

GCC unlikely to cut oil output to maintain market share

ABU DHABI, Feb 18: Gulf Arab states could lower their oil production to match a seasonal decline in demand for the second quarter but they will unlikely make sharp cuts to maintain their market share, oil analysts in the region said yesterday, reports AFP.

Saudi Arabia, the world's top crude producer and exporter, and other Gulf oil heavy weights now believe prices will remain as weak as they were in 1993 and they have started to adapt themselves to this situation, the sources said.

Although the price fall is hurting their income, Gulf Cooperation Council (GCC) states realise this will help them sell more oil when they complete projects to increase production capacity and utilise

their massive crude reserves before alternative sources of energy are found.

The six GCC members have offered to cut output if other producers did the same as part of a campaign to push up prices but the initiative has lost momentum as non-OPEC states responded coolly and the Gulf producers themselves do not appear enthusiastic to the idea of trimming their market share.

The oil ministers of GCC states — Saudi Arabia, Kuwait, Qatar, the United Arab Emirates (UAE), and non-OPEC Oman and Bahrain — are due to meet in Jeddah on March 5 to discuss prices and coordinate stands for the March 25 talks of the organisation of petroleum exporting countries.

"I think there will be production cuts at the March 25 meeting as demand will be lower in the second quarter," a Gulf-based oil expert said.

"But I strongly doubt Saudi Arabia or other GCC states will be willing for sharp reductions. I can see that their main concern now is how to sell their oil and find more clients as they press ahead with projects to raise their output capacity. High oil prices do not help this trend."

The price decline has forced Saudi Arabia to slash its 1994 spending by 20 per cent and Oman by around 10 per cent. Kuwait said it planned to follow suit while the UAE projected slightly lower expenditure.

GCC Assistant Secretary General for Economic Affairs, Abdullah Al-Quwaiz, said member states were no longer able to influence the oil market due to a sharp fall in their overseas assets because of the Gulf War costs and persistent withdrawals to finance their budget deficits.

"GCC states have lost flexibility to affect the oil market because of a large drop in their financial reserves," he told the London-based daily Al-Hayat this week.

Their ability to reduce oil output to remarkably affect prices has become extremely limited. The ability of all producers has also been hurt by the policies of industrial countries in building crude stockpiles.

OPEC alarmed at plunge in oil prices

LONDON, Feb 18: OPEC is alarmed by the low oil price but there is still no plan to advance its March 25 talks nor are there concrete proposals yet to cut output, the OPEC spokesman said, reports Reuter.

Oil prices plunged to new five-year lows on Wednesday when OPEC April Brent crude closed at 12.92 dollar per barrel on oversupply fears and warmer US weather.

"The oil price is alarming but we are still hoping to meet on March 25 and assess the situation at that time," said OPEC spokesman Mohammed Al-Sahlawi.

Sahlawi of Saudi Arabia reiterated OPEC's insistence it wait until nearer the meeting before it assessed the supply-demand situation, stock levels and the position of OPEC and non-OPEC oil producers.

He said OPEC still sought

cuts from non-OPEC producers so that OPEC alone does not shoulder the responsibility of stabilising prices.

Prices have been under pressure since last November when OPEC failed to cut its 24.52 million barrel per day ceiling. At that time, OPEC blamed higher non-OPEC output, especially that from the North Sea, for undermining prices.

"What we want to see is a real commitment from non-OPEC, solid action toward a good cut," Sahlawi said.

OPEC delegate sources said

OPEC's next plan of action may

surface at a March 5 meeting of Gulf Cooperation Council (GCC) Oil Ministers.

"The GCC involves several major producers so I am sure what comes of that meeting, if anything, will be presented at the OPEC meeting," a delegate said.

Dhaka Stock Prices

Weekly comparison: At the close of tradings on February 10 and February 17, 1994

Company	FV/ML*	Feb 10	Feb 17	High	Low
BANKS (12)					
Al Baraka Bank	1000/1	805.00	805.00	908.00	800.00
AB Bank	100/5	190.00	175.00	200.00	160.00
City Bank	100/5	290.00	355.00	290.00	105.00
Eastern Bank	100/20	110.00	110.00	110.00	105.00
IDLC Ltd	100/20	280.67	280.00	290.00	200.00
IFC	100/5	160.00	155.13	198.00	140.00
Islami Bank	1000/1	1407.00	1407.00	1705.00	1300.00
National Bank	100/5	123.00	120.00	130.00	85.00
Pubali Bank	100/5	100.00	100.00	100.00	85.00
Rupali Bank	100/10	80.00	80.00	91.00	65.00
U.C.B.	100/5	108.00	108.00	120.00	80.00
Uttara Bank	100/5	90.00	90.00	103.00	87.00
INVESTMENT (8)					
1st ICB M.Fund	100/5	110.00	110.00	113.00	100.00
2nd ICB Fund	100/5	700.00	700.00	750.00	350.00
3rd ICB M. Fund	100/5	156.39	159.00	195.00	140.00
4th ICB M. Fund	100/10	160.00	160.00	190.00	140.00
5th ICB M. Fund	100/10	125.96	133.92	136.00	86.00
6th ICB M. Fund	100/10	97.53	96.02	107.00	57.00
Unit Certificate	113.00				
Sales Price	108.00	118.00	118.00		
Re-purchase		113.00	113.00		
INSURANCE (4)					
BGIC	100/10	306.00	305.00	330.00	177.00
Green Delta	100/10	275.00	272.00	307.00	178.00
Peoples	100/10	405.00	405.00	405.00	285.00
United	100/10	277.00	275.00	305.00	186.00
ENGINEERING (19)					
Aftab Automobiles	100/5	220.00	216.21	290.00	167.00
Atlas Bangladeshi	100/50	53.00	50.00	62.00	41.00
Aziz Pipes	100/5	290.00	291.00	291.00	225.00
Bangladesh Autocars	100/5	36.50	30.00	68.00	30.00
B.Th Alumium	100/10	86.50	86.00	96.00	77.00
Bengal Carbide	100/5	502.56	502.56	510.00	250.00
Bengal Steel	100/50	20.00	20.00		
Eastern Cables	100/5	78.00	81.00	86.00	65.00
Howlader PVC	100/10	74.00	74.00	116.00	74.00
Karim Pipe	100/5	80.00	80.66	88.00	54.00
Metalex Corp.	100/5	39.00	39.00	41.00	25.00
Monno Stafflers	100/5	340.00	340.00	340.00	155.00
Monno Jutex	100/5	1000.00	1000.00	1000.00	270.00
National Tubes	100/10	59.00	57.00	68.00	56.00
Panther Steel	100/50	8.00	8.00		
Quasem Drycells	100/50	11.50	11.50	12.00	9.00
Rewinik Jaineswar	100/5	70.00	70.00	86.50	62.00
Singer Bangladesh	100/5	1700.00	1655.00	1870.00	795.00
FOOD & ALLIED (23)					
A.B Biscuit	100/5	199.00	199.00	199.00	199.00
Alpha Tobacco	100/50	50.00	50.00	65.00	43.00
Aman Sea Food	100/5	100.00	105.15	105.15	15.00
Apex Food	100/5	1100.00	800.00	930.00	675.00
Aroma Tea	100/5	45.13	45.13	50.00	45.00
Bangas	100/5	140.00	140.00	150.00	120.00
B.D Plantation	100/5	500.00	500.00	550.00	500.00
Bengal Food	100/5	180.00	180.00	200.00	165.00
B.I.T.C.	100/5	800.00	800.00	800.00	200.00
B.T.C.	100/50	170.00	180.00	220.00	70.00
Ctg. Vegetable	100/10	95.00	93.75	95.00	60.00
E.L. Cemelia	100/5	1040.00	1040.00	1040.00	57.00
Frogleg Export	100/50	2.00	2.00	3.00	1.80
Gemini Sea Food	100/5	35.00	36.00	100.00	34.00
Hill Plantation	100/5	550.00	550.00	550.00	500.00
Modern Industries	100/5	390.00	400.00	400.00	185.00
N.T.C.	100/5	275.00	275.00	280.00	205.00
Rabeya Flour	100/50	N.T.	N.T.		
Rupan Oil	100/100	4.00	3.38	5.00	3.30
Tulip Dairy	100/10	68.00	68.00	70.00	50.00
Yousuf Flour	100/50	N.T.	N.T.		
Zeal Bangla Sugar	100/50	6.50	6.50	8.00	5.80
FUEL & POWER (4)					
BD Oxygen	10/50	170.00	166.00	175.00	66.00
Eastern Lubricant	10/50	14.00	14.00	14.00	49.00
National Oxygen	100/10	74.33	74.33	95.00	49.00
Padma Oil Co.	10/50	48.00	48.00	48.50	41.00
TEXTILE (20)					
Ahaj Textile	10/50	N.T.	N.T.		
Arbee Textile	112.00	112.00	112.00		
Ashraf Textile	10/50	28.00	27.60	30.50	22.00
Chand Textile	10/50	N.T.	N.T.		
Chand Spinning	10/50	N.T.	N.T.		
Dash Garments	100/10	50.00	50.00	55.00	50.00
Dash Cotton	100/10	76.00	77.00	98.00	70.00
Eagle Star	10/50	11.00	12.50	15.60	10.00
GMG Ind. Corp.	10/50	10.00	10.00		
Modern Dying	100/20	30.00	35.00	50.00	21.00
Padma Textile	100/20	281.67	259.41	290.00	157.00
Quasem Silk	10/50	2.50	2.50	3.40	2.50
Quasem Textile	10/50	2.50	2.50	3.40	2.50
Rahim Textile	100/5	100.00	100.00	101.00	79.00
S.T.M. (ORD)	100/5	20.00	20.00	20.00	