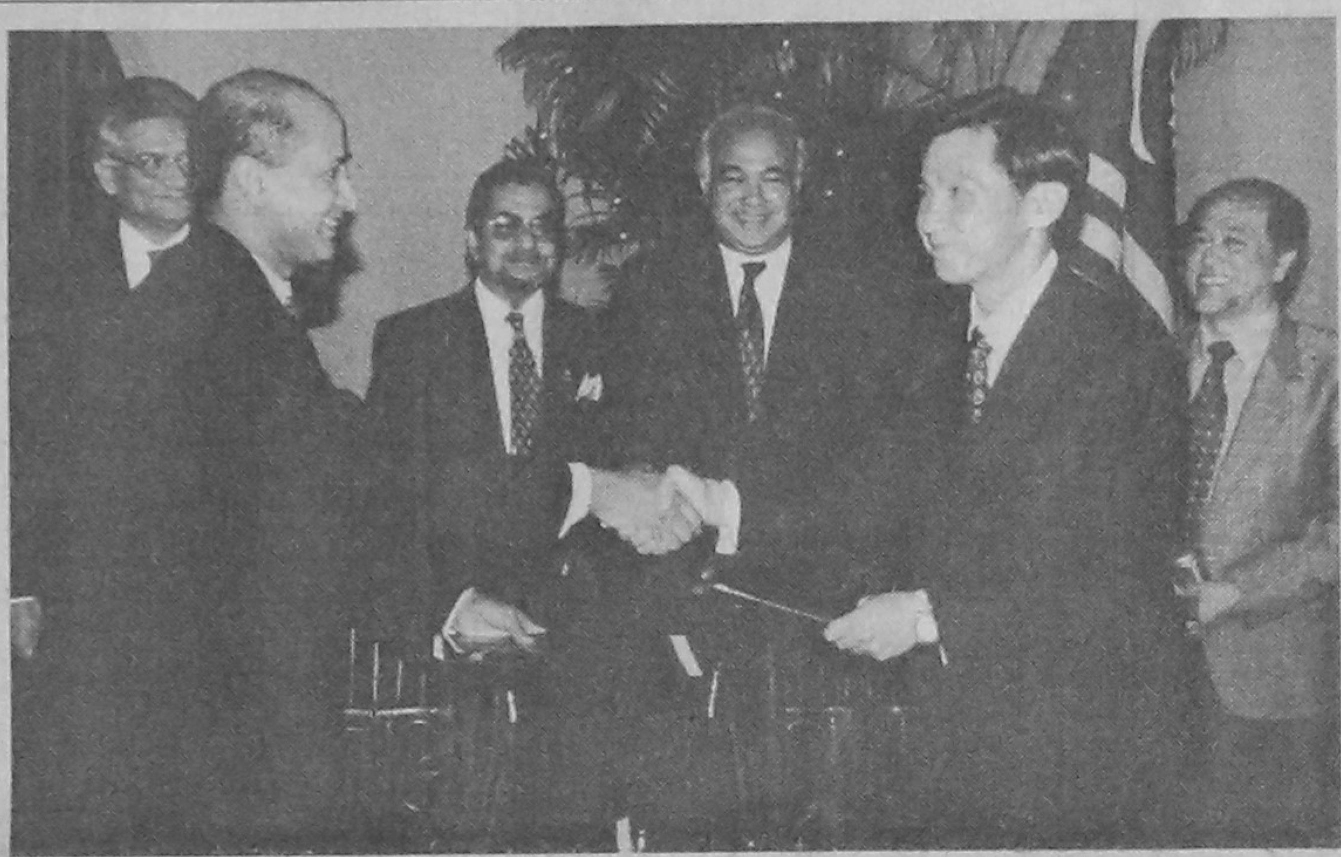
The Unions are protesting the government's decision to convert the Department of Telecom Services into a company from Oct. 1. They see the move as the first step toward privatisation and fear job losses.

India's telecommunication department employs about 400,000 people.

Paswan and other senior government ministers Wednesday met with senior officers who demanded that they should not lose their positions and perks entitled as government officials, even if a new company was formed.

"We have placed our demands. There has been no response from the government," said AK Sinha, a spokesman for the Indian Telecom Services Association that has 4,000 bureaucrats as its members.

India began opening up the telecommunications sector to private service providers in 1994, ending a 50-year state monopoly, but connectivity still remains low. In a country of approximately 1 billion people, there are only 30 million telephone connections.



Shabbir Ahmed Agha, Managing Director of KAI Bangladesh Aluminium Ltd, and Koon Poh Ming, Executive Vice Chairman of Press Metal Berhad and Chief Executive Officer of PMB Facade Technology Ltd, exchange the documents of a deal for launching a joint venture aluminium fabrication company, KAI-PMB Facade Technology Ltd. Civil Aviation and Tourism and Housing and Public Works Minister Engineer Mosharraf Hossain, Mokammel Haque, Executive Chairman, Board of Investment, and Pakistan High Commissioner Iqbal Ahmed Khan are also seen.

-- KAI-PMB photo

World economy to grow by 3 pc despite oil rise

UNCTAD for better co-op

GENEVA, Sept 20: The world economy should expand by three per cent this year despite the highest oil prices in a decade, which will hit developing countries hardest, the United Nations said yesterday, reports Reuters.

The UN Conference on Trade and Development (UNCTAD) said that such an optimistic scenario hinged on a 'soft-landing' in the United States, stronger growth in Japan and Europe, and a levelling-off in both oil prices and interest rates.

But the Geneva-based agency urged leading industrialised countries to cooperate better with developing countries in the face of financial volatility and unstable commodity prices.

"Simulations suggest that the impact of oil prices on global growth will be limited and confined mostly to oil importing developing countries," UNCTAD said in its annual Trade and Development Report, 2000.

"The outlook for 2000 is still uncertain, particularly with equity investments in emerging markets again showing considerable volatility," it added.

The United States, "white knight to the global economy," looks unable to sustain its growth rate of more than four per cent posted the past three years in a row, according to UNCTAD, which gave no precise US estimate for 2000.

Growth in Europe could hit three per cent, while Japan may see two per cent expansion. But both remain vulnerable to any hike in US interest rates or sharp slowdown in America, the "global buyer of last resort," it added.

UNCTAD predicted "balanced growth" in East Asia and an average of four per cent expansion in Latin American economies.

WB head for ex-USSR states says

Good US, E Europe growth to help poor

PRAGUE, Sept 20: The World Bank said it hoped this year's economic recovery in eastern Europe and Central Asia would bring some benefits to the region's poor, whose numbers have grown dramatically since the collapse of communism, reports Reuters.

"The economic situation for the region is finally looking overall remarkably positive and promising," said Johannes Linn, World Bank head for the former Soviet Union and Europe's ex-communist states.

Growth averaging four per cent a year in the region should give states the means to tackle increased inequality and reduce poverty, which has grown tenfold since the ex-communist countries embarked on the road to capitalism.

In Tajikistan, Moldova and the Kyrgyz Republic more than 50 per cent of the population live in absolute poverty, defined by the World Bank in the region as less than two dollars a day.

"Many of the poor were not poor 10 years ago," said Ana Revenga, author of a World Bank report on poverty that highlighted corruption, the collapse of state institutions and failure to adapt to market reforms as causes of inequality.

"There is a lot of nostalgia for the security of the past," added Revenga.

Children families of the unemployed and rural dwellers were suffering the most from poverty, she said.

Many states were incapable of spreading wealth more evenly, the Bank said, because of widespread corruption and what it called "state capture" the exploitation of the country by powerful vested interests, such as big business.

With retrospect the Bank had failed to forsee how vulnerable states would be to internal collapse, Linn said. The Bank should also have sought wider political support for its programmes, he said.

An ADB fact-finding mission headed by Peter Marro exchanges views on Central Depository System (CDS) of Bangladesh with the members of the Bangladesh Association of Banks (BAB) at the BAB conference room on Wednesday.

EU seeks WTO rules on export credits, food aid

BRUSSELS, Sept 20: The European Union, under fire for using farm export subsidies, said yesterday that export credits, food aid and state trading enterprises could also distort agricultural trade and should be bound by global rules, reports Reuters.

The EU's export subsidies are a key target for the United States and the Australian-led Cairns group of major food exporting countries in agricultural trade liberalisation talks launched earlier this year by the Geneva-based World Trade Organisation (WTO).

A new EU position paper, to be presented to the WTO Committee on Agriculture on September 29, is an attempt by the 15-nation EU to shine the spotlight on trade-distorting tolls EU officials say are used by the United States, Australia, Canada and New Zealand.

"Whether it is export credit, food aid or state trading enterprises, any of these measures can be used to distort trade," EU Farm Commissioner Franz Fischler said in a statement.

"Although they may be used in a manner which is more insidious, less transparent and more trade distorting than export refunds, they are totally uncontrolled," he said.

Agricultural producers including the United States, Canada, Argentina, Brazil and Australia are pushing for agreement within the WTO that all member states abolish export subsidies and open up farm trade within a decade.

But Fischler said export refunds used by the EU were the only export measures whose use was strictly limited by the 1986-93 Uruguay Round of world trade negotiations.

This was inconsistent and all forms of export subsidy should be bound by agreed rules, he said.

Fischler said the EU was ready to envisage further limitations on export refunds but he was "not prepared for unilateral disarmament."

Another European Commission official said the EU was the world's main user of export refunds but it had been reducing their use.

He said the EU had used slightly more than 5 billion euros ($4.27 billion) of export refunds in 1998, the last year for which figures were available. This was below the 9 billion euros it could legally have used under the WTO agreement.

The official said the United States accounted for 97 per cent of subsidised long-term export credits, amounting to $3.2 billion in 1998.

The EU paper said some officially supported export credits, especially long-term export credits, could be used to expand market share, cut down actual export prices and drive competitors out of a market.