

# US may let Iraq buy more spares to boost oil output

UNITED NATIONS, Mar 22: Facing criticism for jeopardising UN humanitarian aid to Iraq, the United States is likely to allow Baghdad to buy more spare parts to boost oil production that funds the relief programmes, Western diplomats said, reports AP.

Washington has come under pressure from UN Secretary-General Kofi Annan, who warned in a report last week that Iraq's oil industry will continue to deteriorate — with serious effects on UN relief operations — unless more spare parts are allowed into the country immediately.

The UN oil-for-food programme, launched in 1996 to ease the effects of sanctions imposed after Iraq's 1990 invasion of Kuwait, allows Baghdad to sell its oil through UN-monitored sales. The proceeds go mainly to buy food and medicine for ordinary Iraqis.

but US \$300 million every six months is earmarked to buy spare parts for Iraq's oil sector.

Annan's report called for the amount of spare parts Iraq can buy to be doubled to \$600 million — and the United States is likely to sponsor a Security Council resolution to do just that, Western diplomats said Tuesday.

Whether Iraq would actually get more spare parts remains to be seen.

While \$6.7 billion in goods have arrived in Iraq since the oil-for-food programme began, another \$1.5 billion in contracts have been placed on "hold" — most for oil spare parts and equipment to upgrade Iraq's electricity sector and its water and sanitation systems.

The United States has placed the vast majority of those contracts in limbo, saying it wants to ensure that the goods aren't

diverted for military use. Annan's report said the effectiveness of the oil-for-food programme "has suffered considerably not only due to shortfalls in the funding level, but also due to the very large number of applications placed on hold."

US officials said the administration is currently reviewing ways to streamline contract procedures while maintaining high standards to filter out dual-use items.

The secretary-general's report will be discussed at an open Security Council meeting on Friday.

The United States sponsored the Security Council resolution adopted in December outlining a new Iraq policy, and creating a new UN agency to ensure that its weapons of mass destruction are eliminated. The resolution called for independent oil experts to examine the oil industry.

The experts argued in a report Monday that too little essential equipment is arriving in Iraq to solve the daily crises experienced by the oil industry.

At present, the experts noted that there is an investment of just 60 cents per barrel of oil in Iraq compared to the Middle East average of around \$1.50 per barrel for operating expenditures.

Iraqi oil exports have averaged 1.75 million barrels per day since December, 400,000 barrels per day below the second half of 1999. Iraq's Oil Minister Mohammed Amer Rashid blamed the drop on the US holds on spare parts contracts.

The experts warned that oil production could decline and additional 5 per cent to 15 per cent, unless the delivery of spare parts is accelerated.

## Appointment of new MD IMF board votes on Koehler today

WASHINGTON, Mar 22: Executive directors of the International Monetary Fund will make a final decision on Thursday on Horst Koehler's nomination to lead the IMF, the global lender said yesterday, reports Reuters.

In a statement on Tuesday, the fund said its executive directors would meet again on Thursday "which a view to taking a formal decision on the appointment of the new Managing Director."

Koehler, a former German finance ministry official who now heads eastern Europe's development bank, emerged as the IMF's managing director designate two weeks ago when Germany's first candidate withdrew after a humiliating fight with the United States.

Koehler last week won US backing and travelled to Washington to meet with IMF board members, management and officials from the US administration.

At his debut news conference here last Friday, he criticised the IMF's process for choosing a managing director. He also urged the shareholders of the European Bank for Reconstruction and Development to find his successor quickly.

Koehler will take over the fund at a challenging time, as the lender is under fire in the US Congress for mishandling of the world financial crisis of 1997-99, and thousands of demonstrators are threatening to bring Washington to a standstill when the institution holds its semi-annual meetings here next month.

Stanley Fischer, now the fund's acting managing director, had announced his intention to stay on and Koehler has said he expects to work with Fischer for some time. Fischer, nominated by a group of African countries to head up the fund, withdrew from the contest last week.

## Exchange Rates

Following is yesterday's forex trading statement by Standard Chartered Bank Dhaka					
Central Bank USD/BDT Rate: Buying-BDT 50.85/Selling-BDT 51.15					
TT/OD	BC	Currency	TT Clean	OD Sight	OD Transfer
51.2250	51.2600	USD	50.8200	50.0516	50.5831
0.4883	0.4887	JPY	0.4680	0.4665	0.4687
30.7877	30.7997	CHF	29.9805	29.9812	29.7783
30.2909	30.3116	SGD	29.0052	28.9991	28.9586
35.3227	35.3468	CAD	34.0799	33.9670	33.8996
5.9062	5.9102	SEK	5.8013	5.7821	5.7700
32.2154	32.2374	AUD	29.3841	29.2857	29.0939
13.6256	13.6348	MYR	13.2327	13.1888	13.1566
6.6137	6.6182	HKD	6.4939	6.4742	6.4586
13.7668	13.7792	SAR	13.4430	13.3965	13.3645
14.0620	14.0716	AED	13.7210	13.6756	13.6406
0.0460	0.0461	KRW	0.0453	0.0451	0.0450
80.5945	80.6498	GBP	79.2030	78.9405	78.6509
49.8829	49.9170	EUR	48.0401	47.8809	47.7973
Usance export bills					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
50.7152	50.4023	49.9846	49.5042	48.9621	47.8126
Exchange rates of some Asian currencies against US dollar					
Indian Rupee	Pak Rupee	Tha Baht	Mal Ringgit	Indo Rupee	Sing Dollar
43.54/43.64	51.8951/50.90	37.89/37.93	3.7995/3.7445	0.4872/0.4822	
US dollar					
			1 Month	3 Months	6 Months
Cash	50.65	51.25	USD	6.12125	6.24125
rates				6.43	6.6475
T.C.	50.6	51.2	GBP	6.05063	6.19959
Market commentary					

On Wednesday, the local foreign exchange market was active and the demand for US dollar was high. Most of the major players in the market refrained from selling dollar funds due to large import payment expected in the coming weeks. Demand for cash dollar was also moderately high in the kurb market. The money market was liquid and call money rate low.

In the international markets, US dollar rose to two-week high against the euro after US Federal Reserve hiked US dollar interest rate by 25 basis points to 6 per cent. The Fed raised the interest rate for the fifth time since last June. The market analysts expect the interest rate of euro to rise too. The US dollar traded in tight range against the Japanese yen.

## Shipping Intelligence

### Chittagong port

Berth position and performance of vessels as on 22.3.2000					
Berth No	Name of vessels	Cargo	L port call	Local agent	Date of Leaving
J/1	Eco Ekram	Gr(Birt)	Babb	MSA	11/3 28/3
J/2	Bangler Mamata	Rice(P)	Kara	RSA	7/3 25/3
J/3	Ocean Pride	Gr(Malizee)	Yang	PSAL	15/3 30/3
J/4	Jiang Chuan	Gr	Dale	Bdship	9/3 24/3
J/5	Tamduh	Gr(Copra)	Sing	MSA	8/3 25/3
J/6	Daebu Gemma	Gr(Peas)	Sing	Seaglory	3/3 28/3
J/7	Sonali	Urea (G)	Dubai	OWSL	5/3 25/3
J/10	Isparta	Rice	Kara	Uniship	8/3 24/3
J/11	Banga Buoy(Flag)	Cont	Sing	Bdship	17/3 27/3
J/12	Paraskevi My	Wheat(P)	Durb	Total	28/2 23/3
J/13	Jurong Balsam	Cont	Sing	Nol	16/3 23/3
CCT/1	Osg Argosy	Cont	Col	Baridhu	18/3 22/3
CCT/2	Xpress Makalu	Cont	Sing	RSL	16/3 24/3
CCT/3	Xpress Padma	Cont	Sing	RSL	17/3 25/3
RM/14	Dan Yang	Ureal(G)	Sing	BNSC	23/2 22/3
RM/15	Sun Bright	Cement	Jaka	SBS	4/3 24/3
CCJ	Bangler Robi	Repair	-	BSC	R/A 22/3
GSJ	Thank God	C.Clink(Diamond)	Pada	PSAL	24/2 28/3
TSP	Tia Estela	Rulsip	B.Abb	Seacom	3/3 23/3
RM/4	Dewan-1	Ureal(G)	Juba	AMBL	12/3 27/3
RM/6	Bangler Doot	Bunker	-	BSC	R/A 22/3
DOJ	Bangler Jyoti	C.Oil	-	BSC	R/A 25/3
DD	Bangler Mookh	Repair	-	BSC	R/A 25/3
RM/8	Sarah-1	-	-	SMSL	R/A 25/3
RM/9	Bangler Kallol	Onion(Damaged)	-	BSC	R/A 25/3
CUFLJ	Mary nouri	Cement(Scan)	Lang	Bsl	18/3 29/3

### Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Allegro	22/3	Krabi	RML	C.Clink(Rby)	-
Orient Independence(Cont)	22/3	-	Bdship	Cont	Sing
Jaya Mars(Cont)	15/3	22/3	CBO	Baridhu	Cont
Banga Biraj(Cont)	10/3	23/3	-	Bdship	Cont
Freedom-K	23/3	Koshi	NWSL	C.Clink(Armit)	Sing
Chu Hong(Cont)	19/3	24/3	-	QCSL	Cont
Brother Star(Roro)	9/3	24/3	Sing	JF	Vehi
QC Mallard(Cont)	12/3	25/3	-	QCSL	Cont
San Mateo(Roro)	24/5	25/3	P.Kel	JF	Vehi
Asean Express	-	-	-	Prog	Gl
Kota Singa	24/3	Sing	P.I(BD)	Cont	Sing
Qe Teal(Cont)	19/3	26/3	-	QCSL	Cont
AL Pine	27/3	Vang	SMSL	Gl	-
Marina	27/3	Yang	SMSL	Rice&GI	Sing
Xpress Resolve(Cont)	20/3	27/3	Sing	RSL	Cont
Osg Alpha(Cont)	20/3	27/3	-	RSL	Cont
Da Fa(Cont)	20/3	28/3	-	RSL	Cont
Kengtung(48)	15/3	29/3	-	Everett	Gl(St.Coll)
Qc Pintal(Cont)	20/3	31/3	Sing	P.I(BD)	Cont
Kota Berlaya(Cont)	20/3	31/3	Sing	BDS	Cont
Banga Biraj(Cont)	21/3	31/3	BDS	Cont	Sing
Kota Naga (Cont)	21/3	31/3	Sing	P.I(BD)	Cont
Ocean Prayer	3/4	-	-</td		