

# Oil prices hit 22-month high on US refinery blast

LONDON, Aug 10: World oil prices stormed to 22-month highs yesterday after a blast at a US refinery gave fresh impetus to a market already strong on the back of tight producer compliance with output curbs, says Reuters.

Benchmark Brent crude for September delivery last traded at \$20.51 per barrel, up 45 cents and the highest level seen since October 9, 1997.

News of the explosion at Citgo Petroleum Corp's US Corpus Christi in Texas — in which one worker was killed and another injured — was enough to send prices soaring once more. However, refinery officials said production had not been affected at the 165,000 barrels per day plant.

"It ran up on the Corpus Christi problem... (and) it doesn't look like giving up any of its gains," said one futures dealer in London.

The North Sea grade breached the psychological \$20 mark on Friday on fresh evidence of OPEC output restraint and a recovery in refinery profit margins that should

shore up crude demand. The rise above \$20 was also driven by Russian product export curbs, a rally in US gasoline markets and reports of a fall in US oil inventories.

While traders believed the Organisation of the Petroleum Exporting Countries would keep its cuts until the end of the year its rate of compliance was not likely to improve, he said.

The US government's Energy Information Administration (EIA) said on Friday OPEC compliance would be relatively strong throughout the summer before declining much more gradually than it had expected.

The price has now doubled from historic sub-\$10 touched at the turn of the year, rising to the top of the \$18-\$20 range that OPEC sees as the informal target of its price rescue pact.

There is no sign as yet of a slackening in OPEC's adherence and some analysts say the cuts look likely to wipe out surplus global oil inventories by the end of the third quarter.

OPEC members stayed in strong compliance with output curbs in July although non-par-

ticipant Iraq pushed up the group's overall production, a Reuters survey found.

OPEC raised output in July by 270,000 barrels a day (bpd) to 26.24 million bpd from a revised 25.97 million in June, according to the survey of officials, analysts and consultants.

But the July estimates show compliance with limits among the 10 participating OPEC members at 87 per cent, unchanged from June.

The EIA said it was raising its forecasts for world oil prices for the remainder of 1999 and for 2000 due to OPEC's better-than-expected compliance with self-imposed supply limits.

World oil prices would average about \$18.39 per barrel in the third quarter of 1999, rising to \$18.67 in the final period of the year, the EIA said, compared to previous forecasts of \$15.60 per barrel and \$15.75, respectively.

An AP report from New York says: Crude oil rallied to its highest levels in 21 months on the New York Mercantile Exchange amid reports of an explosion at a Corpus Christi,

Texas, refinery.

One worker was killed in the blast at the Citgo Petroleum Corp Refinery. There was no fire and the rest of the plant continued operating normally, company officials said. The problem renewed concern about a recent string of refinery problems that have reduced production across the United States, particularly to the key California market. Still, analysts said processing would see little impact.

Natural gas futures also rose in trading despite expectations for cooler temperatures in key consuming regions. The cooler weather likely would lower demand from utilities that power turbines used during heat spells as more consumers turn on air conditioners and fans.

September crude oil rose 39 cents to \$21.27 a barrel; September heating oil rose 0.68 cent to 55.21 cents a gallon; September unleaded gasoline rose 0.21 cent to 66.04 cents a gallon; September natural gas rose 2.3 cents to \$2.71 for each 1,000 cubic feet.

## 'Lankan tea industry facing disaster'

COLOMBO, Aug 10: Sri Lanka's main planters' union warned today that the island's main export commodity, tea, was facing disaster due to falling prices and demanded a series of concessions to remain viable, says AFP.

The Planters' Association of Ceylon said the industry was facing one of its worst crises with tea prices falling by about 30 per cent and record high crops compounding the problem.

"Some urgent measures will have to be taken if the country is to avert a full-blown crisis that will have serious adverse effects on the economy," Planters' Association Secretary SK Seneviratne said in a statement.

He urged the government to exempt the tea industry from the 12.5 per cent goods and services tax and to defer for three years the rentals payable by private companies which manage state-owned tea and rubber plantations.

The association also wants to link wages to productivity to cut salary bills which it says make Sri Lanka the most expensive place to grow tea. Seneviratne noted that

while tea prices continued to tumble, the cost of production was going up.

The tea industry has lost 4.4 billion rupees (62 million dollars) in the first five months of this year, he said.

Earlier this year smaller private factory owners said they were facing bankruptcy as they were unable to buy tea leaves from small-time growers.

The owners said a promised loan package from the government failed to materialise.

Prices at the weekly Colombo tea auction, the world's largest tea sale, have dropped by 30 per cent within a year.

**Creditors agree to take tough action against Samsung**  
SEOUL, Aug 10: Creditors agreed today to take punitive sanctions against South Korea's Samsung Group unless its chief contributes more towards the huge debts incurred by his ill-fated auto unit, bankers said, reports AFP.

## Exchange Rates

American Express Bank Ltd					
foreign exchange rates (indicative) against the Taka to major currencies					
Currency	Selling TT & OD	Selling EC	Buying T.T Clean	Buying OD Sight Export Bill	Buying OD Trans
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0850
Pound Sig	80.1548	80.2193	78.9761	78.7151	78.5998
Deutsche Mark	27.6259	27.6482	26.6826	26.5285	26.4896
Swiss Franc	33.3758	33.4027	32.8647	32.7680	32.7081
Japanese Yen	0.4330	0.4333	0.4256	0.4242	0.4235
Dutch Guilder	24.5185	24.5382	23.6869	23.5445	23.5100
Danish Krona	7.2081	7.2139	7.0435	7.0202	7.0099
Australian \$	33.0108	33.0373	31.7276	31.6227	31.5764
Belgian Franc	1.3394	1.3405	1.2913	1.2862	1.2843
Canadians \$	33.4567	33.4836	32.5137	32.4062	32.3583
French Franc	8.2371	8.2437	7.9409	7.9098	7.8783
Hong Kong \$	6.4191	6.4243	6.3408	6.3198	6.3106
Italian Lira	0.0279	0.0279	0.0269	0.0268	0.0268
Norway Kroner	6.4672	6.4724	6.3576	6.3366	6.3273
Singapore \$	30.0756	30.0998	29.1059	29.0097	28.9672
Saudi Rial	13.2982	13.3089	13.1153	13.0719	13.0528
UAE Dirham	13.5770	13.5880	13.3909	13.3466	13.3271
Swedish Krona	6.0560	6.0609	5.9784	5.9585	5.9499
Qatari Riyal	13.6978	13.7089	13.5068	13.4621	13.4424
Kuwait Dinar	16.0921	16.2282	15.6211	15.6135	15.5970
Thai Baht	1.8150	1.8100	1.3022	1.2979	1.2900
Euro	54.0316	54.0751	52.0889	51.8852	51.8092

Bill buying rates					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
49.2112	48.9090	48.4980	48.0870	47.6760	46.8540
US dollar London Interbank Offered Rate (LIBOR)					
Buying	Selling	Currency	1 Month	3 Months	6 Months
49.0650	49.7300	USD	5.2435	5.4250	5.6000
78.5998	80.1548	GBP	5.2345	5.3115	5.4484
Cash/TC	Cash/TC	Euro	2.6203	2.8750	3.0625
43.432/43.442	51.540/51.590	37.760/37.810	3.7995/3.8005	7.310/7.340	11.988/11.993

**Amex notes on Tuesday's market**  
The USD/BDT rates continued to hover in the 49.650/49.65 level. It is expected to remain in this level for the remainder of this week as market is still liquid in USD.

The government had accepted T-bills worth BDT 657 million on August 08, 1999 as a result the call rates moved up but only marginally. The call rates have remained below six per cent and stayed in the 5.25-5.75 per cent level.

Dollar extended losses vs yen in late Tokyo due to vague rumours about fresh fiscal stimulus by Japan. Stop-loss sell orders triggered near 114.80 yen pushed dollar as low as 114.70 yen.

The dollar was back under pressure across the board in early European trading on Tuesday after a two-day rally quickly lost steam as lingering concerns over US asset market clouded the horizon. Dollar/yen probed below the psychologically important 115 yen level, while euro/dollar rose above \$1.07 on the back of strong economic data from Japan and Germany and nervousness ahead of the US Treasury's quarterly refunding which kicks off in the latter part of August 10. Data this week from Japan, like machinery orders today, have been better than expected which is the reason of renewed optimism over an economic recovery in Japan. Japanese Economic Planning Agency reported that the nation's core private-sector machinery orders rose a seasonally adjusted 6.3 per cent in June from the previous month, compared with an average forecast of a 1.5 per cent rise. Although Japanese officials have repeatedly expressed their concerns that a premature yen rally could choke off an economic recovery, market makers said it would be difficult to reign in the yen bulls for now.

The euro was last trading at \$1.0734/37, up from \$1.0704/08 late on Monday, drawing some strength from news Germany's trade surplus widened to 13.6 billion marks in June from 6.7 billion in May amid a pickup in exports. Although the single currency was still about a full cent below last week's \$1.0826 three-month high, it has so far only made limited pullbacks and kept its month-long uptrend intact.

At around 0800 GMT, the major currencies closed against USD at 114.84/114.89 JPY, 1.4921/1.4931 CHF, euro at \$1.0728/1.0731 and GBP at \$1.6092/1.6099.

## Shipping Intelligence

Chittagong Port					
Berth position and performance of vessels as on 10.8.99					
Berth No	Name of Vessels	Cargo	L Port	Local Agent	Date of Leaving Arrival
J/1	Feng	Wheat(P)	Newo	Owsl	8/7 20/8
J/2	Lacokos-II	CG Mumb	UMTL	Prog	4/8 12/8
J/4	Seven Seas	CG Mad	Prog	8/8 17/8	
J/5	Nopporn Naree	R Seed	Lapa	Rainbow	13/7 13/8
J/6	Eleftheria	Sugar(G)	Sant	Fortune	19/7 14/8
J/7	Banglar Mookh Rice(P)	GI Kaki	BSC	8/8 13/8	
J/8	Minerva	Wheat(P)	Houit	Rainbow	23/7 13/8
J/9	Osterland	Sugar(G)	Sant	Litmond	10/7 12/8
J/10	Silver Star	C.Clink (Cont)	Gress	MBL	2/8 16/8
J/11	Xpress Makulu	Cont	Sing	Baridhi	6/8 10/8
J/12	Jurong Balsam	Cont	Sing	NOL	2/8 10/8
J/13	Achiever	Cont	Sing	RSL	3/8 10/8
CCT/1	Eliza	Cont	Sing	Baridhi	7/8 10/8
CCT/2	Banglar Robi	Cont	Sing	BSC	8/8 10/8
CCT/3	Kota Cahaya	Cont	Sing	Pil(BD)	6/8 10/8
RM/14	Borobudur	Cement	Zaka	Ustc R/A(11/7)	14/8
RM/15	Phaethon	Idle	Durb	Owsl	10/6
CGJ	Youngly	C.Clink	PSAL	R/A(20/5)	10/8
GSJ	Everside Glory	Cement	Sing	Ustc	19/5 14/8
RM/4	Rheinster	Cargo	Durb	Seacom	8/8 13/8
RM/8	Sea World	Repair	Mong	CCNL	R/A 12/8
RM/9	Banglar Doot	Repair	Mong	BSC	8/8 12/8
Kalco(U)	Shun Yi	Urea	Cal	MDL	30/7 10/8

Vessels due at outer anchorage					
Name of Vessels	Date of Arrival	L Port	Local Agent	Cargo	Loading Port
Martina	10/8	Mong	SMSL	Survey purpose	Sing
Xpress Resolute(Cont)	4/7	10/8	Sing	BSC	Cont
Flag Investor	10/8	Sing	MSA	GI(Maize)	Cont
Tiger River(Cont)	1/8	10/8	Sing	Nol	Cont
Sun Bright	12/8	dal	MSA	GI(Maize)	Cont
Sam	12/8	Mong	Viking	Scraping	-
Tud Smit Sulawest	12/8	Tanj	Viking	Scraping	-
Jaya Venus(Cont)	25/7	13/8	Sing	GI(ST Coil)	Cont
Kota Berjaya(Cont)	3/8	13/8	Sing	Pil(BD)	Cont
Banglar Mookh(Cont)	1/8	17/8	Sing	BSC	Cont
QC Teal(Cont)	29/7	14/8	Sing	QCSL	Cont
Karunia Pacific	14/8	14/8	Sing	SMSL	Cement
Bunga Biri(Cont)	1/8	14/8	Sing	Bdshp	Cont
Bunga Mas Enam(Cont)	5/8	14/8	P Kel	EOSL	Cont
Jaya Mars(Cont)	5/8	14/8	Sing	Baridhi	Cont
Kota Singa(Cont)	5/8	14/8	Sing	Pil(BD)	Cont
Banglar Gourab	20/8	18/8	Sing	Kochi	Cont
Banglar Shukha(Cont)	8/8	18/8	Sing	BSC	Cont
QC Pintal(Cont)	3/8	18/8	Sing	QCSL	Cont
Star Glory	15/8	15/8	Sing	PSAL	Cement
Mandiri Jaya	15/8	15/8	Sing	Everett	GI
Norikap(Cont)	8/8	16/8	Sing	Rsl	Cont
Sin Hail(Cont)	8/8	18/8	Sing	Rsl	Cont
Bunga Maslapina(Cont)	8/8	18/8	P Kel	Eosl	Cont
Kota Naga(Cont)	8/8	18/8	Sing	Pil(BD)	Cont
Andhika Adiratra	18/8	18/8	Jaka	ASA	GI(ST Coil)
Ultima(Cont)	5/8	19/8	Sing	QCSL	Cont

Tanker due				
Danat Qatar	11/8	Jebe	USS	Crude Oil
Pacific Glory	14/8		Seacom	RBD
Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
		Call		
Vessels at Kutubdia				
Energy Explorer-IV			HBAL	5/4

Seabulk Command	-	-	-	BBAL	5/7
Seabulk Eagle	-	-	-	IBS	R/A(5/7)
Seabulk Eagle	-	-	-	IBS	R/A(7/8)

Vessels at outer anchorage					
Ready on					
Angsa Mas Lima(Cont)	Cont	P Kel	EOSL		7/8
Angsa Merit	C Clink	Sing	QTL		8/8
Angsa Pagan(Cont)	Cont	Sing	QTL		8/8
Angsa Pagan(Cont)	Cont	P Kel	QTL		8/8
Angsa Pagan-1	QI		Smsl		R/A(6/8)
Angsa Pagan-2	Sugar(G)	Darb	Fortune		6/8
Angsa Pagan-3	QI	S.Hai	BDShip		9/8
Angsa Pagan-4	QI	Sing	RML		9/8

Vessels at outer anchorage					
Ready on:					
Bunga Mas Lima(Cont)	Cont	P Kel	EOSL	7/8	-
Ocean Merit	C Clink	Sing	OTL	8/8	-
QC Mallard(Cont)	Cont	Sing	QCSL	8/8	-
Da Fal(Cont)	Cont	P Kel	Rsl	8/8	-
QCSL	GI	Sing	SMSL	R/A(6/8)	-
Fontana	Sugar(G)	Darb	Fortune	6/8	-
Yong Jiang	GI	S. Hail	Bdshp	9/8	-
Pernas Proton(48)	GI	Sing	RML	9/8	-

**Vessels awaiting instruction**  
Karya Sentosa Rice(G) USTC R/A(10/9)  
Ritz Rice(P) Kaki Cross R/A(24/9)  
Xing Ye Rice(G) MHCSL R/A(20/6)  
Delta Star Rsl R/A(7/7)  
Palau Mawar Bank OLM 8/1  
Haba Fortune ABLE R/A(10/7)  
Tasmla Nishan R/A(29/7)

The following are shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.



Children participate in a fur and leather fashion show in clothes created by the young designer from Ivanovo (Russian textile center about 270km from Moscow) Irina Afanasyeva late Monday during the final presentation of the young designers' contest "New Souls Style" sponsored by Turkish firm "Turler Fair Org" and the Russian Association of Fashion Houses.

## Unemployment in euro zone down

BRUSSELS, Aug 10: Unemployment in the 11-nation euro zone was 10.3 per cent in June, down from 10.9 per cent in June last year, but unchanged on May. European Union statistics agency Eurostat reported today, says Reuters.

Eurostat put the number of people out of work in the euro zone at around 13.3 million.

Unemployment in the broader 15-nation EU was 9.4 per cent — or around 16.1 million men and women — in June, unchanged from May and down from 10.0 per cent in June 1998.

The lowest rates continued to be in Luxembourg (2.8 per cent) and the Netherlands (3.3 per cent), while Spain (16.1 per cent) was still the jobless black spot, although Eurostat said that Spanish unemployment had dropped from 19 per cent a year ago.

Unemployment in the United States was 4.3 per cent and in Japan 4.8 per cent, Eurostat said.

## Abu Dhabi's imports up by 25 pc

ABU DHABI, Aug 10: Imports by the Emirate of Abu Dhabi soared some 25 per cent in the first six months of the year, while re-exports dropped by 40 per cent from the same period a year ago, the Abu Dhabi Customs Department said, reports Reuters.

Imports reached 10.70 billion dirhams (\$2.9 billion) in the year to June compared with 8.54 billion dirhams the previous year, while re-exports saw a slide to 423 million dirhams from 704 million, customs data received by Reuters on Tuesday showed.

Non-oil exports fell 4.2 per cent to 340 million dirhams from 355 million.

## China sentences 17 for illegally buying forex

BEIJING, Aug 10: China's Supreme People's Court upheld lengthy jail terms for 17 people for illegally purchasing a total of 216 million dollars in foreign exchange in separate cases, the state press reported today, says AFP.

Sentences of up to 15 years were upheld by the court on Monday amid a crackdown on foreign exchange-related crimes, the People's Daily reported.

Wang Jianjun and Shi Xiaojun, the manager and vice manager of the Beijing-based China Fuxin Technological Development Company, each received 15 years for using forged documents to purchase more than 130 million dollars of foreign exchange, the paper said.

The two, who put the funds in overseas accounts, also acquired more than 12 million yuan (1.45 million dollars) in illegal earnings stemming from their forex purchases between September 1997 and May 1998, it said.

Jin Hongwei, an official at the privately-owned Minsheng Bank, was sentenced to 10 years and fined 100,000 yuan for helping Wang and Shi make the illegal transactions, it said.

The state controls the purchase of foreign exchange in China and the yuan is not a fully convertible currency. Since the onset of the Asian financial crisis the yuan has lost value on the black market, while enterprises scrambled to purchase dollars as a hedge against further regional financial instability or the possibility of a yuan devaluation.

In related cases, the People's Daily said Tianhan Import and Export Company of Jiangxi province illegally purchased over 61 million dollars in foreign exchange using forged documents at branches of the Agricultural Bank between January 1, 1997 and May 5, 1998.

The company was fined 500,000 yuan and the chief investigators were sentenced to up to 15 years, it said.

## Riyadh to cut 5-year development spending

RIYADH, Aug 10: Saudi Arabia will set a maximum expenditure average of \$200 billion in its seventh five-year development plan for the period 2001-2005, compared with actual expenditure of \$258 billion under the previous plan, a newspaper reported today, says Reuters.

Saudi-owned London-based al-Hayat daily quoted bankers and economists in Saudi Arabia as saying the kingdom would cut maximum expenditure to \$200 billion in its seventh plan because it expected an increase in private sector investments through privatisation and by improving the investment environment.

Saudi Arabia's expenditure under the sixth development plan (1996-2000) is expected to reach \$258 billion, but spending is expected to fall in the new plan which will concentrate on economic reforms and diversifying sources of income, the bankers and economists said.

Saudi Arabia last month approved its 2001-2005 development plan, but gave no details. The kingdom's 1995-2000 plan aimed to slash public spending, lessen dependence on oil and promote the private sector. The government pledged to balance revenues and expenditure and largely eliminate subsidies by 2000 after running a deficit since 1982.