

# Lack of refining capacity for heavy crudes pushing oil prices higher

**AFP, Paris**

Oil consuming countries, and especially the United States, are struggling to refine heavy crude oil as lighter crudes become rarer, driving global oil prices higher.

Supply of light, sweet crude oil, prized by refiners for its low density and lower sulfur content, is becoming stretched.

The little crude oil that is available is increasingly heavy sour crude that is more costly to refine.

Big oil producers and the International Energy Agency, which looks after the interests of energy consuming nations, agree that the global oil supply chain is growing taut in large part due to the lack of refining capacity for abundant high sulfur-content crude.

Earlier this month, Saudi Oil Minister Ali al-Nuaimi insisted that there was no shortage of oil but said there were not enough refineries that can handle the crude that was available.

"We have 500,000 barrels a day extra capacity and we are ready to produce now but there are no buyers," he said.

"There's a difference between sour and sweet crude and what's on offer now is the light sour crude," Nuaimi said.

"There's no adequate conversion refineries in the world. Consuming nations need to build sufficient sophisticated refineries to be able to handle sour crude."

The IEA, which was set up in 1974 by consumer nations after the first oil shock, voiced similar concerns in its monthly oil market report for October.

It warned that there was a "mismatch" between the oil that can be produced cheaply and what refiners can process.

"The net effect is that light sweet crude is in short supply, and prices for these grades are rising, while sour crude availability is increasing, and these prices are lagging," the IEA said.

The Paris-based organisation also predicted that prices for the prized light sweet crude would remain high for some time.

"As a consequence of surging demand and the structural imbalance between supply and refining logistics, light sweet crude oil prices are, and will continue to be, supported by a tight product-driven market," the IEA said.

The organisation warned that investment to increase refining capacity was critical to be able to process the oil producers were providing.

"Simply put, it is not enough to increase upstream spare production capacity without a corresponding increase in the downstream," the IEA said in its monthly oil market report for October.

Nicolas Sarkis, director of French trade journal *Petrole et Gaz Arabe*, said: "One of the major causes of the crude price hike lies in the consumer country refining capacity problem, especially in the United States, where there are problems with gasoline certification."



PHOTO: NCC BANK

National Credit and Commerce Bank Limited (NCC Bank) Chairman M Wazhiullah Bhuiyan inaugurates the 33rd branch of the bank at Baralekha in Moulvibazar recently. Among others, UNO of Baralekha upazilla Mostafa Kamal, Chairman of Baralekha Pourashava Abdul Malek were present.

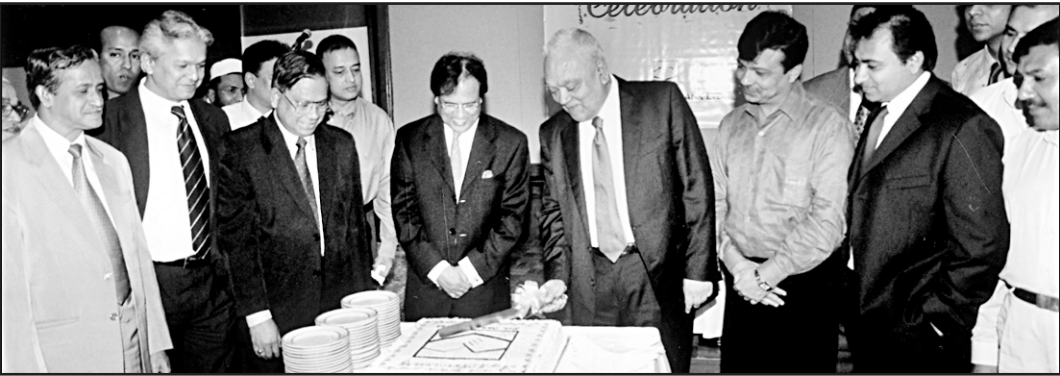


PHOTO: MUTUAL TRUST BANK

Mutual Trust Bank Limited Chairman Syed Manzur Elahi cuts a cake at a function organised to celebrate the 5th anniversary of the bank recently in Dhaka. Among others, Mosharrar Hossain, managing director of the bank, representatives of different regulatory and trade bodies and clients of the bank were present.

## US businesses call for revival of trade talks with Taiwan

**AFP, Taipei**

The foremost group representing United States business interests in Taiwan Sunday called for a resumption of talks on trade and investment between Washington and Taipei.

The American Chamber of Commerce in Taipei said talks should be restarted following Taipei's progress in solving bilateral economic disputes.

"The time is right for the US government to resume regular bilateral economic negotiations with Taiwan under what is known as the Trade and Investment Framework Agreement (TIFA)," it said.

Washington called off the talks in 2002, citing the frustrating lack of movement toward resolving the main issues on the economic agenda's of the two countries, a stand the chamber supported.

"But the Taiwan government appears to have shown a new willingness to focus on economic issues, including many issues of concern to the multinational business community," it said.



PHOTO: EXIM BANK

Rafiqul Mohamed, deputy commissioner of Bogra, inaugurates the 21st branch of EXIM Bank at Bara Gola in Bogra recently. Mohammad Lokiat Ullah, managing director of the bank, and Fazlur Rahman Paiker, president of Bogra Chamber of Commerce and Industry, were, among others, present.



PHOTO: PUBALI BANK

Khondkar Ibrahim Khaled, managing director of Pubali Bank Limited, and MH Samad, managing director and CEO of Central Depository Bangladesh Ltd (CDBL), exchange documents after signing an agreement recently in Dhaka. Under the deal, CDBL, the service provider of central depository system, will convert paper shares of the bank into scripless ones.

## CURRENCY

Following is Sunday's (October 17, 2004) forex trading statement by Standard Chartered Bank						
Sell			Buy			
TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer	
59.8500	59.9000	USD	58.7050	58.5326	58.4625	
75.6564	75.7196	EUR	72.3304	72.1180	72.0317	
108.9390	109.0300	GBP	104.9763	104.6679	104.5427	
44.7199	44.7573	AUD	41.9858	41.8625	41.8124	
0.5545	0.5549	JPY	0.5325	0.5310	0.5303	
48.9370	48.9779	CHF	47.1526	47.0141	46.9578	
8.1872	8.1940	SEK	7.5893	7.5670	7.5580	
48.1962	48.2364	CAD	46.4612	46.3147	46.2693	
7.6943	7.7007	HKD	7.5293	7.5072	7.4982	
35.8297	35.8597	SGD	34.7696	34.6675	34.6260	
16.4274	16.4411	AED	15.8538	15.8072	15.7883	
16.0865	16.1000	SAR	15.5300	15.4844	15.4659	
10.4686	10.4773	DKK	9.4440	9.4163	9.4050	
203.8418	204.0121	KWD	191.4647	190.9023	190.6739	
Exchange rates of some currencies against US dollar						
Indian rupee	Pak rupee	Lankan rupee	Thai bath	Nor kroner	NZ dollar	Malaysian ringgit
45.795	59.69	103.94	41.435	6.5823	0.7363	3.80
Local Interbank FX Trading			Local Money Market			
Local interbank FX market was subdued on Sunday. Dollar remained steady against Bangladeshi taka.			Money market was active. Call money rate was almost unchanged and ranged between 4.25 - 5 percent compared with 4.50-5 percent previously.			

## SHIPPING

Chittagong Port							
Berthing position and performance of vessels as on 17/10/2004							
Berth No.	Name of vessels	Cargo	L. port call	Local agent	Dt of arrival	Leaving	Import disch
J/2	Pu Cheng	GI	Tian	Bdship	15/10	22/10	788
J/3	Sapanca	C. Clink	Kaki	Psal	14/10	24/10	1470
J/4	Antigoni-B	Sugar (P)	Vito	Mutual	28/09	18/10	1480
J/5	Dawei (Liner)	GI(St. C)	Viza	Everett	13/10	17/10	1227
J/6	Bogdan	Sugar(P)	Sontos	Bsl	11/10	19/10	2948
J/7	Al Muztuba	Rice (P)	Yang	Cla	12/10	20/10	547
J/8	Hapaan	GI (Y.M)	Yang	Mta	11/10	18/10	940
J/9	Forum Samoa	GI (S. Ash)	Kara	Seacom	11/10	19/10	944
J/10	Banga Borat	Cont	Sing	Bdship	15/10	19/10	228
J/10	Cey Pioneer	Tsp	Qinz	Total	2/10	17/10	216
J/11	Xpress Resolve	Cont	Col	Feverbest	15/10	19/10	34
J/12	Van Xuan	Cont	Ptp	Pssl	15/10	18/10	185
J/13	QC Dignity	Cont	P. Kel	Qcsl	14/10	18/10	277
Oct/1	Kota Cahaya	Cont	Sing	Pil(Bd)	12/10	17/10	2
Oct/3	Oel Esteem	Cont	P. Kel	Pssl	13/10	19/10	444

Vessels due at outer anchorage						
Name of vessels	Date of arrival	L. port call	Local agent	Type of cargo	Loading ports	
Feng Kang Shan	17/10	--	Bdship	GI		
Darya Deviv Sinio	17/10	Visa	Bar	Asa	Moganessore	
Marul	17/10	Sing	Asa	Scraping	-	
Orient Wisdom	18/10	P.Kel	Pssl	Cont	Hald	
Ralph Tucker	18/10	Cand	Safe	Scraping	--	
Asean Premier	18/10	Sing	Unique	Tsp (P)	--	
Al Safa	18/10	Fujai	Uss	Scraping	--	
Mardios	18/10	P. Kel	Rsl	Cont	Sing	
Freya	19/10	--	Oil	GI (Hr C.) & Paper	-	
Tug Al-Rahim	18/10	Bank	Total	Towing Barge Sapt-1	--	
Barge Sapt-1	18/10	Bank	Total	Sugar (P)	--	
Rubin Dragon	20/10	Sing	Benam	Wheat (G)	--	
Pan Voyager	19/10	Aust	Mutual	Wheat (P)	--	
Pigi	18/10	Varna	Rol	Wheat	--	
Banga Bijoy	18/10	Col	Baridhi	Cont	Col	
Me Linh	19/10	Sing	Bsc	Cont	Sing	
Chang Peng	19/10	--	Nyk	Vehi	-	
Orient Excellence	19/10	Hald	Pssl	Cont	Col	
Banga Borak	20/10	P. Kel	Bdship	Cont	Pkl/Sing	
Banga Lanka	21/10	Sing	Bdship	Cont	Sing	
Badulu Valley	20/10	Mumb	Cla	GI (St. Pile)	--	

Tanker due				
At Badiyah	17/10	Kuwa	Mstpl	Hsd
Temasek	19/10	Kuwa	Mstpl	Hsd--

Vessels at Kutubdia				
Name of vessels	Cargo call	Last port	Local agent	Date of arrival

Outside port limit				
Revelation	Dr. Equip	Sing	Ibsa	14/9
Dea Captain	--	--	Ibsa	R/A(13/10)
Lombardia	Crude Oil	Rast	Owsl	8/10
Banglar Jyoti	C. Oil	--	Bsc	R/A
Banglar Shourabh	C. Oil	--	Bsc	R/A

Vessels at outer anchorage				
Vessels ready				
QC Star	Cont	P. Kel	Qcsl	15/10
Pagan	GI (Y. Maize)	Yang	Mta	11/10
Dongtai Fortune	Cont	Sing	Nol	15/10
Xpress Manaslu	Cont	P. Kel	Rsl	16/10
MMM Belinda	GI (Hr/Cr)	Sing	Asa	16/10
Tuking	Gr. Slag	Viza	Ssa	14/10
Salamat-1	Bitumen	Hald	Olm	8/10

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

## STOCK