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Musharraf's daring speech

His stand on fundamentalism must succeed through deeds now

PAKISTAN President Pervez Musharraf has risen to the occasion. His image of a military ruler who has yet to restore democracy to Pakistan seems rather obscured by his vibrant siding with progress as opposed to theocratic back-sliding his country had been prey to. In a major policy speech delivered on Saturday Musharraf took a bold and principled stand on terrorism, religious extremism, propagation of religious bigotry and jehadi mentality and finally on obscurantist doping of the people. He has declared five extremist and militant Islamic organisations banned -- such as, Lashkar-e-Taiba, Joishe Muhammad, Shipa-i-Sahba Pakistan, Tehrik-e-Jafria Pakistan and Tehrik-e-Nifaz-e-Shariat-e-Muhammad. He has ordered regulatory steps to curb the influence of madrassahs and mosques. These institutions will need to be registered with the government. Also, the students of madrassahs, both local and foreign, will have to register their names with the government. The use of loud speakers will be regulated as well.

The Islamic clerics' crossing of the threshold of their legitimate scholarly concerns has been amply illustrated through their diabolic self-aggrandising role and fomentation of sectarian violence.

Musharraf's bold and courageous move against terrorism fed on religious fanaticism is appreciated and his thrust on the true spirit of Islam is even more welcome. What particularly strikes a responsive chord in us is the message he is trying to get across to the Muslim World that to be a proud Muslim and flourish as such one need not identify oneself with obscurantism, or indeed declare oneself a fundamentalist.

The Pakistan President emerges as an intrepid tight-rope walker. With an eye to India and another to the Western world and his mind with the majority Pakistanis, Musharraf has played out astutely to the mixed audience. With the world and India in mind, he says, "No organisation will be allowed to indulge in terrorism in the name of Kashmir." But with his people in mind, he hastens to point out that Pakistan would not 'budge an inch' from 'her principled stand' on Kashmir. As for the list of terrorists supplied by India containing mostly Indian citizens Musharraf ruled out handing over the two Pakistanis named there adding they would be tried in Pakistan, if need be.

He has warned India against crossing the border at any point in an apparent reaction to Indian army chief Padmanavan's latest remarks that India were 'ready for war'.

On balance, Musharraf has made a significant overture to India for a joint move to be undertaken to defuse tensions along the Indo-Pak border. India should respond favourably to it rhyming in with the world's positive reaction to Musharraf's speech.

FIFA ban worst humiliation in nation's sports history

Government's political obsession seriously hurts Bangladesh

THE FIFA ban on Bangladesh football is a statement on our state of affairs, both in the sporting and the political arena. To call ourselves international jokers isn't enough, we are pathetic. The worst thing to swallow is that we have brought this on to ourselves with a great deal of effort. We are now a pariah in the world of sports and will become famous not for any sporting achievement but having been kicked out by FIFA.

Removing the elected football body members recognized by FIFA and replacing them with BNP supporters has created the crisis. In response to the boot-out, the Minister has said that they are popularly elected leaders and have a right to do whatever they want. It seems that they have no idea that sports is an international activity and governed by protocols which apply to every country. This abysmal ignorance has now led to national shame. This is an insult to Bangladesh for which the leaders owe the nation an apology.

It's obvious that our leaders were under the impression that the world is governed by the principles of Bangladeshi partisan politics. Used to taking decisions with no sense of accountability, they had thought nothing about FIFA rules. But this slap on the face of Bangladesh proves that the world and the narrow partisan politics within the country are two different matters.

The political take-over of various sports bodies had begun almost as soon as the party had taken power as it had happened during the past regime. The objective is political development and not sports.

Other than saying that FIFA is a supporter of Awami League and be sullen, the government doesn't have too many options. This is a dismal show that could have repercussions, too. People do love sports and hate humiliations. If the ban continues and the football world is denied of international recognition as well as the FIFA grants that sustain local level football, the issue could become more political than sporting and the government may not like that.

"Keep sports clean of politics" -- is a motto, which everyone must adhere to. By not doing so, the government has made a mockery of everything, and in the process, turned Bangladesh into a subject of mockery. It had no right to do this.

After Kathmandu handshake: Resume Indo-Pak dialogue

PRAFUL BIDWAI
writes from New Delhi

IT is typical of the clumsy working of India's and Pakistan's foreign offices that there is endless speculation over what transpired in Kathmandu between their Foreign Ministers. The camera captured their interaction. But they deny it.

Messrs Jaswant Singh, Brajesh Mishra and Abdul Sattar met about four times to discuss a "road map" for de-escalating their on-going confrontation. Sri Lankan President Kumaratunga facilitated the interaction.

However, New Delhi has since hardened its stand, in line with Mr Advani's US visit. It must respond positively to Islamabad. Regardless of the adequacy of Gen Musharraf's new "anti-terrorist" moves, both states should radically re-orient their postures.

India has so far pursued a strategy of nuclear brinkmanship, while Pakistan has reluctantly yielded to India's and America's "anti-terrorist" demands.

India's brinkmanship involves a warlike posture, backed by large-scale military mobilisation, calculated to get the US to exert pressure on Pakistan. Ratcheted-up hostility and harsh sanctions are part of this strategy. This falls just short of war which will be domestically opposed.

This strategy has had some success. Islamabad acted against Lashkar-e-Toiba and Jaish-e-Mohammed within hours of the US banning them. It has rounded up 300 suspects.

Yet, the success is too limited to allow the BJP to declare triumph.

Brinkmanship is fraught with danger. It depends excessively on the US. Military build-ups have their own logic. In the superheated subcontinent, a skirmish can snowball.

India's objectives are diffuse and subjective (how effective is "effective" action?). New Delhi has no clarity about how far Gen Musharraf can go in meeting India's demands. It underestimates *jehadi* opposition to him. These groups have staged bomb explosions and killed his home minister's brother.

Above all, brinkmanship risks a nuclear conflagration. This calls for a change in India's strategy.

For its part, Islamabad must act more firmly against terrorists. The world knows how Inter-Services Intelligence has promoted extremism in India, Afghanistan, and Pakistan itself.

Gen Musharraf will make a signal contribution to Pakistan's stabilisation and normalisation if he cuts the umbilical cord between the ISI and Kashmiri militants--as he did with the Taliban.

He is under enormous pressure from the US, which in turn faces pressure from India, and its powerful pro-Israeli domestic lobby, which is seriously alarmed at the possibility of a transfer of Pakistan's nuclear technology to anti-Western, anti-Jewish militants.

The US is deeply suspicious of Islamabad's political, financial and military support to extremist groups in South and Southwest Asia over the years.

However, Gen Musharraf cannot be pushed beyond certain limits without jeopardising his survival. He held unprecedentedly long consultations before arresting LeT's Hafeez. A new US Congressional research report says a crackdown on *madrassas* could cost him his job.

It is easy for Islamabad to target gangsters and Khalistanis on India's list of 20. But Kashmir is another matter. It is seen as linked to Pakistan's "core identity". No Pakistani ruler can be indifferent to Kashmir.

India's leaders lack an intelligent assessment of how much Gen Musharraf can deliver. Pushing him to breaking-point would be counter-productive. What is needed is good, clean, straight diplomacy. It is critical to decide on what constitutes the right, principled compromise today. Asking that Pakistan hand over to India all the 20 named men may not be realistic.

There is no extradition treaty between India and Pakistan. International law does not mandate extradition without one. That too can be only done for *specific* offences, not "terrorist activity" generally, and after a magistrate confirms a *prima facie* case.

It should be enough for India if Islamabad hands over to Interpol or a third party one or more persons in the suspects list, with international Red Corner Notices against them.

After this, the two should resume dialogue to inaugurate a new era in their relations. It is of paramount importance that the Vajpayee government recognises a good deal when it is offered one. Or else, a precious window of opportunity could slam shut.

Will the BJP/NDA muster the courage to open a new chapter in India-Pakistan relations, not premised upon hostility? For *Hindutva*, Indian Muslims are Pakistan's "Fifth Column". Pakistan is the external expression of Islam's "internal threat" to Indian "nationhood".

Can't BJP recognise that its best bet lies in putting Pakistan firmly on the road to moderation? Will it choose unstable, compromised power in UP over the abiding national interest in mending relations with Pakistan and combating militant-group terrorism?

The BJP faces a pressing *political* issue too: the Uttar Pradesh elections. If it loses them, the NDA could itself come tumbling down. The BJP is set to do extremely badly in UP, winning just 70 to 100 seats in the 403-member Assembly.

The BJP has tried every trick to avert defeat. Its last two trump-cards were, ironically, *mandal* and *mandir*. It created sub-quotas for the Most Backward Castes, promising 40,000 jobs. But there is no money to back that promise.

The Ram plank isn't turning out to be a vote-catcher. The "anti-terrorism" platform seems more productive. "Anti-terrorism" allows the BJP to combine jingoistic nationalism with anti-Muslim agendas. It can pretend to be "tough" on Islamabad--to the point of risking war, and putting the secular parties on the mat.

This hope may be desperate, even futile. Macho anti-Pakistan postures are not as popular as might seem. The Kargil war, despite the politicisation of coffins, didn't prevent the loss of half the BJP's UP Lok Sabha tally, and a three percent vote erosion nationally.

Eventually, "anti-terrorism" may yield just a couple of percent more votes.

Will the BJP stoop low and pursue brinkmanship for such a measly gain? Can't it recognise that its best bet lies in putting Pakistan firmly on the road to moderation? Will it choose unstable, compromised power in UP over the abiding national interest in mending relations with Pakistan and combating militant-group terrorism?

Here is Mr Vajpayee's litmus test. If he has any leadership qualities, he should go beyond provincial calculations and bring about a breakthrough with Pakistan.

Can he rise to the occasion? Or will he plunge a billion people into war, terror and more violence?

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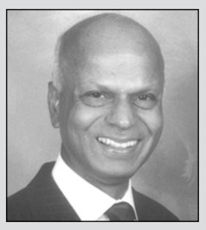
The euro and a realistic appreciation of its possibilities



CHAKLADER MAHBOOB-UL ALAM
writes from Madrid

LETTER FROM EUROPE

The euro still has a long way to go before it can compete against the dollar on an equal footing. But because of the volume of business done in the EU and its area of influence ,the euro will occupy the place of the second most important international currency after the dollar.

IT was on Jan. 1, 1999, that the euro , the much-cherished single currency of twelve members of the European Union (except Britain, Denmark and Sweden) was launched. Exchange rates of all these twelve currencies vis -a-vis the euro were definitely and irrevocably fixed. Since then most transactions, although in reality done in local currencies, were also automatically translated into euro . Most price tags and commercial documents carried two figures -- one in local currency and the other in euro, albeit a virtual currency. The intention was to give ample time to the inhabitants of these countries (over three hundred million people) to get used to the idea of using a single currency and to put the logistics of the change-over in place. Well, after two years of painstaking work and meticulous preparation, at the stroke of midnight on Dec. 31, 2001, the euro became a reality. It is a particularly important moment for Spain because Spain's six-month term of European Union presidency began on Jan. 1, 2002, and this monetary changeover is taking place under the guidance of Pedro Solbes, the current Commissioner (a kind of super-minister) for Economic Affairs of the Union , who also happens to be a Spaniard.

Besides being the largest monetary switch in history, it has also been a formidable logistical feat. Approximately fifty billion new coins and fifteen billion bank notes have been made available for circulation in the participating countries. From Finland in the North to Greece in the South and from Spain in the West to Austria in the East, by March 1, 2002, all the national currencies will be phased out. In the process, the mighty mark, the symbol of German economic power ; the venerable Greek drachma , most certainly the oldest European currency (first launched more than 500 years before Christ and reintroduced in 1833 after an interruption of several hundred years under Turkish domination) ; the 134 year old peseta, once the pride of the Spanish empire; and nine other currencies such as the Austrian schilling, the Belgian franc, the Dutch guilder, the Finnish markka, the French franc, the Irish pound, the Italian lira, the Luxembourg franc and the Portuguese escudo will disappear and the euro will be the sole legal tender. (A previous experiment to have a common currency for Europe , which started in 1865 , lasted for almost fifty years and had 17 members including four Latin American countries was only moderately successful because, among other reasons, this "virtual" currency was pegged to the French Franc and the 17 participating countries with diverse economic performances were allowed to keep their own currencies. At best it could be described as a system of currency alignment like the recent Argentinean attempt to have her currency pegged to the US dollar). I have mentioned all these currencies by name to emphasise the boldness of this historic decision and also the enormity of the task that has already been carried out by the Frankfurt-based European Central Bank and the Central Banks of the twelve participating countries.

The decisions to set up the European Union and then to introduce a single currency were not taken lightly, neither did they come about easily. I think a short historical background will help the reader to appreciate fully the importance of this epoch-making event.

The search for an integrated European Union owes its origin to the age-long intense rivalry between Germany and France, which caused two World Wars in the 20th century with devastating consequences. In order to build a bridge between France and Germany and to lessen the risk of another Franco-German war, in May 1950, a French civil servant called Jean Monet and the French foreign minister, Robert Schuman put forward the idea of setting up a new economic framework for Europe. This is what got the ball rolling. In 1951, the European Coal an Steel Community (ECSC) was established with France , West Germany, Italy and three Benelux countries as members. Then came the Treaty of Rome of 1957 , which set up the European Economic Community (EEC) and the EURATOM (Atomic Energy). In 1967, the three existing bodies (the ECSC, the EEC and the EURATOM) merged to form a single entity, i.e. the European Community (the EC). In 1979, based on a common currency unit called the Ecu , the European Monetary System (EMS) was set up. The intention was to stabilise exchange rates and to control inflation. The Single European Act was introduced in December, 1985 and formally ratified by all member nations (already twelve) by July 1987. On November 1, 1993, the Treaty of Maastricht established the European Union and also set the date for the replacement of national currencies by one single European currency and the establishment of the European Central Bank . In 1995, it was decided to change the name of the common currency from ecu to euro. So the changeover on Jan.1, 2002, was the culmination of a process that lasted more than 50 years. Now the EU is comprised of 15 members with a combined population of over 375 million people.

Besides being the common denominator of over three hundred million Europeans and a symbol of Europe's shared values, the euro is also expected to achieve several economic goals, such as low inflation (although according to reliable estimates, its immediate effect has been just the contrary --an increase of 0.4%) , low interest rates , market transparency , facilitating commerce inside and outside Europe by being an alternative international currency (to rival the United States dollar) and last but not least in importance , economic growth. Will they be achieved?

There is no doubt that the ECB's policies so far have brought inflation in the European Union under control. Interest rates are still quite low (3.25%), which will most certainly help economic activities. The introduction of the euro as the single currency from Jan. 1, 2002, will no doubt also provide greater market transparency . By eliminating exchange rate fluctuations , related expenses and controls, the euro will increase commerce among the member nations of the EU, in particular among the participating countries of the single currency. Even countries in South Asia will find it easier to do commerce with the EU. East Asian countries like Japan and South Korea will have greater incentives to build their factories in the euro area rather than in Britain, Sweden or Denmark. Having said all that the crucial questions that still remain pending are: Will the euro foster significant economic growth? Will the euro be able to rival the US dollar as an alternative international currency? What would happen if the ECB's monetary policy clashes with the member nations' fiscal and budgetary policies? (After all, one must remember that the EU is merely an economic union not a political one.) In a brilliant speech delivered at the Eurogroup 50 meeting held on November 30, 2001, . Alan Greenspan tried to address some of these issues.

Although interest rates have been cut in a significant manner and inflation has largely been brought under control, slow economic growth and high unemployment still continue to haunt the EU economic planners. The difficulty is that these two problems are interrelated . To complicate the situation even further, 2002 happens to be an election year in Germany, France and the Netherlands . The EU's Competitive Report 2001, published in November, 2001 and the European Commission's annual estimate of economic perspectives also published in November, 2001 point their fingers at " the European Union countries' hard shell of encrusted interests, habit and political ideology" as being the principal reasons for the Union's slow economic growth. The second report states in clear terms that " structural rigidities continue to sap the resilience and the potential growth of the euro area economy....(They) seem to be at the origin of the rather poor performance of investment growth." What can be done to remedy the situation? The report answers the question by saying , " Improving the flexibility of product and labour markets in the euro area will contribute to the incentive to invest." That indeed is a tall order - particularly so in an election year.

Improving labour flexibility in effect means more flexible laws to hire and fire. Except perhaps Ireland, Finland and Luxembourg, where labour productivity is higher than in the US, in most countries of the EU, more flexible labour rules will improve labour productivity but they will also inevitably aggravate the already high unemployment situation further. Even without more flexible labour rules, soon the unemployment rate in countries with big population like Germany (82m), France (60m), Spain (40m) and Italy (58m) may reach an unacceptable level of approximately 10 per cent. High payroll taxes (including contribution to pension funds), severance pays, unemployment benefits and restrictions on firing give unusual social protections to the European workers , (which the American workers, by and large, do not enjoy) but they also discourage the employers to hire new workers. In an election year, it is highly unlikely that the governments will even take the risk of starting negotiations with the labour unions to make the laws more flexible. If the workers are pushed too hard, there could even be widespread social unrest. So I do not see how the introduction of the euro will help in this respect. The euro could perhaps make the labour market more efficient if greater labour mobility all across Europe could be achieved. Unfortunately unlike the United States, the EU does not function as one single labour market, although from a legal point of view it is. The truth is that the diversity of languages and cultures effectively discourages cross-border labour mobility in Europe.

As far as product flexibility is concerned, the commission recognises that structural changes are required in areas such as information technology, the stock market and the financial sector. Again, without these changes the mere introduction of the euro is not likely to increase productivity.

Now will the euro be able to compete against the US dollar as a strong international currency? This question inevitably leads us to analyse how in commerce the market forces determine which international currency is more dominant than the others. First of all, a currency to be internationally accepted and used is usually backed by a strong economy, which in turn is open to international commerce and investment. The euro fulfils most of these requirements although one must accept the fact that in terms of GDP the euro area still falls far behind the United Sates. It has replaced Japan in the world GDP ranking as the second most important economy. It also has got huge export capacity (which is conducive to greater demand for the euro as an international currency) and the size of its current international commerce and investment is very significant.

Secondly, the currency's home country must have a well .developed financial market, where international financial transactions including buying and selling of foreign exchange, derivative products and hedging can take place quickly, efficiently and at a low cost. New York continues to be the world's most important financial centre. The implementation of the Financial Services Action Plan, which is expected to provide an integrated financial system to the EU has not yet been completed. When the United Kingdom joins the euro (which, in my opinion, is a question of time), London's accumulated experience in this field will be at the services of this currency. Meanwhile, the euro will have a competitive disadvantage vis-a-vis the dollar as a major international currency.

The third requirement that determines the position of an international currency is the market's future expectation with regard to future productivity growth in the economy of the country backing the currency. As we have seen in previous paragraphs, because of the EU's " hard shell of encrusted interests, habit and political ideology" future productivity growth (hence the rate of return) is expected to be lower in the EU than in the United States. This is definitely one of the principal reasons why dollar continues to be so strong.

Fourthly, the importers and exporters of goods and services and the long-term investors (as opposed to short term speculators) always prefer a currency which is not only strong but also stable. A currency that fluctuates violently in the foreign exchange market and/or has a tendency to lose its value over a period of time is less attractive to a businessman . Although over the last two years, the euro has not had unusually volatile exchange rates, it has unfortunately lost approximately 25 per cent of its value against the dollar.

The analysis made above indicates that the euro still has a long way to go before it can compete against the dollar on an equal footing. But because of the volume of business done in the EU and its area of influence ,the euro will occupy the place of the second most important international currency after the dollar. Besides, it requires decades of confidence-building work, military power, sustained political stability, technological progress and financial expertise to acquire a position like that of the dollar. The euro , so to speak, was born only yesterday.

OPINION

The gas export and reserve debate

ALI SANWAR AND MOTAZID MOMTAZ

THE gas export debate has taken a new turn with Finance Minister M Saifur Rahman cutting down the number of years that Bangladesh needs to conserve its most prospective mineral resources. He has hinted that it could be exported if there is enough reserve to meet Bangladesh's needs for 25 to 30 years. Apparently he has cut almost by half the number of years that Bangladesh needs to conserve natural gas for. The past government's stand was a 50-year reserve.

Does this compromise Bangladesh's future? Probably not. As practically nobody is proposing exports from Bangladesh's pre-1990s proven reserves. The proposal is to export gas from the newly discovered gas fields. All these reservoirs were discovered after 1994. So any exports will not affect the paltry 11 trillion cubic feet (TCF) gas that many are so keen to hang on to.

The 11 TCF reserve issue is totally misleading. In the first place it has nothing to do with exports and secondly almost all of them were estimated with backdated technology. All of them used two dimensional 2D as it is known in the industry technology to assess reserves. The only gas field in Bangladesh to use 3D (three-dimensional) technology is Bibiyana. The figure does not include Moulvibazar 1, 2 and 3 in the 11 TCF recoverable deposit list.

When a reservoir is assessed the output largely depends on the technology used. A 2D assessment gives the length and breadth of the field, while a 3D assessment also gives the depth of the well. It is common sense that 3D will give a much more accurate picture of the amount of oil and gas in a reservoir. Normally, the estimate is higher by 20 to 50 per cent when 3D is used. Modern-day drilling technology, however, has gone far ahead of 3D technology. Today, there are high-resolution technologies including multi-component 3C/4C (3 component/4 component) technology that gives an even more accurate estimate of a well. The introduction of optical fibres has also revolutionized assessment technologies, as it provides a very high amount of data that make it easier to estimate reserves correctly.

The problem with pre-mature hydrocarbon industries like Bangladesh is quite complex. There have been very few exploratory wells drilled and that too with out-dated technology, thus the data available is scanty. Reservoir assessment is done on the basis of computer simulations of similar geological structures, elsewhere in the world. This is highly probabilistic and at best an experienced guess. Similar geological structures may or may not hold similar deposits.

One may wonder with such a huge proliferation of hi-tech stuff why all this is not being applied here. The answer is very simple the oil and gas business is a highly risky business. It's like finding a glass of water in an ocean, as a geophysicist explained to us. It is also capital intensive. The technologies are expensive and the companies that use them will think it through if it is worthwhile. If the business prospects are not good enough they will not invest their money. In many ways, hydrocarbon explorers are extremely conservative people. They evaluate the risks and with the accumulated knowledge try to minimize it. But, till date, the reservoir of geological knowledge and technology has not been good enough to eliminate it. This does not in any way undermine the huge advances that geology, particularly petroleum geology and engineering has made over the last 40 years.

Even then the financial burden is huge and technological challenges remain. Saudi Arabia is one good example. The country's hydrocarbon industry needs a 100 billion US dollars in investment but the country's annual budget is worth 10 billion US dollars only. If Saudi Arabia is to invest in its hydrocarbons it will need 10 years of its budget and nothing else can be done in one of the wealthiest countries of the world. They can approach the banks but they do not, although their state-owned oil company Aramco is probably the largest oil company in the world. They hold equities in the hydrocarbon industries abroad but never take the risk of being the operator. They simply pass on the risks to the International Oil Companies (IOCs). The logic is quite simple if oil prices fall the IOCs would go bankrupt not they.

There is hardly any reason to doubt Saudi Arabia's expertise at least in relation to Bangladesh but some do. For the record, Saudi Arabia in one stroke jacked up the price of oil from 2 (US) dollars a barrel to over 28 (US) dollars.

Saudi Arabia is no exception, industrialized countries like Britain, Norway and the Netherlands invite IOCs to look for oil and gas in the North Sea, although they too have large state-owned oil companies British Petroleum (BP) in the United Kingdom (UK) and Statoil in Norway. But anybody who is anybody in the oil industry is there. These countries take on the technological challenges but avoid the financial risk. However, there is one main difference between Saudi Arabia or other Third World countries and the West European industry, and that is the structure of the market. In Europe and also in North America there is the so-called spec market, short for specification market. Geological data worth million of dollars is bought and sold in these markets. Third World countries, given their poor state of the knowledge industry, obviously cannot develop such markets. If they are interested at all they have to buy the specs from the IOCs or foreign seismic companies. To compensate for the lack of data they have to lease or rent out large chunks of their territory for exploration whereas the British and Norwegians can afford to sell smaller acreage based on reliable scientific data. Another interesting feature of the North Sea is that companies share pipelines and platforms if there is excess capacity to cut costs. This, too, is unusual in developing countries.

Apart from assessment problems in pre-mature fields, there are also technology-related misperceptions in Bangladesh and other countries where the industry is in a nascent stage. The extraction technology has also advanced over the years. This is essentially a by-product of the mature and post-mature nature of the rich hydrocarbon provinces. Current extraction technology can be divided into three categories: primary, secondary and tertiary. The aim of these technologies is to get the maximum output from the known oil and gas fields. These technologies increase the output of proven reserves significantly. Normally in the mature and post-mature oil and gas fields 4D (four-dimensional) technology is used to continuously update the reserves. The fourth dimension is time. Every three or four years the reservoir is reassessed to measure the actual deposits. This always gives a higher assessment of the oil and gas in place, as the database expands. In retrospect, it is observed that all assessments in the early stages of exploration are approximations and are always lower than the actual reserves.

So, what are Bangladeshis debating about? Its known gas reserves will go up as soon as new technologies for assessment and extraction are in place. But there is a cost for the technology and it has to be paid for. The wells must generate revenues and that too in hard currency, as the technology is not indigenous. The only thing Bangladesh needs to do is to devise a plan where it can pay for it. The rest will follow, automatically.

As for how it will benefit the country that depends on a host of another factors, primarily on how the revenues are used. Most countries have done it wisely, except Nigeria. Even countries like Indonesia, Malaysia and the proverbial Latin American ones have benefited despite corruption. It is true, they would have done better, if there was less corruption and greater transparency. Whatever the optimum benefit to oil and gas exporting countries be, there is one significant advantage that all, including Nigeria, have is that they do not have any foreign exchange problems, which is the biggest impediment to Bangladesh's development finances. On the contrary, they have the opposite problem of managing a sudden influx of foreign exchange. But then that is a different debate altogether.

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