

# Iraq vows 'no oil deal' with US, UK, Japanese firms

DUBAI, Feb 28: Iraq's Oil Minister Amer Rashid vowed that the sanctions-hit state would never grant oil development contracts to any US, British or Japanese company, the Al-Hayat newspaper reported yesterday, says AFP.

"We have no intention of signing contracts with US, British and Japanese companies or any country with a hostile attitude towards us," he said in an interview with the London-based daily received here.

Talks with foreign firms are part of a plan to boost Iraq's total capacity to six million barrels per day (BPD) and the development of oil deposits totalling 30 to 40 billion barrels.

Negotiations are mainly focused on surveying and prospecting contracts for desert areas next to Iraq's borders with Jordan and Saudi Arabia.

Rashid said a contract with France's Total was "in its final

stage," but denied a deal was being negotiated with Anglo Dutch giant royal Dutch/Shell. "We have no contract and no proposal."

He said the Total deal was "strategic and long-term over 20 years," but that it would only go ahead once the "international situation permits it" and once it has French government approval.

The accord is for the estimated 3.4 billion dollars development of the giant southern Nahr Omar oilfield, with an estimated capacity of 440,000 BPD.

Rashid also said negotiations were underway with Russia. "Things are following their normal course and we are optimistic for a signing."

Iraq has total proven oil reserves of about 112.5 billion barrels, just under 11 per cent of global reserves.

Letters of intent have already been signed with Total and France's Elf Aquitaine, a Russian consortium led by Lukoil and with China National Oil Company.

Iraq has said it will need 30 billion dollars to develop its oil sector, half of which is for new fields.

But work will not be able to start until the lifting of UN sanctions imposed following Iraq's 1990 invasion of Kuwait.

Rashid also said Iraq hoped to boost its export capacity from its current level of 2.1 million BPD to as much as 2.5 million BPD, a rise of some 19 per cent.

He did not give a timeframe, saying it was dependent on the arrival of oil sector spare parts.

Despite the sanctions, Iraq is allowed to sell limited quantities of crude in return for basic products and some spare parts under a UN-monitored

oil-for-food programme.

Rashid said Iraq's total production was now about 2.7 million BPD. Apart from oil exports under oil-for-food, local consumption accounts for about 150,000 BPD and Jordan takes around 96,000 BPD under a separate agreement.

Iraq has had problems reaching the programme's ceiling, currently set at 5.2 billion dollars worth over six months, because of the poor condition of its oil infrastructure and low oil prices.

Rashid said oil production had also suffered because of bomb damage from the US and British four-day air war in December.

"The US and British forces bombed the Basra refinery, which affected export capacity... and a main pumping station in the north of Rumaila (oilfield)," he said.

## 4-year agreement signed

# Filipino garments get increased access to US

MANILA, Feb 28: The Philippines has signed a four-year agreement to get increased access of domestically made garments to the United States market, trade officials said today, reports AFP.

Trade Secretary Jose Pardo said a memorandum of understanding was signed recently by the government with C. Donald Johnson, the textile negotiator in Washington's trade department.

"The four-year agreement provides for additional access to the US market for a variety of critical garment and textile categories," Pardo said.

Manila and Washington were locked in a trade row in 1995 after the US unilaterally imposed import restrictions by issuing new rules of origin for garments qualified to enter the US market.

That move made it difficult for Philippine exports to enter the US since local garments use

imported raw materials.

The Philippine government also accused the US of violating World Trade Organisation regulations, stressing that only the WTO had the authority to come up with standardised rules of origin.

Washington was subsequently forced to grant the Philippines a compensation package renewable every year until the WTO comes out with a harmonised rules of origin package.

"The new pact is an improvement on past compensation deals, each of which lasted only one year," Pardo said.

"The prompt conclusion of this agreement constitutes a major win for our garment and textile exporters, who now have the assurance of stability on the level of market access to the US till 2002," added Felicitas Reyes, the Philippine trade ministry's chief textile negotiator.

# Indian budget draws contradictory reactions from industrialists

NEW DELHI, Feb 28: Indian Finance Minister Yashwant Sinha's budget proposals evoked contradictory reactions from captains of industry yesterday.

They ranged from a "great job" inviting nine out of ten marks from motor-scooter manufacturer Rahul Bajaj to just three marks and an "adverse" characterisation by V.M. Raval of Tata Engineering and Locomotive Company (TELCO).

The body language and facial expressions of over 30 top industrialists of the country as they emerged one by one from a conference room in the capital, where they were jointly viewing the live telecast of the budget, clearly said it had had some effect on every one of them.

Although they preferred to play it safe while speaking to the media, several of the en-

trepreneurs seemed quite disappointed while replying to specific questions from reporters.

"This is an adverse and anti auto-industry budget," said Raval, executive director of the automobile giant TELCO.

He alleged the budget had not given importance to a sector whose contribution to the nation's "gross domestic product (GDP) was 4.5 per cent."

From the auto industry point of view, Raval said he would give the budget only three points on a scale of ten.

"The one company that has taken up the challenge to produce an indigenous car has not been helped by the budget. Multinational players would be very happy to see the budget," Raval told reporters with reference to TELCO's latest offering, India, the car that has caught

the imagination of Indians.

Subodh Bhargava, former president of the Confederation of Indian Industry (CII) and group chairman of the Eicher Goodearth Limited, was more generous when he gave the budget 6.5 on a scale of ten.

However, expressing his disappointment, Bhargava said: "A lot of things have been left to commissions and committees to be constituted."

He hoped the incentives provided by the government in the housing sector would give a boost to Indian industry in general. When asked about the impact of the budget on investors' confidence, Bhargava said: "Investors' confidence depends on a lot of things, the actual steps taken by the government and not the budget alone."

CII president Rajesh V. Shah, the first to address the

press, expressed dissatisfaction over the fact that the budget lacked any "clear statement" about reducing the fiscal deficit.

Shah however termed the budget as "sensible" and "forward looking." He favoured the government's concentration on housing sector. "The budget looks out at rewarding the knowledge-based industries," he said.

Praising Yashwant Sinha for "doing a great job," Rahul Bajaj chairman and managing director of the Bajaj Auto Limited, ranked the budget nine on a scale of ten.

Referring to the fragile nature of the coalition government, Bajaj said: "This is a positive budget under difficult circumstances." The Vajpayee government has been under severe strain lately because of the imposition of federal rule on the eastern state of Bihar.

At the same time Bajaj doubted if the government would ever succeed in implementing the budget which took into account "the economics of Amartya Sen."

The track record of the Indian government over the past five decades showed that the government was hardly ever successful in implementing its long term policies, Bajaj observed.

Under present circumstances it is more difficult to implement this great budget. But full marks goes to Sinha. We cannot take credit away from him," he said.

Commenting on the observation that the budget was anti-automobile sector, Bajaj said: "It is part of the trade." One day the sector is down, the other day it would pick up, he added.

J.J. Irani, managing director of Tata Iron and Steel Company (TISCO) said he would look into details of the budget before arriving at any conclusion.

It gives a "favourable impression," he said adding that the "housing sector would get a great benefit."

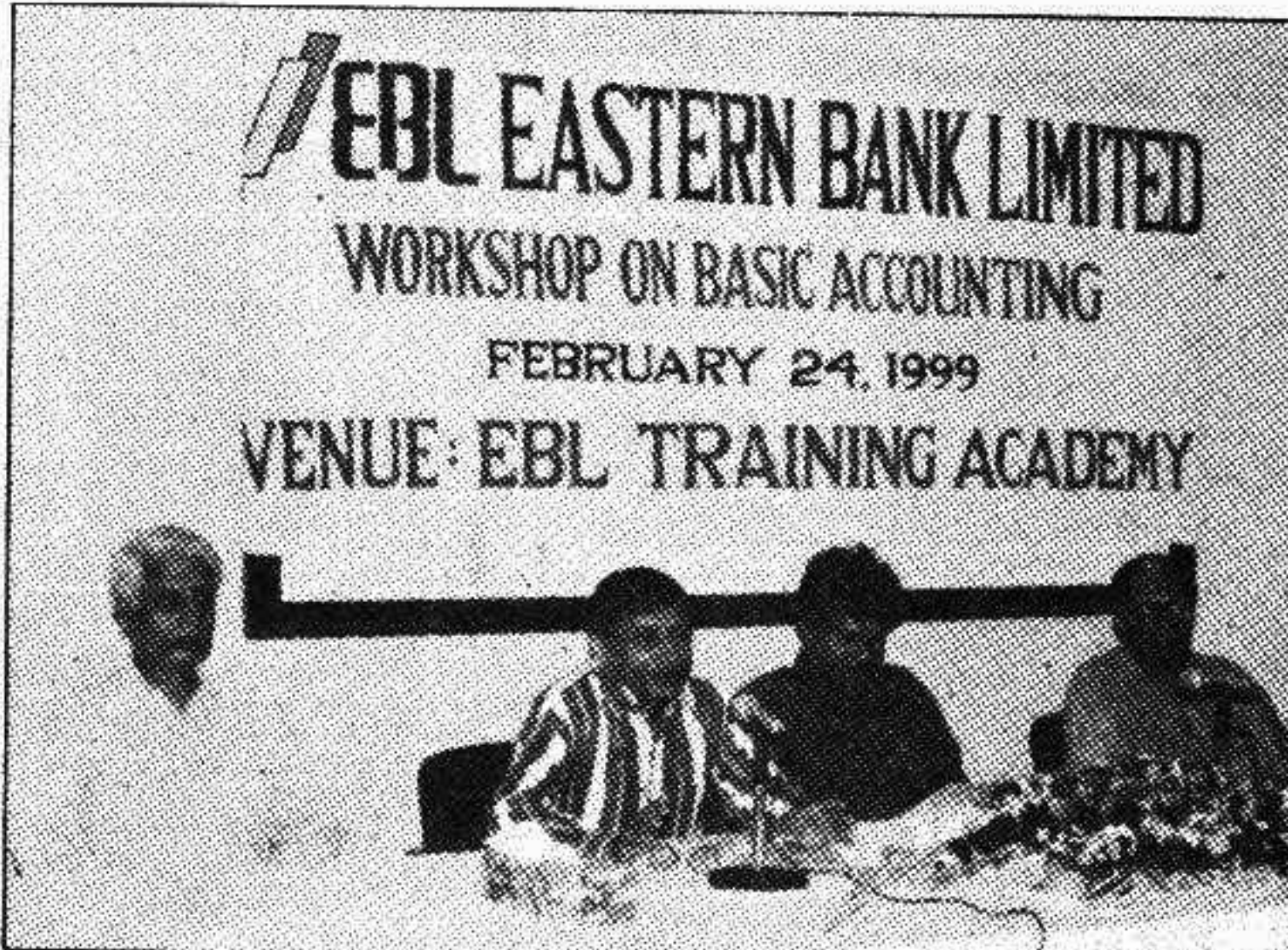
Entrepreneurs from the telecom sector also expressed disappointment over the budget.

"It does not look good for the telecom sector. Customs duty has been increased although excise has been reduced," said Rakesh Bharti Mittal, managing director of Bharti Telecom. "There is no major effort to attract investment in the telecom sector," he added.

"A revival of industrial growth is not likely," said R.C. Bhargava, president of RCB Consulting Private Limited.

The budget has several positive features which emphasise on the rural areas but "implementation of the policies is a crucial issue," observed Bhargava, who was formerly the managing director of auto giant Maruti Udyog Ltd.

— India Abroad News Service



M Khairul Alam, Managing Director (2nd from left) of Eastern Bank Limited, addresses the concluding session of a workshop on basic accounting held recently at the banks Training Academy in Dhaka. M Hedayetul Islam, Executive Vice President (extreme left), and Khan Tariqul Islam, Senior Vice President (3rd from left), were also present. Officers working in the accounts department of the Dhaka-based branches took part in the workshop.

## UAE calls for a 'serious dialogue' on oil

ABU DHABI, Feb 28: The United Arab Emirates (UAE) semi-official Al-Itihad newspaper yesterday urged a "serious dialogue" among OPEC member states to reach an agreement to face falling oil prices, reports AFP.

"The economies of the main producing states are subject to collapse because of the heavy drop in crude oil prices and the inability of producers to respect an agreement" on production cuts, the daily said.

"Believing that stability will return by itself to the oil markets is wrong," the newspaper said.

"Producers always played

the most important role in determining prices, but their divisions and the fact that some are not respecting the pledges leaves them assuming the losses," Al-Itihad said.

"The greatest responsibility in maintaining price stability lies with the OPEC states, which is why dialogue must not stop and an agreement must be near, because low prices are in nobody's interest," it said.

Saudi Arabia's Okaz newspaper, which reflects official opinion, on Saturday criticised without naming "those who speak of the falling prices," in an apparent reference to Iran.

## IMF urges Thailand

# Do not slow down on banking reform

BANGKOK, Feb 28: The deputy director of the International Monetary Fund has urged Thailand not to slow down or compromise on banking reform as it tries to pull itself out of an economic crisis. The Nation newspaper reported on Sunday, says AFP.

Stanley Fischer made the comments during a roundtable with Thai academics on Saturday sponsored by the paper at the Oriental Hotel.

Fischer said, however, that there may be room for fiscal and monetary relaxation to help Thailand overcome its difficulties, the paper said.

Because Thailand has not recovered as rapidly as expected, the IMF has already approved a small degree of deficit spending on the part of the government to spur economic growth, after previously demanding a budget surplus.

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its February 19 close of 38.88 pesos.

**SOUTH KOREAN WON:** The South Korean won closed the week up a touch at 1,204 to the dollar from 1,223 a week before.

"Firms are hesitant about selling dollars they have earned from exports amid expectations that the yen will continue to weaken and the Chinese yuan will come under pressure for depreciation," a foreign exchange dealer said.

The exchange rate is expected to fluctuate between 1,190 won to 1,220 won in the week ahead, he said.

**TAIWAN DOLLAR:** The Taiwan dollar rose 0.6 per cent against the greenback over the week to settle at 33.055 Friday amid central bank intervention and a stronger stockmarket, analysts said.

The local unit will be stable around the 33-level in the short term, they said.

**THAI BAHT:** The Thai baht was relatively stable against the dollar over the week to Friday, closing at 37.35-40 baht per dollar from 37.45-50 previously.

## Exchange Rates

Following are yesterday's Standard Chartered Bank rates of major currencies against Taka:

Central Bank USD/BDT rate: Buying - BDT 48.35/Selling - BDT 48.65

Selling		Currency	Buying	
TT/D	48.700	USD	48.350	48.748
48.700	0.4136	JPY	0.4028	0.4015
33.8846	33.9124	CHF	33.2199	33.1098
28.4441	28.4714	SGD	27.993	27.8467
32.5501	32.5778	CAD	31.8203	31.7148
6.0022	6.0071	SEK	5.8990	5.8795
30.6700	30.6952	AUD	29.4118	29.3144
12.8661	12.8767	MYR	12.8867	12.8436
6.3022	6.3074	HKD	6.2303	6.2287
13.0462	13.0569	SAR	12.8465	12.8039
13.3133	13.3242	AED	13.1235	13.0800
0.0399	0.0399	KRW	0.0395	0.0393
78.6109	78.6754	GBP	76.9107	76.6558
54.4991	54.5438	EUR	52.5546	52.3805

USance Export Bills

TT DOC	30 days	60 days	90 days	120 days	180 days
48.2354	47.9377	47.5405	47.0836	46.5870	45.4746

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Thai Baht	Mal Ring	Indo Rupiah	Sing Dollar
42.400	50.92	37.70/38.00	3.7998/3.8002	8875/8975	1.7150/1.7155
42.440	51.02	00	00	00	00

US dollar

Buying	Selling
48.15	48.75

Cash notes

1 Month	3 Months	6 Months	12 Months
5.62875	5.28063	5.15813	5.15609

T/C

GBP
6.5

Market Commentary

In the local interbank market, the demand for dollar remained high despite Sunday being a holiday in the international markets. The local market was back in operation in full swing after the general strike and weekend. In the interbank market, US dollar traded between BDT 48.68 and BDT 48.73. The call money market ranged between 9 and 11 per cent.

The international markets were closed. At New York closing on Friday, USD traded at 118.90/00 JPY, GBP at 1.6012/22 USD and euro at 1.1023/27 USD.

## Shipping Intelligence

Chittagong port  
Beth position and performance of vessels as on 28-2-99

Berth	Name of vessels	Cargo	L Port	Local agent	Date of arrival	Leaving
J/1	Multan	Rice(P)	Kara	BSC	30/1	-
J/2	Orient Bliss	Rice(P)	Kand	AASS	/2	3/3
J/3	Jiang Chuan	GI	Shang	Bdship	3/3	3/3
J/4	Oh Shan Tok	Ricke(G)	V Pat	USTC	6/2	5/3
J/5	Brisa Anil(48)	GI	Sing	Everett	26/2	2/3
J/6	Leona	GI	Sing	Progr	26/2	2/3
J/7	Banglar Asha	wheat(G)	K dia	Frank	R/A	5/3
J/8	Al Swamruz	Wheat(G)	GI	Bdship	1/2	2/3
J/9	Yang Lin	GI	Sing	Bdship	7/2	3/3
J/10	Grigory Kovalchuk	Rice(P)	Kaki	SMSL	7/2	3/3
J/11	Banglar Shorab	What(G)	BSC	R/A	7/3	-
J/12	Kota Abadi	Cont	Sing	PH(BD)	20/2	2/3
J/13	Sea Success-1	Cont	Sing	RSB	20/2	28/2
CCT/1	Ge mallard	Cont	Sing	QCCL	19/2	28/2
CCT/2	Banglar Mont	Cont	Sing	BSC	23/2	28/2
CCT/3	Abuja	Cont	Cal	Baridhi	21/2	-
RM/15	Albatross-III	Rice(P)	Kand	Smas	16/2	4/3
GSJ	Banglar Gourab	What(G)	USC	R/A	24/2	-
TSP	Kyong Song	R Pos	Zhan	Move	R/A	28/2
RM/3	Al Borague	R Pos	Zhan	Move	R/A	28/2
RM/4	Sun Emerald	CPO	P Kel	TSL	27/2	28/2
RM/5	Erville	Hsd	Mina	ECSL	25/2	1/3
RM/6	Ras Al Zour	SKO	Mina	Atlantic	23/2	-
DDJ/1	Tanary Star	IDLE	Para	PSAL	28/2	28/2
RM/8	Well Speeder	C.Clink	Sing	PSAL	28/1	3/3
RM/9	Banglar Mookhair	Repair	K Dia	Frank	R/A	2/3
SM/10	Tug ocean Silver-8	Repair	K Dia	ILAPSL	R/A	-

## Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port	Local agent	Cargo	Loading port
Sarah-1	2/3	Kara	SMASS	Rice(G)	-
Hafina	2/3	Kara	MICSL	Rice(G)	-
Mary Store	28/2	Brisa	USTC	Scraping	-
You Yue	28/2	Kara	USTC	Rice(G)	-
Safe Star	1/3	Busan	Oil	GI	-
Qary	28/2	Sing	Simsi	Scraping	-
Kota Naga(Cont/17/2)	28/2	Sing	PH(BD)	Cont	Sing
Augusta(E/L/17/2)	2/3	Yang	OWSL	Cont	Sing
Stapan Geys	1/3	Mum	Cross	GI(Rice/P)	-
Dagmara	3/3	Sing	MSA	Wheat(P)/peass	-
Norbuk Seraya(E/L/25/2)	3/3	Mong	OWSL	GL	Iraq
Acadia(Cont/22/2)	2/3	Sing	BSL	Cont	Sing
Budi teguh(Cont/22/2)	2/3	Sing	BSL	Cont	Sing
Maring	1/3	Vig	AMBL	Rice	Sing
Banglar Mamata(24/16/2)	3/3	Mong	BSC	GI	-
Banga Broil(Cont/22/2)	4/3	Sing	Bdship	Cont	Sing
Banglar Shikha(Cont/22/2)	3/3	Sing	BSC	Cont	Sing
Esro Virgo	2/3	Bkg	Rainbow	GI(WT cement)	Sing
Dragon Brani(Cont/22/2)	4/3	Sing	NoI	cont	Sing
Amrita-VII(48/4/2)	6/3	Sing	Everett	GI	-
Ultimate(Cont/25/2)	3/3	Sing	QCCL	Cont	Col
Dewan-1	4/3	Sing	AML	Rice(P)	-
Kota Berjay(Cont/22/2)	5/3	Sing	PH(BD)	Cont	Sing
Dragon Kalimantan(Cont/22/2)	5/3	Sing	NoI	Cont	Sing
AA Venture	7/3	Sing	NoI	Cont	Sing
Kota Cahaya(Cont/22/2)	6/3	Sing	PH(BD)	Cont	Sing
Diligence(Cont/25/2)	6/3	Sing	QCCL	Cont	Sing
Esco Argo	6/3	Sing	Progr	GI	-
Sandy Bay	8/3	Texas	Lams	What(G)	-
Kota Singa(Cont/25/2)	8/3	Sing	PH(BD)	Cont	Sing
Ingenitully(Cont/17/1)	10/3	Sing	BSL	Cont	Sing

Tanker Due:

Vessel	Date	Agent	Cargo
Equator	25/2	BSL	Crude oil
Grazia	25/2	TSL	CDSO</