

India, Myanmar

FROM PAGE 1
The purpose of this committee was to recommend how to mark the deep sea territory fulfilling requirements of the United Nations and as per the law of the sea. However, the committee became dysfunctional within a year as its foreign ministry members were busy making trips abroad. Last year, the foreign ministry again revived the committee's activities to mark the deep sea territory.

In January and March this year, the foreign ministry held meetings with Myanmar over the maritime border. Further meetings have been deferred due to cyclone Nargis striking Myanmar.

"We believe we will not have difficulties in reaching an understanding with India. We have exchanged notes but we have not sat for discussion on the matter recently," he noted adding that prior to floating the offshore bid earlier this year, the foreign ministry gave Petrobangla a go-ahead.

Petrobangla sources said India recently conveyed its objections in letters sent to oil and gas companies that submitted bids in the offshore blocks. The oil companies forwarded these letters to Petrobangla seeking explanation.

Petrobangla's offshore bid had received lukewarm response due to the government's minimal efforts to publicise the bid, bad timing and also allegedly negative campaign against the bid by a number of oil companies.

On May 7, seven oil and gas companies submitted their bids in 15 offshore blocks out of the total 28. With some offers overlapping differ-

ent blocks, the oil companies proposed to invest \$1.6 billion. Each block has an exploration area between 3,000 square kilometres (sqkm) and 7,000 sqkm.

Petrobangla sources said out of these bidders, four to five bidders have not qualified in the evaluation. The sources, however, did not disclose names of the qualified or disqualified bidders.

Australian oil company Santos International appeared as the top bidder, making an investment proposal totalling \$852 million under three Production Sharing Contracts (PSCs) for six blocks. Santos has joint venture partnership with British company Cairn and Chinese-US joint venture Longwood Resources and Shanghai Zhongnan Petroleum (LR&SZP).

Santos faced stiff competition from US oil company ConocoPhillips that submitted offers in common blocks. ConocoPhillips offered to invest \$442.63 million under four PSCs in eight blocks.

Chinese-US joint venture Longwoods Resources Ltd, in joint venture with LR & SZP proposed to invest \$170 million in three blocks.

Cypriot oil company Contrack Services offered to invest \$61 million in two blocks under one PSC. Irish company Tullow Bangladesh \$50 million in one shallow water block and Chinese oil giant CNOOC \$115 million in one shallow water block.

A seventh company, Korea National Oil Corporation of South Korea, submitted a bid for a block along with a bank-guarantee proposal of \$2.5 million without making any investment commitment.

Tengratilla loss

FROM PAGE 1
supervisor of Niko and GSM also had no experience in their respective fields.

The second blowout took place due to their lack of experience. So, the responsibility goes to Niko, said the energy secretary.

Article 3 of the Niko-Bapex agreement says the development and production of petroleum from the marginal gas fields at Chhatak and Feni is at the sole risk, responsibility and expense of Niko which is the exclusive operator of these fields. Under article 27.2 of the agreement, Niko is obliged to conduct all operations in a "diligent, conscientious and workmanlike manner and bear responsibility in accordance with the laws applicable for any loss or damage to third parties caused by the wrongful or negligent acts or omissions of the Operator."

The secretary added that the enquiry committee found that the Chhatak-2 blowout took place due to the well's becoming "underbalanced by swabbing during first wiper trip in open hole section. The well Chhatak 2 did not encounter unexpected gas pressure while drilling down to 807 metres."

The committee also observed that Niko's well casing was the result of both technical lapses and gross negligence. The technical drilling personnel were reasonably experienced but not all of them could communicate in English.

The enquiry committee observed that the volume of gas actually lost due to the blowout can somewhat be estimated according to Niko's log report. The initial gas loss was in the range was 100 million cubic feet. This figure could be even higher. The gas loss in the first seven days could be around 500 mcmf. By the time a relief well was being drilled, the Chhatak field might have lost roughly about 1 billion cubic feet of gas.

The secretary added that the committee submitted its report on the first blowout on February 7, 2005, blaming Niko's operation failure and

inappropriate casing design for the blowout and accused Niko of gross negligence. The payment of compensation relating to the loss of recoverable gas reserve and the damage to property and environment becomes the responsibility of Niko. But unfortunately the defendants have shown unwillingness and non-cooperation in all cases, which have compelled the government to take shelter to the court.

The secretary then referred to a third committee that also observed and assessed the damage caused to the environment by the first blowout. That committee held meetings participated by representatives of Niko and Bapex, Dr Ainnun Nishat, Dr Atique Rahman and Md Rezauddin and several officials of different government agencies. This committee put the figure of environmental damage at Tk 35.44 crore.

After the second blowout another committee assessed a fresh environmental damage at Tk 84.55 crore. This committee submitted its report on September 14, 2005. Another committee headed by Buet Professor M Tamim was assigned to assess the gas loss.

On December 6, 2005, the government formally demanded from Niko the payment of compensation for the damage either by amicable settlement or by way of arbitration. But Niko resorted to dilatory tactics to avoid its responsibility.

When Petrobangla served legal notices on May 27 this year, asking Niko to settle the matter out of court, Niko remained silent and demonstrated unwillingness to settle the matter.

The government then submitted a schedule of claim. Schedule-A demands Tk 36.85 crore worth of gas of 3 billion cubic feet. Schedule-B demands Tk 72.35 crore worth of 5.89 billion cubic feet gas burnt at sub-surface. Schedule-C claims additional sub-surface loss of Tk 552.75 crore worth of 45 billion cubic feet gas and Schedule-D adds environmental loss worth of Tk 84.55 crore.

Zardari

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dictators, Zardari, husband of slain former premier Benazir Bhutto, said. "We are determined to make Pakistan a real democratic country and will make a decision as to when to take the initiative in this regard."

In a veiled reference to last week's "long march" by the lawyers' movement, where Sharif made a vociferous demand for Musharraf's sacking and trial, Zardari said it was a "mere carnival".

The PPP knew better how to organise a successful long march and when it arranges such a protest, the whole world would see huge public participation in it, he said.

Begunbari canal

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The Rajuk on June 1 brought down about 75 structures including the site office of the proposed Hilton Hotel on the Begunbari canal on Tongi Diversion Road.

The government undertook the Tk 1,473.59 crore project along the Hatirjheel-Begunbari canal on February 7. The project is jointly financed by Bangladesh government and Japan Debt Cancellation Fund.

Local Government Engineering Department (LGED), Dhaka Water Supply and Sewerage Authority (Dhaka Wasa), the Armed Forces Division and various other city development agencies are implementing the project.

Rajuk is to spend Tk 1,218.69 crore, LGED Tk 175 crore and Dhaka Wasa Tk 77.98 crore for their part in the project. Bangladesh University of Engineering and Technology will spend Tk 1.92 crore for conducting a survey there.

Samyabadi Dal

FROM PAGE 1
said Samyabadi Dal General Secretary Dilip Barua in a post-dialogue news briefing at the Chief Adviser's Office.

"This government's only job is to hold the national election, any sort of national unity government or local government election will create problems," said Barua adding that implementation of ideas like creating a national security council will also deepen the political crisis.

Barua also told the government that they welcome the anti-corruption drive, and that no one charged or under trial for corruption should escape through any legal loophole.

Asked if that, also, applies to former prime ministers Khaleda Zia and Sheikh Hasina, he said, "They are currently under trial, so the law will take care of that issue."

He dismissed the proposal for a 'national charter', saying that the 1972 constitution is the nation's 'only charter' which should not be replaced by any other document.

The party also asked for a ban on the use of religion in the next elections and demanded trials of war criminals.

Commerce Adviser Hossain Zillur Rahman said holding of local government elections will not distract the government from holding the national poll in December.

He also said the government is committed to maintaining a resolution-centred perspective in dealing with the current political crisis.

WB okays

FROM PAGE 1
providers, bolstering regulatory effectiveness, and attracting private investment in new power generation capacity."

Bangladesh's power sector has suffered from poor governance and failing service quality, the WB statement observed.

Over the past decade, the country has doubled the access to electricity to over 40 percent, with most of these new connections in rural areas. In addition, over 200,000 solar home systems have also been introduced.

However, amidst deteriorating governance and finances in the sector, power generation capacity has not kept pace with electrification, resulting in serious shortages of power and constrained economic growth, the WB statement added.

ADB official

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noting system and lack of e-governance; poor pay structure, do not have a place in modern states.

That is why it is incapable of implementing government's own development projects, let alone promoting business and investment, Hua Du said.

"We need to highlight this to the government for transforming this bureaucracy," she added.

Hua Du also said Bangladesh can easily double or even triple the foreign exchange remittance from expatriate workers, which was more than \$7 billion this year, by investing and focusing a little more on technical and science education, human resource development and language training.

She said addressing the hardship of the poor affected by higher food prices remains a challenge. "Failure to contain higher food prices could seriously undermine macroeconomic and political stability," she said.

Schedules for city polls

FROM PAGE 1
Dhaka for Sylhet yesterday afternoon for hearing appeals filed against the EC-proposed redrawal of parliamentary constituencies. They are scheduled to return on Friday.

In Sylhet, they will also talk to prospective candidates in the city corporation and municipal elections today on filling up nomination forms, which this time seek a lot of information about contestants.

Meanwhile, the EC yesterday promulgated the election rules and code of conduct for elections in city corporations and municipalities, which contain stringent provisions to make the polls free and free of illegal money.

Okayed by the EC, its secretary-aid yesterday also sent nomination forms to the government press for printing so that those can quickly reach field level when polls schedule is announced.

The elections in four city corporations and nine municipalities will be the first since declaration of the state of emergency on January 11 last year, and under the new election rules and code of conduct. These will also be the first elections in which voter list with photographs will be used.

"We want to see the results of our work. We want to see how to check irregularities, if any, in polls," Election Commissioner Sakawat said.

In the much-talked-about programme of presenting may-

Electronics seized

FROM PAGE 16
"They ran away through the Civil Aviation Gate on seeing a customs team on the second floor near the transit point", an official said on condition of anonymity.

"We suspect the smugglers opened the gate with duplicate keys. It's mysterious that civil aviation staff took long two hours to open the door for us through which the smugglers ran away", another customs official said, also preferring anonymity.

Officials presume that the seized goods were smuggled in from China.

Heavy rain

FROM PAGE 16
Most of the city's low-lying areas like Chawkbazar, Badurta, Kapashgola, Muradpur, Bohadrdhat, Chandgaon Residential Area, Katalganj, Sholobahar, Bakalia, Chhatak, Sholohabar Gate No-2, parts of Nasirabad Residential and Industrial areas, Zakir Hossain Road, Aratur Depot, Panchlaish, Agrabad CDA Residential Area, Halishahar, Katali and Patenga went under knee-deep to waist-deep water due to the heavy shower that started early in the morning.

Many houses of these areas, particularly those in Badurta, Sholobahar, Bakalia, Chawkbazar, Muradpur and Halishahar, were flooded by the cloudburst.

The traders at the traditional business hubs of Chhatak and Khatunganj suffered huge financial loss as the Chhaktai canal, the backbone of the city's drainage system, overflowed and flooded several godowns and shops damaging goods and properties.

The traders at the Chawkbazar and Bohadrdhat kitchen markets experienced a bad day as markets were under waist-deep water, disrupting business.

A wall at Matijharna slum in Lalkhan Bazar area collapsed at 10:30am. Fortunately, no one was injured as the dwellers in this foothill slum were moved to a safer place only two days ago.

In the other incident, a boundary wall of Chittagong Grammar School at Surson Road collapsed at around 11:00 in the morning.

Torrential rain also hampered the operations at the port to some extent.

Besides, almost all the flights to and from Chittagong airport were delayed due to the inclement weather.

Rejoinder

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adding "The EC Secretariat has been performing its functions as an independent commission since the promulgation of the Election Commission Secretariat Ordinance, 2008. The gazette notification to this effect was published on March 9, 2008."

It stated that the EC Secretariat is in no way under the chief adviser's office since promulgation of the ordinance.

About the amendment to the Rules of Business, 1996, under which the EC Secretariat still remains as a division under the chief adviser's office, the cabinet division said procedural steps are being taken to amend the rules of business formally. "After completion of the procedural actions, notification regarding exclusion of Election Commission Secretariat from the Rules of Business, 1996 will be issued," the rejoinder stated.

OUR REPLY
We pointed out the inconsistency between the EC Secretariat ordinance and the Rules of Business, which has not been amended in line with the EC Secretariat ordinance gazetted on March 9, 2008.

The Cabinet Division in its rejoinder also agreed with the fact that the Rules of Business has not been amended yet.

oral candidates before voters in respective city corporations, he said the EC would organise such programme where they will answer queries from voters.

"If the programme is successful, we will think of introducing it also this in parliamentary polls," he said.

According to the electoral roadmap announced on July 15 last year, the EC was to begin holding polls to local government bodies in January this year. But later it said it would hold polls to five city corporations in April.

But the EC could not do so due to lack of necessary laws since the government moved to make new laws on city corporations and municipalities.

40 injured

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Witnesses said police charged batons on the workers at about 8:45am as they tried to enter other factories nearby to force the fellow workers to join them and began vandalising vehicles on the road.

Following the police action, the agitating workers ran into different alleys and started raining bricks and stones on the law enforcers.

The injured workers took first aid from different local clinics.

After an hour-long clash and chases, the demonstrating workers left the place and the situation became normal gradually.

Traffic police

FROM PAGE 16
traders to get into the microbus as they were being arrested for being illegal traders.

"When we refused, they started beating us up, forcibly handcuffed us and dragged us into the waiting microbus," Bappi said.

"As we were being driven off, we overheard the men talking amidst themselves and realised they were not DB policemen. We then started shouting for help," he said.

"As we passed the on duty traffic sergeant at Panthopath, I raised my handcuffed hands and wove at him screaming for help," Bappi added.

The traffic sergeant Kazi Ahsan, a man of wit, realised something was wrong and not only ran after the car, but also informed the nearest police station of the situation and asked for help.

A team from Mohammadpur Police rushed to the scene and together they intercepted the vehicle near Farmgate Indira Road.

The microbus driver Anwar Hossain, 42, and Mohammad Habib, 40, were arrested while the three other abductors managed to flee from the spot. Police also seized the microbus, a wireless set and a hand-cutting tool from the arrestees' possession.

A case has been filed in this regard with Mohammadpur police station.

BNP, allies

FROM PAGE 1
Addressing a discussion organised by the alliance, BNP Secretary General Khandaker Delwar Hossain alleged that the ongoing trials have been reduced to a farce under the state of emergency.

Held at the auditorium of Institution of Engineers, Bangladesh, the discussion was arranged to observe yesterday as Bondi Mukti Dibosh ('Free Detainees Day').

The four parties—BNP, Jamaat-e-Islami, Bangladesh Jatiya Party (BJP) and Islami Oikya Jote—however did not arrange any protest meeting at their central offices as was planned originally.

Asking the military-backed administration to hand over power to an elected government, Delwar said, "Lift [the state of] emergency for at least seven days and you will see what people can do to release Khaleda Zia and Motiur Rahman Nizami."

He said, "We want peace, we don't want any bloodshed. But people won't allow any blueprint to be implemented."

The BNP secretary general said, "The present government has come to power unconstitutionally and that is why it seeks to turn the country into a jail by detaining thousands of leaders and workers."

Cases are being filed against political leaders to hold a stage-managed election, he alleged. "The political leaders are being tried under special laws as they [government] don't want politicians to return to politics."

Addressing the administration, he said, "You [government] are illegal and so are the ordinances promulgated by you."

Khandaker Delwar reiterated his call for the government to release Khaleda and her two sons for treatment abroad to make the dialogue successful.

"The government would be held responsible if something bad happens to them [Tarique and Koko]," he continued.

BNP leaders Chowdhury Tanveer Ahmed Siddiqui, RA Gani, Jamaat-e-Islami Secretary General Ali Ahsan Mohammad Mojahid and Bangladesh Jatiya Party (BJP) President Andaiab Rahman Partha, among others, spoke at the discussion presided over by Khandaker Delwar.

Meanwhile, 251 teachers of Dhaka University yesterday demanded release of Khaleda Zia and her sons. In a joint statement, they said their release would help create a congenial atmosphere for dialogue and election.

Prof Sadur Amin, Prof Amnur Rahman Majumder, Prof M Sirajul Islam, Dr Tajmeri SA Islam, Prof Saidur Rahman, Prof Quamrul Ahsan Chowdhury and Prof Mahbubullah were among the signatories to the statement.

Meanwhile, Jatiyatabadi Jubo Dal acting president Mian Mohammad Selim and acting general secretary Abdus Salam Azad in a statement yesterday urged the government to send Tarique and Koko abroad for treatment without delay.

4 Huji cadres

FROM PAGE 16
Khelafat Majlis, its general secretary Bakibillah, Khalilur Rahman and Rafikul Islam Sabuj.

Earlier on June 10, the four Huji men were given 20 years' RI for possessing illegal arms.

According to the prosecution, Rab arrested Huji activists Mokaddes and Bakibillah, working incognito, on October 29 last year in Mohammadpur upazila following information given by its detained chief Mufti Abdull Hannan.

On their confession, the law enforcers later dug out two Chinese rifles, 86 rounds of bullet, two bombs, two sets of military uniform and a huge cache of explosives from a field in the upazila.

Two days later two cases were filed against them with Mohammadpur Police Station under the Arms Act and the Explosive Substances Act in which the two other Huji activists were also implicated.

British minister

FROM PAGE 16
British-Bangladesh summit on climate change due to take place in London in September this year.

The summit will address the impact of climate change in Bangladesh and help lay the foundations for an agreement at Copenhagen next year.

The minister, who is responsible for the British government's development work in South Asia, will see at first hand achievements of the British-Bangladesh relationship in vital areas like adaptation to climate change, education, governance and rights.

Malik will also discuss Britain's role in responding to global food supply issues.

He will also hold talks on progress towards elections and visit a UK-funded programme working with poor people living on Chars and a slum school in Dhaka.

This is the fourth by a British minister to the country in the last six months.

Shahid Malik is the Parliamentary Under Secretary of State (PUS) at the UK Department for International Development.

50 Bangladeshi

FROM PAGE 16
400,000 Bangladeshi women are engaged in forced prostitution in India, while 300,000 boys have been trafficked to that country. Besides, an estimated 40,000 female children are exploited in Pakistani brothels.

Mentioning statistics, he said from January 2000 to June 2003, an estimated 2,405 Bangladeshi children disappeared, with 510 boys and 451 girls confirmed to have been trafficked.

The home adviser said: "Human trafficking is a diverse crime which requires diverse policy measures and interventions to be tackled effectively."

He stressed the need for close collaboration and cooperation between the police, community and social partners to effectively fight against human trafficking.

Home Secretary Abdul Karim said: "We have declared war against human trafficking as we all know it is the worst form of crime."

He said the government has already given more focus and priority on fighting this particular crime.

The PRP has supported Bangladesh police in setting up the THB unit, which will exclusively deal with cases of human trafficking. The PRP has also published a human trafficking investigation workbook to enhance skill of the police personnel dealing with trafficking cases.

THB unit chief Abdul Jalil said their staff will investigate serious cases while supervise all other trafficking cases of the local police.

A music video and two documentary films were also launched during the ceremony to raise awareness against human trafficking.

Original

FROM PAGE 1
formation of Mujibnagar government was also given to the archives.

The document was signed by all cabinet members of the first interim government except the president, Bangabandhu Sheikh Mujibur Rahman, since he was interned in a Pakistani jail at the time.

Syed Nazrul Islam was elected the vice-president and Tajuddin Ahmed the prime minister of the first Government of the People's Republic of Bangladesh.

In absence of the president, the vice-president was empowered to exercise the powers, duties and responsibilities of the president.

Through exercising the power conferred on Acting President Syed Nazrul Islam by the proclamation of independence on April 10, 1971, he issued the laws' continuance enforcement order the same day to ensure continuation of all laws that had existed in erstwhile East Pakistan till March 25, 1971.

The proclamation of independence also provided the first government of the country with the fundamental instrument of law as well as an interim constitution during the war of liberation, which was in effect even in liberated Bangladesh until the promulgation of the current constitution on December 16, 1972.

Taliban robbery

FROM PAGE 1
para military forces in the area tried to confront Taliban but they suffered heavy losses due to the darkness of night. This is the area from where Pakistan's ambassador to Afghanistan

Tariq Azizuddin was also kidnapped in February this year.

It was not the first Taliban robbery against American convoys in Pakistani tribal areas. Taliban looted and burned many oil tankers in the past which were going to Afghanistan for supplying fuel to the NATO forces.

Recently Taliban came to know that NATO forces are using Pakistani road links for transportation of military helicopters and other heavy weapons. They started attacking big containers in Khyber Agency two months ago. It is learnt that Taliban first captured a small Cobra helicopter in a "highway robbery". They filmed all the stolen parts of this helicopter and supplied the CD to their allies in Afghanistan. Some people in the Farah province of Western Afghanistan showed interest in purchasing Cobra helicopter, and parts of the helicopter were smuggled

to Farah. Taliban sold this Cobra to some unidentified customers just for a few hundred thousand dollars.

Taliban have again filmed all the stolen parts of CH-47 Chinook helicopter and Black Hawk helicopter. Chinook is a versatile twin-engine helicopter, which was also used to help the earthquake victims in Pakistani Kashmir in October 2005 by US army. Taliban have sent the CD again to many people for attracting customers from some neighbouring countries of Afghanistan. They have not got any customer yet because the stolen parts with extra engines and tyres are still in the custody of Pakistani Taliban. Some diplomats in Islamabad are very much aware of this recent Taliban robbery but they are not ready to speak on record. When this correspondent contacted the US embassy in Islamabad for official version, Press Counsellor Elizabeth Colton said, "The embassy has no comment on this as the information appears to be only hearsay". When this correspondent informed the embassy spokesperson that he had seen the pictures of stolen parts of helicopters with his own eyes, she again said "no comment".

It is worth mentioning that Taliban captured some unexploded Tomahawk missiles in Khowst area of Eastern Afghanistan in 1998. These missiles were fired on Al Qaeda hideouts after the attacks on US embassies in Kenya and Tanzania. Taliban handed over some of the unexploded US missiles to Chinese in 1998.

Top US military officials demanded recently that Pakistan start an operation in the tribal areas for recovery of their stolen helicopters. They expressed concern that instead of initiating an operation against Taliban, the new Pakistani government is negotiating peace with Taliban. US is also investigating reports that the Pakistani government exchanged famous Taliban leader Mullah Ubaidullah Akhund and Mansoor Dadullah for the release of ambassador Tariq Azizuddin. It is learnt that these two Afghan Taliban leaders were not released and they are still

in the custody of Pakistani authorities.

A Pakistani official told this correspondent, "We arrested Mansoor Dadullah from the border area near Chaman last year and handed over to Afghanistan but Mr Karzai released Mansoor Dadullah for a kidnapped Italian Journalist. Nobody is appreciating that this time we have not released Dadullah for our ambassador Tariq Azizuddin, and this is a difference between Pakistan and Afghanistan."

Pakistan embassy in Kabul has

offered top Afghan and US officials to come and see Mullah Ubaidullah Akhund and Mansoor Dadullah in a Pakistani prison with their own eyes. Despite the intense US pressure, the new Pakistani government is determined to continue peace talks with militants in the tribal areas. Pakistani authorities have made it clear to the tribal militants that they should not use Pakistani soil for attacking any other country. On the other hand, Pakistani officials have also explained their political compulsions to US officials, and said peace talks have reduced suicide attacks in Pakistan and the new political government would like to continue political efforts to combat terrorism in Pakistan.

Many responsible people in Pakistani foreign office are of the opinion that Taliban have increased their attacks in Afghanistan recently due to incompetence of Afghan National Army and NATO forces. Taliban used a fuel tanker packed with 1,800 kilograms of explosives a few days ago to break a jail in Kandhar. Taliban released their 400 comrades along with 1,100 other prisoners in that operation. Yesterday, Taliban captured Arghundab district of Kandahar province. It was also a big blow to credibility of NATO and Karzai government but both are now trying to divert international attention by attacking Pakistan. Taliban have recently conducted bloody operations against NATO forces in Shernwo district of Parwaon province in the North, Tarek Kot city of Uruzgan province in the south and

Polio Alm city of Logar province close to Kabul. All these areas are not close to Pakistani borders and Taliban are attacking NATO with logistic help from local population. US commanders are under a lot of pressure and they have

recently attacked Pakistani forces in South Waziristan just to create an impression that they are suffering due to weak cooperation from their "most trusted ally".

It is learnt that the high command of Pakistani security forces have requested the government for permission to respond in a hard hitting manner to any attack from Afghanistan in future. US Assistant Secretary of State Richard Boucher will visit Pakistan and Afghanistan shortly. It is expected that he will try his best to bridge the gaps between Islamabad and Kabul.

EU to sharpen Iran

FROM PAGE 16
economic incentives in exchange for halting uranium enrichment, which Tehran insists is for energy-producing reactors but Western nations and others fear could be used to develop nuclear weapons.

Washington's European allies have been far more cautious on punishing Iran because of deep business and energy ties. But the oil and gas move which is not yet final would strike directly at Iran's economic base and its plans to expand petroleum exports to Europe at a time of record-high prices.

Brown warned that European nations will start the process of oil and gas sanctions if Iran continues to refuse to halt enriching uranium.

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