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Director of Central Intelligence

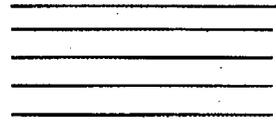


CIA CPAS NID 97-044CX



National Intelligence Daily

Monday, 24 February 1997



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CPAS NID 97-0044CX
24 February 1997

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NEAR EAST

Iraq:

Struggling To Meet UN Oil Sales Target

Baghdad must export some 10 million barrels of crude oil by 10 March to earn the maximum \$1 billion from oil sales every 90 days allowed under Resolution 986. Because spot oil prices have dropped about \$4 per barrel since last month, sales are falling short of the \$1 billion ceiling.

— In addition, foreign marketing firms—Russian in particular—have had difficulty selling their cargoes

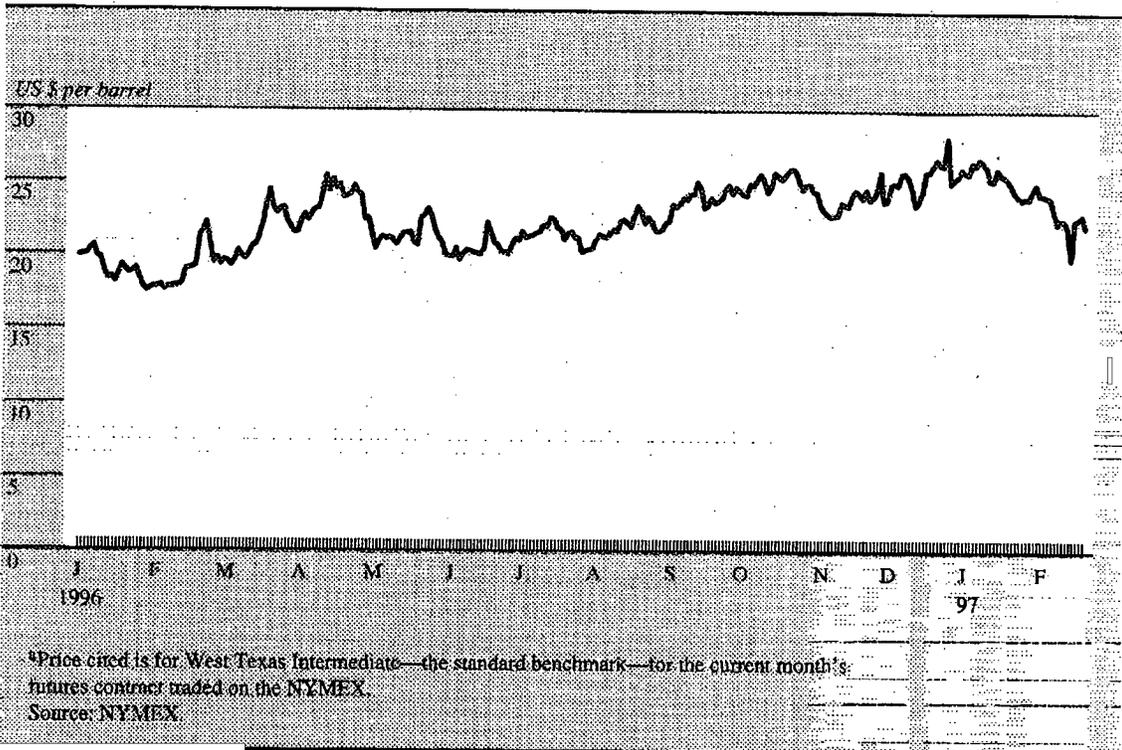
Surging Iraqi oil output—coinciding with an approaching seasonal decline in world demand—will aggravate an already weakening market. In addition, production data indicate that OPEC is producing nearly 1.8 million b/d over quota, and industry sources say most members are seeking to boost their production further.

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Crude Oil Prices, 1996-97^a



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