

## ADB downgrades East Asia's 2003 growth forecast

AFP, Manila

The Asian Development Bank (ADB) downgraded Monday its 2003 economic growth forecast for East Asia, citing an impending Iraq war and easing export momentum.

Average gross domestic product (GDP) growth in the region is expected to moderate to 5.6 per cent this year from 6.1 per cent in 2002, the Manila-based bank's Regional Economic Monitoring Unit (REMU) said.

The bank had earlier predicted the economies of Brunei, Cambodia, China, Indonesia, South Korea, Laos, Myanmar, Malaysia, Thailand and Vietnam would have an average growth of nearly six per cent this year.

In a quarterly report card on the health of the 12 economies, the ADB said tensions over Iraq had led to rising uncertainty, dampened business as well as consumer confidence and pushed oil prices 30 per cent higher since mid-June 2002.

"The recent worsening of the external environment will impinge

on East Asia's economic prospects for 2003, causing forecasters to mark down their projections," cautioned REMU head Yoshihiro Iwasaki.

The United States and its allies have warned they would go to war with Iraq if it does not comply and disarm according to UN demands.

Using figures from London-based private institution Consensus Economics Inc., the ADB revised downwards 2003 GDP growth forecast for Singapore from 4.7 per cent to 3.8 per cent, South Korea from 5.6 per cent to 5.0 per cent, Malaysia from 5.2 per cent to 4.7 per cent, and Indonesia from 4.0 per cent to 3.6 per cent.

Growth forecasts for China, Thailand, and Philippines were largely unchanged at 7.5 per cent, 4.1 per cent and 3.9 per cent respectively.

The ADB also issued a warning on the region's moderating export growth momentum due to less imports from the United States, Europe and Japan.

Growth of East Asian exports, the region's top money spinner,

eased in the second half of last year in Indonesia, the Philippines, Singapore and Thailand.

Exports also moderated in China, South Korea and Malaysia in the fourth quarter of 2002.

"This only goes to show that the region remains dependent on the G3 (US, Europe and Japan) for its exports and the hypothesis that the region has disconnected from those markets is exaggerated," REMU director Pradumna Rana told AFP.

"We say that East Asia has become resilient but the G3 markets are important and the disconnecting hypothesis will take a long time to happen," he said.

Rana said although intra-regional trade was increasing on the back of China's rapid growth, a "large chunk" of it was effectively imports of semi-processed goods for re-export to US, Europe and Japan.

"Ultimately, most of the exports head to the G3," he added.

The ADB also said that for the first time since the 1997-1998 Asian financial crisis, net lending by foreign commercial banks to five crisis-

affected nations -- Indonesia, Malaysia, the Philippines, Thailand and South Korea -- had turned positive.

Many foreign banks had bailed out of the region during the crisis and the new development signified that capital withdrawal by foreign commercial banks might have ended, Rana said.

After withdrawing from the five crisis-hit countries a total of 113 billion dollars during the 1997-2001 period, net lending by private international institutions registered an inflow of 6.24 billion dollars last year, offsetting large outflows of portfolio equity, the ADB said.

The bank projected an inflow of 8.43 billion dollars in 2003.

The ADB said that also for the first time since the crisis, 2002 saw real bank credit to the private sector increase in Indonesia and Thailand, suggesting reforms are starting to bear fruit.

Real bank credit is lending by domestic banks.

## Japanese exports stay strong, banks struggle

REUTERS, Tokyo

Japan's export performance stayed strong in the last month of 2002, data showed yesterday easing concern that the economy's last bright spot was starting to fade.

But in further signs that things are not as cheery on the home front, bank lending fell for the 61st month in a row and the amount of money in circulation slowed as consumers spent less.

Exports rose 15.8 per cent in December from a year earlier and were up 6.2 per cent for all of 2002, the Finance Ministry said.

Exports were about the only positive force in Japan's economy last year as demand for cars, steel and electronics from China and

other Asian countries offset poor domestic demand.

"The economy will continue to depend on exports for the time being," said Mamoru Yamazaki, economist at Barclays Capital.

Analysts had been concerned that exports would tail off as overseas economies slowed and consumers fretted about potential war with Iraq and stand-off with North Korea.

That concern has been reflected in bearish forecasts for gross domestic product for the three months to December. Analysts polled by Reuters expect GDP figures to be released on Friday to show the economy shrank 0.3 per cent from the previous quarter.

## 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
59.1000	59.1500	USD	58.2000	58.0341	57.9596
64.3422	64.3966	EUR	62.4020	62.2187	62.1443
96.9831	97.0652	GBP	94.0628	93.7866	93.9593
35.5250	35.5551	AUD	33.7909	33.6917	33.6513
0.4955	0.4959	JPY	0.4802	0.4788	0.4782
43.8427	43.8798	CHF	42.5688	42.4437	42.3929
6.9809	6.9868	SEK	6.8543	6.8342	6.8260
39.0408	39.0739	CAD	37.9697	37.8582	37.8129
7.5850	7.5914	HKD	7.4545	7.4326	7.4237
33.8934	33.9221	SGD	33.0832	32.9860	32.9466
16.2220	16.2357	AED	15.7178	15.6717	15.6529
15.8854	15.8988	SAR	15.3968	15.3516	15.3332

Exchange rates of some currencies against US dollar  
 Indian Rupee - 47.67, Thai Baht - 42.990, NZ dollar - 0.5499, Malaysian Ringgit - 3.80

Local Interbank FX Trading: The local interbank foreign exchange market was active on Monday. US dollar continued to weaken against the taka. At the close, taka eased to 58.50/58.60 against the USD compared with 58.66/58.68 previously.

Local Money Market: Demand for call money was high on Monday ahead of the holy Eid-ul-Azha. Call money rate continued to remain high because of the high Eid withdrawal pressure. At the close call money rate ranged between 25-30 per cent compared with 25-35 per cent previously.

International Market: The dollar firmed in Asia on Monday but a good part of its gains fizzled out by late trade as ongoing uncertainty over Iraq cast a pall over upbeat US jobs data. Dollar carried some of its momentum from Friday, when it rose on the news that US non-farm payrolls surged in January at the fastest pace in two years. But dollar eroded its gain against the yen and euro on Monday, as uncertainty regarding divisions between UN Security Council members on a war against Iraq. By 0900 GMT the dollar was unchanged from late Friday's level in New York at \$1.0818 per euro. Against the yen, it was also practically unchanged at 120.35 yen, while the euro was also steady at 130.21 yen.

At 1550 hours on Monday, Euro was at 1.0813/16, GBP at 1.6323/26 and Yen at 120.43/48 against the dollar.

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## UK trade deficit soars to record high in 2002

AFP, London

The British trade deficit ballooned to 34.3 billion pounds (52 billion euros, 56 billion dollars) in 2002, the biggest since records began in 1697, official figures showed Monday.

In 2001, the Britain had recorded a trade shortfall of 33.6 billion pounds.

But there were signs of an improvement in December, when the trade deficit narrowed to 3.0 billion pounds from 4.1 billion in November. Consensus analyst forecasts had been for a deficit of 3.7 billion pounds.

The trade deficit with non-European Union countries shrank to 2.0 billion pounds in December from 3.1 billion in November.



PHOTO: BASHUNDHARA GROUP

Bashundhara Group Managing Director Sayem Sobhan receives the best pavilion trophy from LGRD and Cooperatives Minister Abdul Mannan Bhuiyan on behalf of his company at the Dhaka International Trade Fair-2003 on Saturday. Among others, Commerce Minister Amir Khasru Mahmud Chowdhury was present.

## SHIPPING

### Chittagong port

Berthing position and performance of vessels as on 10/02/2003.

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/1	Rak Won	Rice/Sugar (P)	Vish	Uniship	26/1	10/2	560
J/2	Rainbow Spring	Gl	Sing	SSA	9/2	11/2	613
J/4	Suisen	Slag	Viza	SSA	3/2	15/2	1750
J/5	Hang Xin	Sugar	Kand	PSAL	9/1	11/2	1528
J/6	Gui Jiang	Wheat	Kaki	Mutual	3/2	18/2	1415
J/8	Bonrika Naree	Gl	--	USL	R/A	12/2	2768
J/9	Piran	Gl	Sing	Prog	8/2	11/2	2678
J/10	Pinya	Gl	Yang	Total	30/1	11/2	954
J/11	Banga Bijoy	Cont	Col	Baridhi	7/2	10/2	75/112/50
J/13	Kota Naga	Cont	Sing	Pii (BD)	8/2	11/2	223/357
CCT/1	New Sea Star	Cont	P Kel	QCSL	7/2	11/2	247/X
CCT/2	Xpress Resolve	Cont	Col	Everbest	6/2	11/2	222/X
CCT/3	Mardios	Cont	P Kel	RSL	5/2	10/2	36/X
TSP	Multi Trader	R.Sulp	B.Abb	PBL	6/2	15/2	
RM/6	Nedimar	HSD	Sikka	EOSL	27/1	13/2	
DDJ	Banglar Jyoti	Repair	--	BSC	R/A	16/2	
DD	Banglar Kakoli	Repair	Sing	BSC	21/1	16/2	
RM/10	Banglar Shorabh	Repair	K Dia	BSC	R/A	16/2	
SM/10	Dredger Gemini	Repair	Chand	Kama	--	21/2	

### Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Ocean Pride	10/2	Yang	PSAL	Gl	
A A Venture	11/2	Yang	CLA	Gl	
Le Chang Ling	10/2	Tanj	BSL	Clink	
Kota Singa	11/2	Sing	Pii (BD)	Cont	P Kel
Qc Lark	11/2	P Kel	QCSL	Cont	P Kel
Maritime Chianchai	11/2	Jinz	USL	Gl	
Sushila	15/2	Kol	Sakhi	With Barge	
Barge: S-657	15/2	Kol	Sakhi		
Banglar Moni	15/2	Sing	BSC	Cont	
Sagaing	14/2	Chen	Everett	Gl	
Asha Miki	13/2	--	PSAL	Clink	
Jaami	14/2	--	Everbest	Cont	Col
Banga Biraj	15/2	P Kel	Bdship	Cont	Sing
Banga Barta	17/2	Chen	Baridhi	Cont	Col
Kota Cahaya	14/2	Sing	Pii (BD)	Cont	Sing
Banga Borti	14/2	P Kel	Bdship	Cont	Sing
Xpress Manaslu	15/2	P Kel	RSL	Cont	Sing
Qc Teal	15/2	P Kel	QCSL	Cont	Sing
Tug Britoil-3	14/2	Bata	OTBL		
Sun Kist	14/2	Bata	OTBL	For Demolition	
Machita	14/2	Indo	OTBL	For Demolition	
Amagi	14/2	Indo	OTBL	For Demolition	
Zimachi	14/2	Indo	OTBL	For Demolition	
Dredger Hd-5	14/2	Sing	OTBL	For Demolition	
Tug Britoil-8	14/2	Sing	OTBL	Towing	
Inwa	15/2	Yang	MTA	Gl	
Banga Lanka	15/2	Col	Baridhi	Cont	Col
Banga Borak	15/2	Sing	Bdship	Cont	Sing
Banga Bonik	16/2	CBO	Baridhi	Cont	Col
Hanburg	16/2	Sing	Pii (BD)	Cont	Sing
Orient Freedom	15/2	PKL	PSSL	Cont	Sing
Banga Bodor	17/2	Sing	Bdship	Cont	Sing
Qc Pintail	17/2	P Kel	QCSL	Cont	Sing
Asimont	17/2	--	Seabome	Cont	Sing
Ana	18/2	--	PSSL	Cont	Sing
Qc Honour	19/2	P Kel	QCSL	Cont	Sing
Feang Shun Shan	18/2	--	Bdship	Gl	--
Al Muztuba	20/2	Purb	CLA	Gl	
Yang					
Orient Vision	17/2	--	PSSL	Cont	Yang
Banga Borat	21/2	--	Bdship	Cont	Sing
Achiever	23/2	Sing	RSL	Cont	Sing

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

## STOCK