

NEWS IN BRIEF

Bus plunge kills 25 in India

AP, JAMMU: A passenger bus plunged into a gorge in northern India early yesterday, killing at least 25 people, police said.

An additional 40 people were injured in the accident near Panthal, a town about 50 kilometres north of Jammu, a major city in Jammu-Kashmir state, senior police official Anand Jain said. Jain said the bus plunged 200 feet into the gorge after the driver lost control while negotiating a steep turn on a mountainous road. The injured were taken to a government hospital.

Indian police arrest Maoist spokesman

BBC ONLINE, KOLKATA: Police in the eastern Indian city of Calcutta have formally arrested a leading Maoist "spokesman" as he walked out of a talk show on a TV channel.

Officials said Gour Chakrabarty was initially detained for interrogation but has now been arrested on suspicion of involvement in Maoist activity. In his interview on a local TV station, Chakrabarty defended Maoist violence in the Lalgarh area of West Bengal.

Chinese dissident Liu Xiaobo arrested

AP, BEIJING: A prominent Chinese dissident who called for political reform has been arrested for allegedly trying to overthrow the country's socialist system, his wife said yesterday, marking the highest-profile activist arrest since before last year's Olympics.

Liu Xiaobo had already been held at a secret location for more than six months without being charged or formally arrested. He was taken into police custody on Dec. 8, a day before a manifesto he co-authored was released urging sweeping changes to China's rigid political system.

Hamis parliament Speaker released

BBC ONLINE, West Bank: Israel has released Hamas parliamentary Speaker Aziz Dweik two months before the end of a three-year jail sentence.

Dweik and other Hamas politicians were detained in the West Bank in 2006. He was charged with belonging to an illegal organisation. His detention followed Hamas's capture of Israeli soldier Gilad Shalit in a cross-border raid.

Kim Jong Il makes son head of spy agency

AP, SEOUL: The youngest son of North Korean leader Kim Jong Il has taken charge at the country's spy agency to prepare him to inherit the leadership of the communist nation from his father, a news report said yesterday.

Kim told senior officials of the State Security Department in March to "uphold" his 26-year-old third son, Kim Jong Un, as head of the agency, while doling out foreign-made luxury cars to the officials as gifts, Seoul's Dong-a Ilbo newspaper reported.

Two militant leaders detained in Philippines

AFP, MANILA: Troops have detained two suspected Islamic militant leaders in the southern Philippines, the military said, yesterday.

The army revealed the separate arrests of Abu Sayyaf suspect Mubin Sakandal and alleged Jemaah Islamiyah liaison Ansar Bernardino Venancio after they were flown to Manila, where they underwent medical tests at a military hospital Wednesday before being remanded to unspecified jails.

China finds 'Asia's largest iron ore deposit': state media

AFP, BEIJING: China said yesterday it had found a new iron ore deposit in northeastern Liaoning province that state media has described as the largest in Asia.

The official China News Service said Tuesday that an iron ore deposit with an estimated reserve of more than three billion tonnes was discovered in the region.

15 rare Sumatran elephants killed in Indonesia

AP, JAKARTA: At least 15 endangered Sumatran elephants have been shot or poisoned to death with cyanide-laced fruit this year in Indonesia, marking a sharp rise over the previous year, a government conservationist said yesterday.

The giant mammals were mostly killed by poachers for their ivory, said Tony Suharto, the director of biodiversity conservation at the Forest Ministry. The number killed in the past six months is equal to the total for the whole of 2008, he said.

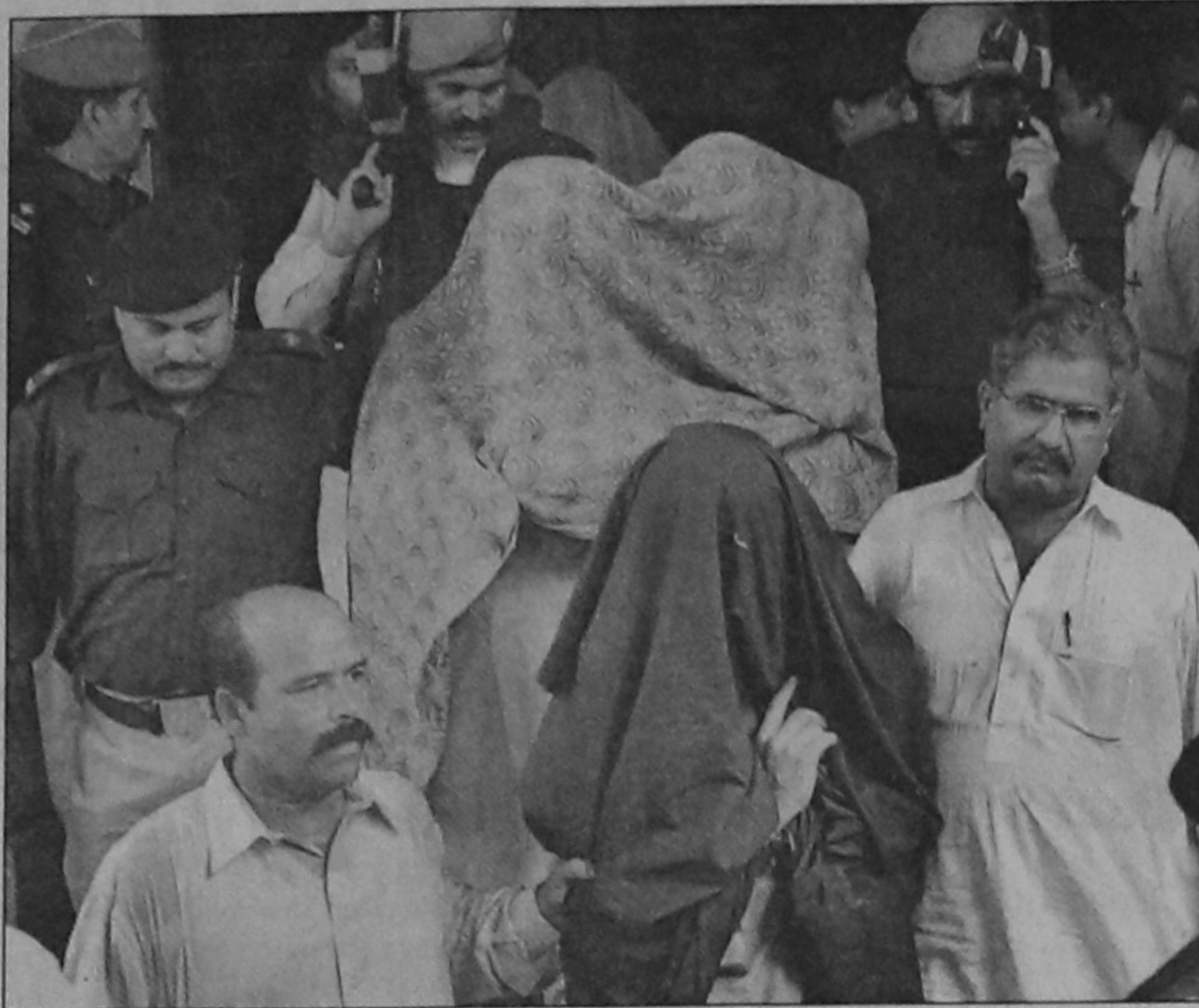


PHOTO: AFP

Pakistani policemen escort suspected Taliban militants to court in Karachi yesterday. Police in Pakistan's southern hub Karachi said on June 23 they had arrested five men suspected of committing robberies and kidnappings to raise funds for a Taliban commander in the northwest. The men were intercepted a car in the western Manghopir neighbourhood, and police official Raja Umer Khitab said they were suspected of links to warlord Baitullah Mehsud, based in the northwest tribal belt.

Mehsud's close associates arrested

PTI, Karachi

Five close associates of Tehrik-e-Taliban leader Baitullah Mehsud have been arrested from a heavily populated residential area of Karachi.

A senior police official confirmed that the five were close friends of Baitullah Mehsud and were involved in robbing banks and committing other crimes and send the money to their leader.

"The five were arrested on a tip-off from Kanwari colony after an exchange of fire," Umar Khatab, police officer said.

He said Faiz Rasool, Saeed Muhammed Mehsud, Farooq Khan Mehsud, Pervaiz alias Azeem and Rehmat Gul were arrested after the shootout, however, six of their accomplices managed to flee the site.

The police claimed to have recovered heavy ammunition and money from the site.

The group was led by Qari Hussain, a wanted Taliban operative who is infamous for grooming and preparing suicide bombers.

Pakistan court dismisses appeal of Indian on death row

AFP, Lahore

Pakistan's Supreme Court yesterday dismissed the appeal of an Indian man seeking a review of a death sentence handed down to him in 1991 on terrorism charges.

Sarabjit Singh has been on death row after being convicted of involvement in 1990 blasts that killed four people in the Pakistani city of Lahore, but his family insist he is a farmer and the victim of mistaken identity.

"There is no new ground to review the previous judgement of the court," presiding judge Raja Fayyaz said while reading out the order in the court.

Pakistan maintains that Singh was an Indian spy, but he and his family say he is a farmer who accidentally strayed across the border into Pakistan while drunk. He has been in jail in Pakistan since 1990.

Maoists raid house of CPI(M) leader

PTI, Purulia

Maoists raided the house of a local CPI(M) leader and set a country liquor shop on fire at Kurni village in Purulia district, police said yesterday.

Around 30-35 heavily armed Maoists barged into the house of Phatik Mondal, a local committee member of the CPI(M), at Kurni village under Balarampur police station late last night.

Not finding Mondal at his house the Maoists took away the three two-wheelers parked there.

They then went to a country liquor shop adjoining the house of Phatik Mondal and set it on fire, police said.

The liquor shop was totally damaged in the fire.

Pakistan arrests 25 men suspected of plotting attacks

AFP, Islamabad

Pakistan police have arrested 25 suspected militants, some of whom were planning attacks on foreign targets in the capital Islamabad, a police chief and security sources said yesterday.

Pakistan has been hit by a wave of deadly attacks in recent weeks blamed on Taliban militants seeking to avenge a nearly two-month-long military offensive against them in the northwest of the country.

"We have arrested 25 terrorists and recovered suicide jackets from them... six of them are high-value targets," Islamabad police chief Kaleem Imam told reporters. It was not clear exactly when the arrests were made.

"These terrorists were planning sabotage activities in Karachi, Lahore and other big cities... (one) target was foreign dignitaries," he added.

Imam did not expand on which foreign nationals were targeted.

A foreign security source in Islamabad said that one of the suspects had been tasked with assessing security at foreign embassies in the capital.

23 rebels killed in Afghan, Nato drive

AFP, Kabul

Afghan soldiers backed by troops from the Nato-led international force stormed a militant stronghold in southern Afghanistan, killing 23 insurgents, an Afghan army general said yesterday.

The dead in the attack in the southern province of Uruzgan on Tuesday included a local Taliban commander, General Sher Mohammad Zazai told AFP.

"We had an operation in Chinarto area last night during which we located a Taliban hideout. We killed 23 enemy fighters," Zazai said.

He said that fighter jets from the Nato force took part in the battle in Chinarto, which is close to the provincial capital of Tirm Kot.

"A Taliban commander named Mullah Isamael was also killed," he added.

The operation was part of an anti-insurgent drive recently launched to dislodge Taliban militants from their strongholds ahead of the August 20 presidential elections, the general said.

The Taliban were in power between 1996 and 2001 and are waging a fierce insurgency to topple the US-backed government of President Hamid Karzai and oust foreign troops from the war-torn nation.

The insurgency has gained pace in recent weeks, raising fears for the security of Afghanistan's second ever presidential poll.

Afghan security forces, with support from Nato and US-led coalition troops, have launched a series of operations to secure volatile areas, mainly in southern parts of the country worst-hit by rebel attacks.

Missile death toll 55 in Pakistan

AP, Islamabad

The head of Pakistan's Taliban attended a funeral shortly before a suspected US missile strike that killed about 55 people, two intelligence officials said yesterday, but a top Taliban aide denied that the leader had a close call.

Baitullah Mehsud, accused of plotting suicide bombings and the assassination Tuesday of his chief rival, is the target of a looming offensive by Pakistan's military in the South Waziristan tribal area bordering Afghanistan.

Clashes continued in the volatile northwest yesterday, with a rocket attack at a police checkpoint on the outskirts of Peshawar killing three officers, local police chief Yasin Khan said. Three rockets were fired at a military base in Wana, the main town in South Waziristan, triggering a shoot-out but no known casualties.

But the focus is on Mehsud, who reportedly has up to

12,000 men under his control, entrenched in the lawless tribal areas. Suspected missile strikes killed several people at a purported Taliban training center early Tuesday, then another barrage rained down on a funeral procession for some of those killed in the first attack.

Intelligence officials had said Tuesday night that Mehsud was at the funeral and that militants lost contact with him for a while. Media reports suggested he had a very close call.

Two intelligence officials said Wednesday that although Mehsud had visited the village where the funeral took place, he left before the drone-fired missiles killed 55 people reportedly including several senior Taliban leaders and wounded dozens more. The two officials, speaking on condition of anonymity because they were not authorized to talk to media, said it was unclear how long Mehsud had been gone when the attack occurred.

Dozens of airstrikes have been carried out in the tribal regions over the last year, drawing criticism from Pakistan's leaders that they jeopardize the military operation by firing up an already raging anti-Americanism.

Qari Hussain, a close associate of Mehsud, denied reports that Mehsud had a close call.

"Baitullah Mehsud was at a secret place at the time of the American missile attack, and the attack killed only five of our colleagues, and the remaining 45 slain men were villagers," he told The Associated Press.

Hussain, who is known for training suicide bombers, refused to comment on the assassination the day before of Mehsud rival Qari Zainuddin, who was shot dead in his office by one of his own guards. Zainuddin, who broke with Mehsud in 2007, was estimated to have about 3,000 armed followers. He recently criticized Mehsud for using suicide bombings to target civilians.

India not military threat to Pakistan, says Zardari

ANN, Islamabad

President Asif Ali Zardari has said that the present government wanted to remove this impression that military wanted to grab power, adding, that the government knows how to fight terrorism.

He said that the entire nation was united in war against terrorism.

Talking to a group of journalists at Bilawal House here on Tuesday night, he said that PPP was working with ANP and MQM for a better tomorrow and hinted that these parties in the Sindh coalition may jointly contest next elections in Sindh. 'We are trying our level best to enable the country to make headway in the comity of nations and attain progress and development', he added.

He made it clear that his govt believes in trade and not aid and that the attention was also towards regional trade.

Replying to a question, he further pointed out that the govt is making good progress and is heading in the right direction.

Zardari said that the democracy was taking

roots in the country.

Responding to a query, he said NFC Award will be announced this year.

He also said that a balanced budget has been presented for the fiscal 2009-10.

The President said that there was a lot of room to enhance the country's exports which is below potential at dollars 24 billion as this can be taken upto dollars 200 billion.

He said that we would have to attain progress not only for the present generation but also for the coming generations.

Mohatma Benazir Bhutto gave her life for the cause of democracy and I also went to jail for democracy, he added.

He stated that a consensus has been developed with regard to the war on terror. He said that with a good wheat support price we have managed to enhance its yield.

About KESC, he said that during his previous visit he had held a meeting with the officials and we are trying to improve its efficiency and if it does not deliver than we will have no other choice but to take it over.



PHOTO: AFP

Frogs Raja (L) and Rani (R) are married with full Hindu rituals in a ceremony to usher in the delayed monsoon rains, near Futala Basti in the city of Nagpur, some 860 kilometres east of the Maharashtra state capital Mumbai on June 20, 2009. Tradition dictates that if frogs are married off with full Vedic or Hindu rituals, the rain god is pleased and the heavens will open within days. After a prolonged delay in the advent of the monsoons this year, the weather bureau has forecast monsoon activity to advance into Maharashtra state and Mumbai later this week.

Low-cost nat'l gas entities ignored

FROM PAGE 1

Petrobangla's companies are set to earn during this fiscal year (2008-09) around Tk 5,400 crore from sale of gas, condensate, coal and hard rock and bear an expenditure of around Tk 3,500 crore without paying the oil companies their bills.

A chunk of this expenditure is paying the government Tk 1,500 crore as Vat and supplementary duty.

"Petrobangla is incurring some fresh losses every month," says a Petrobangla official.

"We already have a cumulative loss of Tk 1,200 crore to Tk 1,300 crore due to purchase of costly gas from the oil companies," he adds. "On an average, we are paying the oil companies \$3.38 per thousand cubic metre (mcf) gas."

This cost includes payment of corporate tax of the oil companies as per the Production Sharing Contract (PSC).

National gas companies do not enjoy Vat or tax exemption which the oil companies do as an incentive.

One of the side effects of buying more costly gas from the oil companies is that Petrobangla is now seeking an increase in its gas sales rate. The average bulk sales rate of Petrobangla's gas is now Tk 94, but it does not cover the gas production costs.

This is an irony since the government only late last year approved a proposal to pay

Bangladesh Petroleum Exploration Company (Bapex) only Tk 25 per mcf from July 2008 from its previous price of just Tk 7.

This situation is unnerving even for a giant like Chevron that supplies almost 50 percent of the country's gas. A Chevron official says such an unhealthy financial situation was not encouraging for Chevron to explore and develop new gas fields as Petrobangla's payment capacity is already being threatened.

Yet the country has enough unmet gas demands that encourage new investment. "But there should be some mix of national companies in the scenario. If it's all international companies, the sector would not remain viable," he points out.

A few years ago the national companies, which received negligible attention of the government, dominated the scenario. Even in future the national companies do not have the promise to expand enough as Petrobangla and the government seem to be following a hands-off policy for them.

This will increase the share of foreign oil companies even more in future unless the government revises its policy.

Petrobangla's extreme reliance on oil companies became more visible in recent years when it asked Chevron to increase Bibiyana field's gas production to an unhealthy 674 mmcf through Petrobangla itself officially says this field's production capacity is 500

mmcf.

According to experts, this can be fatal for the field as over production may damage the gas structure like the case of Bakhrabad field, which has been severely damaged after producing only 40 percent of its total recoverable reserve.

Again when Petrobangla found comfort in asking Chevron to increase gas production, which is not free, it never took any proactive role in protecting the country's largest gas field Titas.

The Titas field developed leakage four to five years ago. Though some actions were taken to address the problem the field is still releasing uncontrolled gas. Till date, this field remains ignored, although it alone had been serving as the country's energy lifeline from the sixties.

Some Petrobangla high officials often dismiss local companies as inefficient to justify reliance on the foreign oil companies, while policymakers hardly pay attention to reform the local bodies to make them efficient.

The gas sector got very poor attention by the government since 2001 and in the last eight years only nine exploratory wells have been drilled -- four offshore by international oil companies and four onshore by both national and international oil companies.

But as recommended by the National Energy Policy 1995, the

country should have drilled at least 36 exploratory wells to discover enough gas to cater the needs of the nation.

Presently, different national companies -- Bapex, SGFL and BGFL -- have small programmes to augment their existing production. If these are successful, they can increase between 145 and 245 mmcf gas by December 2010.

These companies along with Niko, through undertaking development well and appraisal programmes, may add another 170 mmcf to 325 mmcf gas by 2011.

But given the gas demand scenario, these discoveries are inadequate to create balance between the oil companies and national gas companies.

Petrobangla's official gas demand of the running 2009-10 fiscal year shows 1,896 mmcf to 1,983 mmcf. Petrobangla is already supplying around 1,850 mmcf gas. This should have been satisfactory, but in truth, it cannot provide around 150 mmcf gas to the Power Development Board, contributing to the power crisis thus.

On the other hand, Chevron and Cairn have discovered some gas structures in Block 7 but refrained from developing it for the last several years. Under the current policy where the national companies would continue to be ignored, it is likely that Petrobangla would once again hammer on the oil

companies to explore and develop the potential gas deposits in that Block.

Petrobangla is now undertaking massive gas pipeline projects to supply gas to the energy-starved southwestern region from 2010-11. In the current scenario, these pipelines will fail to deliver gas, sources say.

"During the alliance government rule between 2001 and 2006, the government installed hundreds of thousands of power poles to financially patronise pole manufacturers of Hava Bhawan on one side and fulfil the wishes of parliamentarians on the other. But it lacked substance. There was not enough power. Now the same is occurring to the gas sector," comments an official.

The gas demand in 2012-13 would rise between 2,500 mmcf and 2,873 mmcf and in 2014-15 between 2,669 mmcf and 3,087 mmcf.

To meet such demands, the country has no option but to involve oil companies for offshore exploration and increase onshore activities as well as tap other resources or import energy.

"Surely we needed and still need foreign oil companies in such investment and technology-centric and risky ventures. But there should be a balance. If we don't promote our national companies and local people in this sector, there will be a time when oil companies will dictate all terms," the official observes.



PHOTO: AFP

Vice-presidential candidate Wiranto during a make-up session before a live televised debate between his opponent Prabowo Subianto and Boediono (not in photo) in Jakarta on Tuesday. Wiranto and Prabowo are ex-generals accused of human rights abuse during the regime of Indonesian strongman Suharto.