

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

AFP, Paris

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 "mis-match" between the oil that can be produced cheaply and what refiners can process.

"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."

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.

"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



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: EXIM 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	Buy	Buy	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	7.5693	7.5670	7.5560
48.1962	48.2364	CAD	46.4812	46.3147	46.2993
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	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	Sapanci	C. Clink	Kaki	Psal	14/10	24/10	1470
J/4	Antigon-B	Sugar (P)	Vito	Mutual	28/09	18/10	1480
J/5	Dawei (Liner)	GI(S. C)	Viza	Everett	13/10	17/10	1227
J/6	Bogdan	Sugar(P)	Sontos	Bsl	11/10	19/10	2948
J/7	Al Muztoba	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/11	Cey Pioneer	Tsp	Qinz	Total	2/10	17/10	216
J/12	Van Xuan	Cont	Col	Feverbee	15/10	19/10	34
J/13	QC Dignity	Cont	P. Kel	Pssl	15/10	18/10	185
Cct/1	Kota Cahaya	Cont	P. Kel	Qcsl	14/10	18/10	277
Cct/3	Oel Esteem	Cont	P. Kel	P. Kel	12/10	17/10	2
				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	Leaving ports
Feng Kang Shan	17/10	--	Bdship	GI	
Darya Devi Sinio	17/10	Visa	Bar	GI	Moganesore
Maru	17/10	Sing	Asa	Scraping	-
Orient Wisdom	18/10	P.Kel	Psll	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 Sapta-1	
Barge Sapta-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	Ro	Wheat	
Banga Bijoy	18/10	Col	Bardhi	Cont	Col
Me Linh	19/10	Sing	Cont	Cont	Sing
Chang Peng	19/10	--	NYK	Vehi	--
Orient Excellence	19/10	Hald	Psll	Cont	Col
Banga Borat	20/10	P. Kel	Bdship	Cont	Pkl/Sing
Banga Larka	21/10	Sing	Bdship	Cont	Sing
Badulu Valley	20/10	Mumb	Cla	GI (St. Pile)	

Tanker due

At Badlyah	17/10	Kuwa	Mstpl	Hsd
Temasek	19/10	Kuwa	Mstpl	Hsd--

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
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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	Q
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