

UN may let Iraq to get euros for oil export

US not unnerved by Baghdad's likely rejection of dollar

UNITED NATIONS, Oct 27: UN Security Council members appear likely to allow Iraq to receive payment for its oil exports in Europe's single currency rather than US dollars, diplomats said on Thursday, reports Reuters.

"In principle, we have no problem with it," said one member of the council's sanctions committee on Iraq. "There is nothing in the resolution that says what currency is to be used."

Iraq has already threatened to stop oil exports the bulk of which flow through the UN humanitarian programme, if its request for payment in the euro is denied.

Baghdad currently is selling about \$60 million of oil per day. Its 2.3 million barrels per day (bpd) of crude oil comprise some five per cent of the world's supply.

Iraq, which has called the dollar the currency of its "enemy state," informed oil cus-

tomers earlier this month to start making payments in euros, beginning Nov. 1.

Under the so-called UN oil-for-food programme, Iraq is permitted to sell unlimited quantities of oil to purchase needed supplies for its 23 million people to alleviate the impact of UN sanctions. The embargoes were imposed when Baghdad's troops invaded Kuwait in August 1990.

Contracts for goods as well as oil sales are approved by the United Nations, which has a dollar-based escrow account at the New York branch of the French bank BNP-Paribas. More than \$10 billion is currently in the bank.

Iraq's move also comes at a time the euro on Thursday hit an all-time low of 32.3 cents to the dollar.

On Thursday, UN staff issued a still undisclosed report to the committee on the financial implications of a switch to euros for crude oil, which is

bought and sold around the world in US dollars. The committee is expected to consider the report on Monday.

In Washington, the White House said it made no difference to the United States which currency Iraq used.

"I don't think it matters" whether Iraq takes euros for oil rather than dollars," National Security Council spokesman P J Crowley said.

"What's important is that the oil-for-food programme continues. We're going to continue to support the oil-for-food programme, but as to the specific currency, I don't think it matters," he said.

The fact is that whether it is in euros or dollars, we have control of his (Iraqi President Saddam Hussein's) pocketbook, so that we make sure that the revenue from the oil-for-food programme is used for food and medicine and not for tanks," Crowley added.

Meanwhile, another report

from Washington says: The White House said yesterday it made no difference whether Iraq is paid in euros or dollars for its oil exports, responding to Baghdad's threat to suspend oil shipments next week unless they were paid for in the single European currency, says Reuters.

Prices steady

Another report from Singapore says: Oil prices steadied today as fears of an imminent halt to Iraqi exports eased slightly on expectations the UN will allow Baghdad to be paid in euros, a condition Iraq has laid for continued flow of its crude.

US benchmark crude futures stood at \$33.64 per barrel, edging seven cents down from the day-earlier close. The contract surged 75 higher to \$33.71 in New York after an Iraqi source said Baghdad would likely suspend oil sales from November 1 if its proposal for euro payments was rejected.

IEA to convene if Iraq halts 2.3m bpd oil exports

Baghdad's move seen shaking market

PARIS, Oct 27: The International Energy Agency (IEA) said yesterday it would convene immediately to respond if Iraq halts 2.3 million barrels per day (bpd) in exports and warned such a move by Baghdad would shake oil markets, says Reuters.

"I think we would immediately come together to decide what to do," IEA Executive Director Robert Priddle told a news conference on Thursday.

He was speaking hours after an Iraqi source told Reuters Baghdad is likely to suspend oil sales worth five per cent of world crude exports from November 1 if Washington objects to a plan by Baghdad that it be paid in euros rather than dollars.

The head of the West's energy watchdog said a disruption of Iraq's exports would shake the oil market, which is already located in a relentless price rally.

"Iraq has 2.3 million barrels. That would be a significant shock to the market if it were all lost," he said.

Priddle stressed that other oil producers have indicated

they would step in and pick up the slack if Iraq halts exports.

But remember too that first of all Iraq wants its revenues. Second, that other producers have said they would seek to respond if there were interruptions. So others would make good any loss in supply," Priddle said.

He said the IEA could also take action to fill in any supply gaps.

"We are confident we can replace. Our members have got stocks and they are ready to draw down supplies," said Priddle.

Priddle also predicted that oil prices would not fall sharply if OPEC raises production by 500,000 barrels per day under a price stability mechanism due to be triggered by Monday.

He said oil markets would need proof of actual new barrels before cooling down from blistering prices that hit decade highs in the mid \$30 a barrel this month.

"I think the market would, like us, be a bit reserved, waiting to see what actually came

onto the market. So I wouldn't expect that an OPEC hike to have a dramatic price effect," he said.

Priddle said Saudi Arabia had the ability to unleash a significant number of crude barrels into the market under an OPEC supply increase.

"The Saudis have the capacity to put significant additional quantities on the market," he said.

Soon after Priddle's comments, the United States appeared to accept in principle that Iraq be paid for its oil in euros.

"The fact is that whether it is in euros or dollars, we have control of his (Iraqi President Saddam Hussein's) pocketbook, so that we make sure that the revenue from the oil-for-food programme is used for food and medicine and not for tanks," said White House National Security Council spokesman P J Crowley.

"I don't think it matters" whether Iraq takes euros for oil rather than dollars," Crowley said.

Britain to face mounting pressure to join euro

OXFORD, Oct 27: Britain will face mounting pressure to adopt Europe's single currency, and more debate is needed to convince the country of the economic spinoffs, the European Union's external relations commissioner said Thursday, reports AP.

"As greater consensus begins to develop in the Euro-group on economic, monetary and even fiscal issues, I suspect that the economic and competitive pressures upon Britain to come into line, in her own interest, could become very great," Chris Patten said in a speech to academics at Oxford University.

Patten, the former chairman of Britain's Conservative Party, said Britain has been too distracted by concern that closer integration in Europe might mean an unacceptable loss of sovereignty.

He said the sovereignty issue has also been misleading.

"A man, naked, hungry and alone in the middle of the Sahara desert is free in the sense that no one can tell him what to do. He is sovereign then but he is also doomed," Patten said.

It is often preferable to accept constraints on freedom of action in order to achieve some other benefit."

Britain opted to keep the pound when 11 other European countries launched the euro in January of last year. Prime Minister Tony Blair has said he favours adopting the euro eventually if economic conditions are right.

AB Bank declares 12.5 pc cash dividend

Star Business Report

Arab Bangladesh Bank Limited (ABBL) has declared a 12.5 per cent cash dividend for its shareholders for the year 1999.

This was declared in the 18th annual general meeting (AGM) of the bank held at the Engineers' Institution in the city on Thursday, says a press release.

The AGM, with bank Chairman M Morshed Khan in the chair, was also addressed by two former chairmen of the Dhaka Stock Exchange, Khorsheed Alam and Rakibur Rahman.

Managing Director of the bank C M Koyes Sami, Joint Managing Director Abu Haniff Khan and the Directors, among others, were present in the AGM.

In a speech, M Morshed Khan, urged the bank management to make substantial investment in information technology and explore the opportunities in the capital market.

He lauded the bank's progress in embarking upon merchant banking business and praised its overseas operations.

The AGM unanimously passed the audited Income Statement and Balance Sheet for 1999. This is the first time since 1990 the bank is giving cash dividend in full to its shareholders. In 1999, AB Bank earned an operating profit of Tk 259.93 million.

Confce on cybercrime in Berlin G8 calls for web security standards

BERLIN, Oct 27: Internet experts from the world's wealthiest countries attending a conference on crime in cyberspace yesterday recommended international security standards to protect users and institutions, says AFP.

The 100 specialist who gathered in Berlin as representatives of the Group of Eight (G8) top industrialised nations urged member countries at the close of their three-day meeting to develop standards to protect users from fraud and institutions from hacker attacks.

Michael Niebel, an information security expert and a German delegate to the conference, said they had also agreed that each member country should establish an authority on cybercrime to coordinate law-enforcement efforts on the Web.

"In each country, there needs to be a place one can turn to on these issues, which could eventually be linked in an international network," Niebel said.

Separately, German Chancellor Gerhard Schröder told a computer users conference in Hanover Thursday that binding international security standards were essential to foster users' confidence in the Internet and facilitate crime fighting.

"Internet crime is a global problem," Schröder said. "Fighting it thus requires global measures, better inter-

national cooperation and above all binding international minimum standards."

Schröder added that it would be "reasonable" to use US standards for online payments and so-called electronic signatures in order to foster the development of commerce on the Internet.

German Foreign Minister Joschka Fischer said at the start of the G8 meeting Tuesday that cybercrime cost 50 billion euros (42 billion dollars) annually and that the G8 countries needed to strike a balance between cracking down on criminals on the Web and respecting privacy.

Otto Schily, the German interior minister, opened the conference with a call to find common standards for what is acceptable on the Web, including for such contentious topics such as pornography and extremist political sites because values and laws vary radically.

Delegate Giuliana del Papa, an Italian diplomat, said that cultural and constitutional differences between countries made it nearly impossible to set binding international standards on content.

The issue of political extremism on the Internet is particularly sensitive for Germany, which takes a harder line on hate speech than many of its European and US partners due to its Nazi past.

Pak govt move to launch genetic cotton alarms farmers

ISLAMABAD, Oct 27: Pakistan's government is set to introduce genetically-engineered crop cultivation in the country, amid fears that this will not only hurt tens of thousands of small farmers, but lucrative cotton exports to western markets, says IPS.

The 'transgenic' cotton variety, also known as 'Bt cotton', with in-built resistance to pests, can destroy one of Pakistan's main foreign exchange earners, has been developed not by a foreign agri-business company, but the government's own farm research institutions.

Government officials here says the seeds will be available in the market before the next sowing season.

"We have conducted a three-year bio-safety impact assessment of this variety and found it safe for introduction to the farmers' field," says Kauser Abdullah, who heads the premier Pakistan Agriculture Research Council in Islamabad. The Bt cotton has been tested against strict international norms, he adds.

"We are the world leaders in developing Bt cotton," claims Abdullah.

Research work on transgenic cotton was begun in the mid 1990s by Pakistan's Nuclear Institute for Biotechnology and Genetic Engineering (NIBGE) after successive cotton harvests were hit by a pest, causing extensive damage to the country's cotton based farm economy.

Cotton is Pakistan's major cash crop and accounts for almost 60 per cent of the coun-

try's 10 billion US-dollar annual foreign exchange earning. More than 20 million people depend on the crop for their livelihood.

Pakistani scientists claim the NIBGE cotton variety will ensure a disease-free crop and stabilise export earnings. The Bt cotton can resist some of the most damaging pests like tobacco bollworm, bollworm and pink bollworm.

The genetically-engineered cotton variety will reduce use of chemical pesticides and lower farming costs, they point out.

But those opposed to such crops say that once the government allows the use of Bt cotton developed by its farm scientists, it will have to allow similar crops designed by global agri-business companies.

The US-based Monsanto is already pressing the Pakistani government to be allowed to introduce its Bt cotton variety. Monsanto claims that its transgenic cotton will boost farmers' profits and end down environmental pollution.

According to A Rehman Khan, Managing Director of 'Monsanto Pakistan Agri-tech (Pvt) Limited', Pakistani farmers will find its product more environment-friendly and cheaper.

"Monsanto Company developed Bollgard cotton, commonly known as Bt cotton, as a novel approach to controlling pest injury in production agriculture. The goal was to provide cotton farmers with more environmentally friendly and efficacious insect control at a reduced cost," Khan wrote in a letter to Pakistan's government.

Government officials told IPS that Monsanto's Bt cotton would be approved for use only if it clears the country's strict bio-safety standards.

"We will first ascertain that the transgenic variety does not have any adverse impact on the country's rich bio-diversity," says Akhlaq Hussain, Director General of the Seed Certification and Registration Department.

"Protecting the environment and people's health is our foremost priority," he adds. Pakistani laws require the owner of a transgenic seed to guarantee that the crop variety will have no harmful bio-safety impact, he says.

But opponents of genetically engineered crops are not satisfied and say that such plants are developed without giving sufficient attention to the actual environmental circumstances in which the crops will be grown.

These crops must be subject to compulsory monitoring for at least 10 years to ensure that there is no harmful ecological impact, before allowing commercial cultivation, they say.

"We are concerned that transgenic varieties will also result in the loss of bio-diversity, which small farmers in developing countries maintain," says Mushtaq Gadi of Sustainable Agriculture Research Group.

Large-scale farming of such crops will replace the richness of local varieties with vast mono-cultures of a single variety.



A poultry trader carries ducks and chickens on a bicycle on her way to a market in Hanoi yesterday. Everyday, poultry traders like this woman come early to bus stations in the city to buy poultry from farmers and then go to different local markets to resell them to customers.

- AFP photo

Govt the People's Republic of Bangladesh

Office of the Executive Engineer, RHD
Road Division, Comilla

Notice Inviting Tender

1. Tender Notice : 35/EE RHD, Road Division, Comilla, during the year 2000-2001
2. Name of work : Repairing the Rashin Road Roller No 2829, under Road Division, Comilla, during the year 2000-2001.
3. Estimated cost : Tk 94,826/-
4. Earnest money : Tk 1897/- in BD/Pay Order in favour of EE, RHD, Road Division, Comilla.
5. Name of office : Superintending Engineer, RHD, Road Circle, Comilla and office of the undersigned.
6. Name of office : Office of the undersigned EE, of the RHD, Road Divn, B'baria/Chandpur/Planning and Design Divn, Comilla and SDE's office under this Division.
7. Time allowed : 10 (ten) days
8. Last date of : 5/11/2000 up to office hours, selling of tender bids
9. Last date of : 6/11/2000 up to 12-30 PM, dropping of tender bids
10. Date, place of : 7/11/2000 in the office of the opening of EE, RHD Comilla.
11. Date of lottery : 8/11/2000
12. Eligibility of : "A" to "E" general category of contractor

Md Rafiqul Islam
Executive Engineer, RHD
Road Division, Comilla

DFP-25749-24/10
G-1885

IMF to seek Indonesia bank sale deadline

JAKARTA, Oct 27: The International Monetary Fund will press Indonesia for a firm deadline for selling stakes in two key banks during a 10-day mission to Jakarta, a fund representative said today, reports Reuters.

"What we will be looking at will be a credible deadline for the sale of Bank BCA and Bank Niaga," IMF senior resident representative to Jakarta, John Dodsworth, told Reuters.

A team of nine senior IMF officials led by Asia-Pacific Director Yusuke Horiguchi will visit Jakarta to review Indonesia's economic reform programme ahead of the next round of vital loan payments, expected in mid-to-late December.

"We have learned much since 1998 and plan to take quick action that hopefully can prevent further harm to the industry and its workers," White House Chief of Staff John Podesta said in a letter to George Becker, president of the United Steelworkers of America union.

Podesta outlined action the Clinton administration was taking to dampen a sharp increase in imports from Ukraine, Taiwan, India, China and other suppliers, and to prevent any circumvention of current US



Picture shows (from left to right) Directors of AB Bank Limited Golam Halim, Faisal M. Khan and Syed Golam Kibria, Managing Director CM Koyes Sami, Chairman M. Morshed Khan, Joint Managing Director Abu Haniff Khan, Directors Asghar Karim, Sajedur Seraj, Jasimuddin Khan and Company Secretary Sharif-ul-Huq at the bank's 18th AGM held at Engineers' Institution Thursday.

- AB Bank photo

White House pledges to dampen sharp rise in steel imports

WASHINGTON, Oct 27: The White House yesterday pledged to take "all reasonable steps" to prevent a repeat of the 1998 steel industry crisis, but stopped short of launching new US trade action against imports as requested by industry leaders, steelworkers and the governors of 10 states, says Reuters.

"We have learned much since 1998 and plan to take quick action that hopefully can prevent further harm to the industry and its workers," White House Chief of Staff John Podesta said in a letter to George Becker, president of the United Steelworkers of America union.

Podesta outlined action the Clinton administration was taking to dampen a sharp increase in imports from Ukraine, Taiwan, India, China and other suppliers, and to prevent any circumvention of current US

import restrictions. The industry officials also want to meet with steelworkers and steel industry leaders for a "discussion on the future of the industry, its workers and the steps we can take together on their behalf," Podesta said.

Last week, Becker and 74 steel industry executives urged President Bill Clinton to take a number of steps to avert a new steel crisis. They warned that imports once again were reaching the levels seen in 1998 that forced some firms into bankruptcy and others to lay off thousands of workers.

Podesta said the White House was "very concerned" about the issues raised by the steelworkers and industry executives.

In that regard, we intend to take all reasonable steps to prevent a steel crisis from taking hold again," he said in his

letter.

The industry officials asked for "comprehensive import relief," including a so-called section 201 investigation that could lead to restrictions on a wide range of steel-product imports from a number of suppliers. Section 201 of the 1974 trade act allows the administration to restrict imports that the US International Trade Commission determines are a threat to domestic producers.

Governors of Alabama, Delaware, Indiana, Iowa, Maryland, Minnesota, North Carolina, Pennsylvania, South Carolina and West Virginia also have called for a section 201 investigation. A resolution in the US House of Representatives with 235 Democratic and Republican cosponsors makes the same plea.

Rather than take immediate action on that front, Clinton

has directed US trade officials to hold "senior-level consultations" with countries that have rapidly increased steel shipments to the United States, Podesta said.

Commerce Undersecretary Robert Larkuska already has held the first of those talks in Kiev, Ukraine.

"Our goal will be to alert these trading partners to our concern about the dramatic recent increase in their shipments to our market, and to signal that we are giving urgent consideration to your request for relief," Podesta said in the letter to Becker.

US Treasury Department officials also will ask the World Bank, the European Bank for Reconstruction and Development and other relevant multilateral development banks for a moratorium on lending for construction of new steel production capacity, Podesta said.

Government of the People's Republic of Bangladesh

Office of the Divisional Forest Officer
Forest Extension Division
Faridpur.

Tender Notice No. 7/2000-2001 Dated: 19-10-2000

Prequalification of Consultants for Various Development Works of Forest Extension Division, Faridpur Re-Tender (2nd Time)

Scaled tenders are hereby invited by the Divisional Forest Officer, Forest Extension Division, Faridpur from reputed Consulting (Engineering) Firms having minimum 10 (ten) years working experiences to appoint Consultants for preparation of Plan, Design, Drawing, Specification, Detailed Estimates, Tender Documents and to assist in selection of contractors, soil testing and submission of report and fulltime supervision of civil works.

Tender will be received at the following offices up to 12:00 noon of 6-11-2000 and will be opened at 12:30PM on the same date by the Head of the offices or their representatives in presence of the tenderers or their representatives if any of them present.

1. Office of the Divisional Forest Officer, Forest Extension Division, Faridpur.
2. Office of the Divisional Forest Officer, Forest Extension Division, Baily Road, Dhaka.

Tender schedule incorporating terms and conditions etc. will be purchased from the above mentioned offices on payment of Tk 400/- (Taka four hundred) (Non-refundable) only in cash up to 5-11-2000 during the office hours in working days.

All the conditions and the schedule of works of the previous Tender Notice No. 3/2000-2001 Dt. 26-9-2000 will remain unchanged.

Md Shafiqul Alam Chowdhury
Divisional Forest Officer
Forest Extension Division

DFP-25794-24/10
G-1883

Faridpur.
Telephone: 63083