

## Kuwait rules out oil production sharing with foreign firms

AFP, Cairo

Kuwait's new draft law on foreign petroleum investment rules out the possibility of sharing oil production, a Kuwaiti minister told Monday's International Oil Daily (IOD).

"The new draft law ... restricts (foreign oil companies) contracts to technical support and operating agreements," Kuwait's Acting Oil Minister Sheikh Ahmad Al-Fahd Al-Sabah told the London-based publication.

If parliament approves the text, it

will govern relations with the oil companies to be selected for a project to increase Kuwait's northern fields output by pouring in investment to the tune of seven billion dollars.

Sheikh Ahmad said the new draft also bans the foreign companies from using "local agents," contrary to the rule in other sectors of the economy whereby foreigners are required to have a local sponsor.

The text will be sent to parliament when it reconvenes after summer recess next month, he

added.

The parliament had criticised the previous draft, saying it contradicted the Constitution which bans sharing the emirate's oil wealth.

Member of parliament had also voiced suspicion that people with influential connections were seeking enrichment by acting as agents to the foreign oil firms.

The northern oilfields development, known as Project Kuwait, aims to increase the production capacity of the fields near the Iraqi border to 900,000 barrels per day.

Those fields were producing some 600,000 bpd until February, when an explosion damaged the facilities in Rawdhatain, one of the fields included in the project.

Kuwait has not signed production sharing agreements since it nationalised its oil sector in the seventies.

In 1991, it signed limited technical service contracts with foreign oil companies to repair the fields and facilities destroyed by the Iraqi army during its August 1990-February 1991 occupation.

## OPEC sees no more oil before Dec meet

REUTERS, Osaka, Japan

Leading OPEC officials and ministers yesterday declined to commit to pumping more oil before their next meeting in December, even if crude stays above the \$28 top end of their targeted price range.

With oil hitting a 19-month high, attention focused on an OPEC formula that stipulates output changes of 500,000 barrels a day when the price of a basket of its crudes moves beyond the group's \$22-28 a barrel target range for 20 consecutive days.

US light crude was trading up 57 cents at \$30.41 a barrel today as fears rose of a US assault on Iraq. That values the basket of mostly heavy crudes near \$28.

Ministers said that while they would be prepared normally to use the 20-day trigger, circumstances

now were not normal, with prices inflated by war fever rather than a shortage of oil.

"Under normal circumstances yes, but I don't know whether these circumstances are normal," said OPEC President Rilwanu Lukman.

"We have a meeting in December to discuss that," said OPEC Secretary-General Alvaro Silva.

The comments echoed those by fellow OPEC ministers since their decision last Thursday to leave output unchanged for the fourth quarter and meet again on December 12. Notably, powerful Saudi Oil Minister Ali al-Naimi said he was only prepared to act to keep supplies sufficient, not to contain price speculation. "This price is not related to a shortage of oil," said Qatari Oil Minister Abdullah al-Attiyah. "The price is a political price driven by speculators."

## Asia gets serious about energy security

REUTERS, Osaka, Japan

Emerging Asia, heavily dependent on imported oil and with negligible emergency reserves, is starting to think seriously about a safety net should its Middle East supply line fail.

The threat of a US assault against Iraq and oil at an expensive \$30 a barrel has concentrated minds among some of the Asian nations most vulnerable to a price spike.

But it will be some years before the ASEAN group of 10 Southeast Asian countries, who met here this weekend with Asia's top consumers Japan, China and South Korea, have concrete measures in place to guard against an energy crisis.

Dubbed ASEAN+3, the weekend gathering was the first between energy officials from the region. The Association of Southeast Asian Nations groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

"The big issue for ASEAN is security of supply," Energy Minister Purnomo Yusgiantoro of Indonesia, Asia's only member of the OPEC oil producing cartel, said after the weekend talks.

"There is growing interest in this part of the world in taking insurance against a supply disruption. There is real interest about collaborating to

develop this insurance," said Robert Priddle, executive director of the International Energy Agency, manager of strategic reserves for industrialised nations.

"I don't think it will happen fast, but there is real will to see it happen," Priddle told reporters at the International Energy Forum in Osaka.

Asia imports 60 per cent of its daily crude needs of about 20 million barrels. Most comes from the Middle East. Dependence on imports is set to increase with some forecasters predicting Asian oil demand almost doubling between 1999 and 2020 while already limited regional production declines.

Indonesia's 1.1 million barrels of daily crude output is expected to dry up within the next 20 years with Malaysia's domestic production due to stop before that. China became a net importer of crude in 1996 and with demand seen growing annually by three to five per cent, will overtake Japan as the world's second biggest oil consumer behind the United States before the end of the decade.

The IEA predicts China's net imports will reach almost 10 million barrels per day by 2030 -- more than eight per cent of world demand.

Japan and South Korea already import virtually all of their oil and gas requirements but, as IEA members, have ample inventories.

Few other Asian governments have invested in strategic stocks, relying instead on 30 to 45 days of spare supplies at refiners and oil companies.

Oil stockpiling featured high on a five-point agenda released after the ASEAN+3 talks.

"As Asia is expected to account for 45 per cent of world oil demand growth in 2020, developing our emergency response capacity will be critical, including developing private-sector stockpiles and creating national stockpiles," the agenda said.

And not only are governments concerned about the lack of fallback supplies, Japan's top refiner, Nippon Oil Corp, urged Asia to take the lead from the West and build reserves.

"This is not without tough practical challenges, but this can be overcome with cooperation. This will make a big contribution to energy security in the region," said Fumiaki Watari, president of Nippon oil.

At the talks, the Philippines suggested the disused Subic Bay naval base as a possible site for oil stocks with underground storage caverns and mooring facilities able to accommodate large crude tankers, an official at Japan's trade and energy ministry (METI) told reporters.

## Oil surges on Iraq threat

AFP, London

Oil prices surged to within sight of recent one-year high-points here Monday after Iraq said it would reject a new UN resolution that would impose fresh conditions on disarmament.

That raised concern that Baghdad's recent offer to readmit weapons inspectors may not be enough to avert military action.

Reference Brent North Sea crude oil for November delivery rose 40 cents to 28.83 dollars per barrel -- leaving the contract on course for its highest close since the immediate aftermath of last September's terrorist attacks on the United States.

In New York, the benchmark light sweet crude November contract climbed 10 cents to 29.84 dollars a barrel on Friday.

And the contract surged Monday to 30.25 dollars in out-of-hours trade ahead of the New York open.

The latest rally came after Iraq said Saturday it would not accept a new UN resolution imposing further conditions on disarmament.

"Iraq will not deal with any new resolution that would run counter to what was agreed upon with the UN secretary general," Kofi Annan, an Iraqi government spokesman said following a leadership meeting chaired by President Saddam Hussein.

## CURRENCY

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

TT/OD	BC	Currency		Buying	
		TT Clean	OD Sight Doc	OD Transfer	OD Transfer
58.5500	58.5800	USD	57.8050	57.6352	57.5662
58.4153	58.4453	EUR	55.8917	55.7275	55.6608
91.9528	91.9999	GBP	89.0024	88.7409	88.6347
32.4835	32.5002	AUD	31.1164	31.0250	30.9879
0.4784	0.4787	JPY	0.4665	0.4651	0.4645
39.6788	39.6991	CHF	38.4061	38.2933	38.2474
6.4207	6.4239	SEK	6.2350	6.2167	6.2093
37.4121	37.4313	CAD	36.5392	36.4319	36.3883
7.5144	7.5183	HKD	7.4039	7.3821	7.3733
33.0492	33.0662	SGD	32.3548	32.2597	32.2211
16.0715	16.0797	AED	15.6116	15.5657	15.5471
15.7367	15.7448	SAR	15.2915	15.2465	15.2284

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	AUD
48.41	59.195	96.185	43.355	7.5118	0.4705	3.80

Local Interbank FX Trading:

The local interbank foreign exchange market was yesterday. BDT got weaker as demand for dollar rose as the traders sought greenback for import of food grain BDT was quoted at 58.45/48 against the dollar yesterday compared with 58.43 previously.

Local Money Market:

Demand for overnight borrowing was high in the market today. Call money rate again rose yesterday as market continued to experience liquidity crunch. The call money rate of public banks ranged between 6.75-7.25 while the rate of foreign and private banks ranged between 6.50-7.25 yesterday. In the weekly T-bill auction held yesterday, Bangladesh Bank accepted T-bill worth 12,580 million.

The memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable while all reasonable care has been taken in its preparation no responsibility or liability is accepted for errors of fact or any opinion expressed herein.

International Market:

The major focus of the market remained on euro because of the German election. Narrow victory by the party of Gerhard Schroeder kept the euro range bound in the market and it remained at around .9620 in the early trade. Japan market was closed yesterday, which slightly eased the selling pressure on the yen. The greenback stood at 123 yen, slightly short of three month highs scaled on Friday. Euro also eased against the Japanese currency and fell below 121 yen. But it was still only half a yen away from its 3-year highs from Friday and sentiment about Japanese economy still remained bearish. At 1515 hours on Monday, Euro was traded at .9816/20, GBP at 1.5543/49, yen at 123.45/51 against the dollar.

## SHIPPING

Chittagong port

Berth position and performance of vessels as on 23.9.2002.

Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/3	Pac Privness	GI	Mumb	Litmond	13/9	25/9	1243
J/4	Ocean Pride	GI	Yang	PSAL	16/9	30/9	364
J/6	Weddel sea	C Clink	Krabi	SSA	17/9	28/9	3115
J/7	Makmur Perkasa	C Clink	Cila	OLM	17/9	28/9	1477
J/9	Qc Lark	Cont	PKel	QCSL	21/9	25/9	231/222
J/11	Xpress Resol Ve	Cont	Col	Everbest	21/9	24/9	249
J/13	Eagle Strength	Cont	Sing	Nol	18/9	22/9	239
CCT/2	Banga Lanka	Cont	Mong	Baridhi	22/9	25/9	-
CCT/3	kota Naga	Cont	Sing	Pil(BD)	21/9	25/9	306/18
RM/14	Pacific Emerald	Idle	Sing	Allseas	24/7	24/9	-
RM/15	Banga Barta	Idle	Col	Baridhi	19/9	26/9	-
CCJ	Nexos	C Clink	Sing	BSL	21/9	25/9	-
GSJ	Scan Bulker	Wheat(G)	PLenc	SSST	22/9	24/9	-
TSP	Centaurus	R Phios	Egypt	Seacom	15/9	30/9	-
RM/3	The Resa-II	CPol	Mala	Seacom	20/9	26/9	-
DD	Banglar Mookh	Repair	-	BSC	R/A	23/9	-
RM/9	Banglar Gourab	Idle	YABG	Royal	29/8	24/9	-
RM/10	Banglar Jyoti	Repair	-	BSC	R/A	25/9	-
SM/10	Dredger Gemini	-	Chand	Kama	-	-	-
Kafco(A)	Gaz Master	Ammonia	Hald	MBL	22/9	23/9	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
J/11a	24/9	Kela	OWSL	-	S-
Cec Ma Yflower	23/9	Kohsu	Everett	P.mat	-
Pearl of Baharain	23/9	Kohsu	Uniship	C.Clink	-
Handy Sea	24/9	Sing	Jrs	C.Clink	-
Cool Star (Ror/24/12/9)	24/9	-	Everett	GI(St.C)	-
Mardios(Cont)/14/9	24/9	P Kel	RSL	Cont	Sing
Banga Bijoy(Cont)/14/9	25/9	-	Bdship	Cont	Sing
Kota Singa(Cont)/12/9	25/9	Sing	Pil(BD)	Cont	Sing
Clipper Morning (Liner)	25/9	-	Everett	GI(St.C)	-
Haneburg(Cont)/14/9	25/9	Sing	Pil(BD)	Cont	Sing
Sanwa Maru No 8(Tug)	25/9	Sing	OTBL	VI K H No88	-
Kuo Hong No.808	25/9	Sing	OTBL	Scraping	-
Jaya Mars(Cont)/14/9	26/9	Sing	RSL	Cont	Sing
Banga Biraj(Cont)/16/9	26/9	-	Bdship	Cont	Sing
Banglar Shikha (Cont) 17/9	26/9	Sing	BSC	Cont	Sing
Asian Harvester	27/9	Indo	VML	Demolition	-
Han Star	27/9	Mala	VML	Demolition	-
Jaamic(Cont)/21/9	27/9	-	Everbst	Cont	Col
Asimon(Cont)/21/9	28/9	-	Seabome	Cont	Sing
QC Pintail(Cont)/17/9	28/9	P Kel	QCSL	Cont	Sing
QC Teal (Cont)/17/9	29/9	P Kel	QCSL	Cont	Sing
Qc Honour (Cont) 18/9	29/9	P Kel	QCSL	Cont	Sing
Banga Bonik(Cont)/19/9	30/9	-	Bdship	Cont	Sing
Alpha Venture	30/9	-	Oil	-	-

Vessels at Kutubdia

Dea Captain	-	-	Arafeen	R/A(18/8)
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Vessels at outer anchorage Ready on

Xpress Manaslu	Cont	P Kel	RSL	22/9
Banga Birol (cont)	Cont	Col	Baridhi	22/9
Banglar Maya	GI	Ind	BSC	23/9
Kota Cahaya(cont)	Cont	sing	Pil(BD)	23/9

Vessels awaiting instruction:

Banglar Shourabh	-	-	BSC	R/A(20/9)
Banglar Doot	Ballast	Mong	BSC	20/9

Movement of vessels for 19.09.2002

	Outgoing	Incoming	Shifting
J/11	Xp. Resolve	J/12	K.Cahaya
J/12	B.Borat	CCT/1	Cec Mayflower
GSJ	Scan Bulker	J/1	Cool star
RM/9	B. Gourab	RM/5	Dai Hung

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

## STOCK