

OPEC quarrels over oil policy ahead of key Sept 19 meet

REUTERS, Riyadh/Rio De Janeiro

Oil cartel OPEC quarrelled openly Monday ahead of a key policy decision later this month on whether to pump more oil to prevent high crude prices stunting world economic recovery.

OPEC kingpin Saudi Arabia said talk of a specific Saudi position was "untrue" after price hawk Venezuela said the kingdom shared its wish to extend current output curbs at the September 19 meeting.

Saudi Oil Minister Ali al Naimi said in remarks on the state-run Saudi Press Agency that adjustments to OPEC's output ceiling would be made at the meeting to be held in Osaka, Japan, by consensus and after consultations between ministers.

"There seems to be a breakdown in communications in OPEC," said Nauman Barakat of FIMAT International Banque. "It's possible the Venezuelans are trying to push the Saudis into a position that they don't want to take," he added.

The public row harked back to OPEC before 1999, when a previously divided cartel reunited around a series of drastic curbs which laid the basis of a three-year price boom.

International benchmark Brent crude oil, which has climbed by a third since the start of the year, closed seven cents higher at \$27.54 per barrel on Monday.

Venezuelan President Hugo Chavez said on Saturday the Latin American country firmly opposed an output increase, and that Saudi Arabia shared that view.

His minister reiterated the position on Monday, arguing that current oil prices contained a \$4-per-barrel premium reflecting war fears in Iraq.

Oil-dependent Western economies are pressing the Middle East-dominated group to relax supply quotas, arguing that lower prices would strengthen the global economic recovery.

After three years of high prices and output curbs, many OPEC countries are struggling to contain growing volumes of idle output capacity.

The group pumped nine per cent over its agreed output ceiling in July, the highest level of quota-busting since 1998, when OPEC bickering led to an oil price war and financial crisis in exporting countries.

OPEC ministers are keen to avoid a repeat of an OPEC meeting in Jakarta in 1997 which preceded the last oil price crash. At that meeting, OPEC raised its output ceiling to legitimise quota cheating just before an economic crisis in Asia which sharply shrank demand.

OPEC President Rilwanu Lukman said on Sunday the oil producing cartel should be careful not to tip oil markets into oversupply by raising production too much.

"We'll be cautious. There is danger of putting too much oil into the markets," Lukman told reporters in Brazil. "There is no

danger of putting too little oil in. We can always fix that."

While OPEC is worried about oversupply, importing countries fear price spikes this winter.

The United States government's Energy Information Administration has argued that oil stockpiles could get dangerously low by year-end if OPEC does not release extra supply.

Some industry sources believe that Saudi Arabia wants OPEC to raise its ceiling of 21.7 million barrels per day (bpd) by about one million bpd from October 1 to meet peak winter demand.

In Monday's statement, Saudi's Naimi reaffirmed that Saudi Arabia sought a balanced world oil market and "price stability at levels suitable to both producers and consumers and in a fashion that serves the world economy and its continued growth."

Indian govt fixes crude soyoil import price

REUTERS, Bombay

India, the world's largest edible oil importer, fixed for the first time Monday the base price of crude soyoil, a move traders said would boost global prices of palm oils, which are alternatives.

The government fixed the base value of soyoil at \$542 per tonne, according to a notification posted on the Web site of the federal customs department, www.cbec.gov.in. But it left unchanged the base prices of palm oils, last revised on June 13.

This base price is higher than the current landed cost of soyoil, making it more expensive than it already is relative to palm oils.

Soyoil due to arrive in coming weeks had been contracted at \$450-\$525 a tonne, traders said. On Monday, the landed price of crude soyoil at western Indian ports was quoted at \$518 a tonne (cost & freight).

In comparison, the base price of

crude palm oil is currently \$392 per tonne, of RBD palm oil \$414 per tonne, of RBD palm olein \$426 per tonne and of crude palm olein \$411 per tonne.

"Malaysian and Indonesian markets will be bullish on Tuesday as Indian importers will concentrate on palm oils, which will now be much cheaper than soyoil," an edible oil trader said.

The government calculates the value of imports for the purposes of calculating duties using base prices and not the actual prices that traders pay to purchase oils.

It does so in order to prevent loss of revenue due to under invoicing. It revises these values whenever global prices change significantly.

India imports nearly half its annual requirement of edible oils. It buys palm oil mainly from Malaysia and Indonesia and soyoil from Argentina, Brazil and the United States.

Maharashtra rejects plan to resume Enron unit

REUTERS, Bombay

India's western Maharashtra state said Monday a proposal to resume buying power at a new rate from bankrupt Enron Corp's Indian unit was not acceptable, dashing hopes of an early restart for the idle unit.

Chief Minister Vilasrao Deshmukh said the government will have further talks with term lender Industrial Development Bank of India (IDBI) to decide on the rate at which the state will buy power from

the unit which has been shut for over a year.

"We discussed IDBI's proposal and the committee felt that the terms were not acceptable," he told reporters after a meeting of the state government committee.

About 30 financial institutions led by IDBI lent \$1.9 billion to the project.

Under IDBI's formula, state utility Maharashtra State Electricity Board (MSEB), should pay 2.86 rupees per unit for the power produced by

Dabhol Power Company (DPC), Deshmukh said.

DPC, in which Enron holds 65 per cent equity, shut down its plant in May 2001 because MSEB, its nearly bankrupt sole customer, stopped buying power, saying it was too costly.

GE, which made the plant's turbines, and San Francisco-based contractor Bechtel Corp, which built the plant, each own 10 per cent. The remaining 15 per cent is held by MSEB.

Manila to set int'l road show to woo investors

AFP, Manila

Philippine government officials and top business leaders are to visit Singapore and Hong Kong next week to try to attract more international investors, a presidential spokesman said Tuesday.

The business road show is part of President Gloria Arroyo's renewed focus on the economy after dealing with security issues which had frightened the business community. Press Secretary Ignacio Bunye said.

Arroyo wanted to send a message that action to improve the security situation had been successful. Bunye told reporters after Arroyo met with cabinet secretaries at Malacanang palace.

He said that government would now have to focus on "the broader and continuing challenge of sustainable economic development."

"We're going to money centres in Hong Kong and Singapore where a number of companies, foreign fund managers, have expressed an interest to learn more," Bunye told reporters.

Among those participating are chief executives of blue chip companies such as San Miguel Corp., SM Prime Holdings, Jollibee Foods, the Manila Electric Co. (Meralco) and the Ayala group.



PHOTO: DCCI

Hermann Nikolai, charge d'affaires of Germany to Bangladesh, addresses the inaugural session of a training workshop on 'Software Project Management' at DCCI Auditorium on Monday. Matiur Rahman, president of DCCI, Habibullah N Karim, president of BASIS, Brig. General M. Mofizur Rahman (Retd), executive chairman of BEPZA, and L. Klucs, CBI consultant, are also seen in the picture.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank

Selling		Currency		Buying	
TT/OD	BC	TT Clean	OD Sight Doc	OD Transfer	
58.5500	58.5800	USD	57.8050	57.6352	57.5662
58.5383	58.5683	EUR	56.0304	55.8658	55.7989
91.6776	91.7246	GBP	88.7480	88.4873	88.3814
32.6299	32.6466	AUD	31.2609	31.1691	31.1318
0.4997	0.5000	JPY	0.4869	0.4855	0.4849
39.5555	39.5757	CHF	38.2967	38.1842	38.1385
6.2721	6.2753	SEK	6.0931	6.0752	6.0679
37.8254	37.8448	CAD	36.9267	36.8182	36.7741
7.5139	7.5178	HKD	7.4036	7.3818	7.3730
33.6185	33.6357	SGD	32.9073	32.8107	32.7714
16.0715	16.0797	AED	15.6116	15.5657	15.5471
15.7371	15.7452	SAR	15.2919	15.2470	15.2288

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	AUD
48.45	59.325	96.25	42.235	7.5479	0.4685	0.5405
48.47	59.345	96.2	42.19	7.532	0.469	0.5509

Local Interbank FX Trading:

The local interbank foreign exchange market was active after three days of moderate trading. Demand for dollar was high because of profit remittances by foreign companies and rise in import demand. BDT got weaker against the dollar and as quoted at 58.30/32 against 59.29/30 on Monday.

Local Money Market: Market experienced high demand for overnight borrowing. Call money rate remained unchanged and ranged between 5.75 and 6.25 per cent.

International Market:

Dollar lost minor ground against most of the

currencies on Tuesday. Fall in Tokyo shares sparked concern about a renewed rout in global equities market and it led to fall in greenback. Market was wary of taking long position before the release of key US ISM manufacturing data. Dollar fell to a one-month low against yen. Euro crossed the 99 cents and yen reached the level of 117 yesterday against the greenback.

At 1515 hours on Tuesday, euro was traded at 9911/15, yen at 117.21/24 and GBP at 1.5573/78 against the dollar.

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SHIPPING

Chittagong port

Berth position and performance of vessels as on 3.9.2002.

Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/1	AA Venture	GI (Log)	Yang	Cla	27/8	4/9	744
J/2	Ulla	GI (Copra)	Sing	Aeka	1/9	9/9	-
J/3	Estrella Elema	Vehi	Sing	Everett	2/9	4/9	-
J/4	Wind Grand (liner)	GI (ST.C)	yang	Everbest	31/8	4/9	3700
J/5	Pacific Emerald	GI (Copra)	Sing	Allseas	24/7	8/9	X
J/7	Xuan Cheng	Rice(P)	Visa	BSL	18/8	6/9	1410
J/8	Banglar Gourab	GI (log)	Yang	Royal	29/8	5/9	1173
J/9	Shun An	GI (ST.C)	Bela	RML	30/8	4/9	636
J/11	Kota Berjaya	Cont	Sing	PII (B)	31/8	5/9	235/24
J/12	Orient Freedom	Cont	PKel	PSSL	1/9	5/9	33/2
J/13	QC Honour	Cont	P Kel	QC SL	31/8	3/9	25/X
CCT/1	Banglar Robi	Cont	Sing	BSC	2/9	5/9	392/40
CCT/2	Banga Barta	Cont	Mad	Baridhi	2/9	5/9	123/40
CCT/3	Asimont	Cont	P. Kel	Seaborn	29/8	3/9	216/46
GSJ	Zeno	Wheat(G)	Aust	ASCL	1/9	8/9	-
TSP	Banga Biroi	Cont	Sing	Baridhi	28/8	5/9	-
RM/6	Dailong	HsD	Sing	ECSL	28/8	4/9	-
DOJ	Pranadya Dwityia	F Oil	Sing	ECSL	29/8	4/9	-
DD	AL muztuba	Repair	Kaki	Cla	8/8	8/9	-
DDJ/2	Banglar Shikha	Cont	Sing	BSC	29/8	5/9	-
RM/9	Banglar Mookh	Repair	-	BSC	R/A	6/9	-
RM/10	Banglar Jyoti	Repair	-	BSC	R/A	6/9	-
SM/10	Dredger Gemini	-	Chand	Karna	-	-	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Walter	3/9	Sing	OTBL	Demolition	-
Kuo Hung No. 808	3/8	Sing	OTBL	Demolition	-
Phumy (cont) 25/8	4/9	P.Kel	PSSL	Cont	Sing
Jurong Bauhinia	3/9	Sing	NOL	Cont	Sing
Kota Cahaya (Cont)25/8	4/9	Sing	PII (BD)	Cont	Sing
Kota Naga (Cont) 20/8	4/9	Sing	PII(BD)	Cont	Sing
Sammi Frontier	4/9	Maia	Uniship	C.Clink	-
Glory	4/9	Niko	Litmond	Mop	-
Pac Princess	5/9	Mumb	Litmond	GI (Y.Peas)	-
Xpress Manaslu (cont) 24/8	5/9	P.Kel	RSL	Cont	Sing
Banga Lanka (cont) 1/9	5/9	Hal	Baridhi	Cnit	Col
Banga Lanka (cont) 24/8	6/9	Sing	Bdship	Cont	Sing
QC Pintail (Cont) 18/8	5/9	P.kel	QC SL	Cont	Sing
C.S Valian	5/9	Tarj	BSL	C.Clink	-
Sagaing (Liner)	6/9	Chen	Everett	GI (St.C)	-
WU Chang Hai	7/9	Sing	ASCL	Wheat	-
QC Lark (Cont) 26/8	6/9	P Kel	QC SL	Cont	P.Kel
Xpress Resolve	7/9	CBO	Everbest	Cont	Col
Kota Singha	7/9	Sing	PII (BD)	Cont	Sing
Banga Bijoy (Cont)29/8	7/9	-	BD Ship	Cont	Sing
Shun Cheng (liner)	7/9	Yang	Everett	GI (St.C)	-

Vessels at outer anchorage Ready on

Banga Borat (cont)	Cont	Sing	Baridhi	2/9
Qc Dignity (cont)	Cont	P.Kel	QC SL	3/9

Vessels awaiting instruction

Banglar Shourab	-	-	BSC	R/A (30/8)
Evita	Ballast	Mong	ASLL	1/9

Movement of vessels for 4.9.2002

	Outgoing	Incoming	Shifting
J/3	E.Eterna	J/3	Cameron
J/8	W. Grand		
J/9	Shun An		
RM/6	Dai Long		
DOJ	P. Dwitya		

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

STOCK