

Iraq war threat impeding world economy: IMF

AFP, Vouliagmeni, Greece

Prospects of war against Iraq are increasing uncertainty in the world and impeding investments for economic revival, International Monetary Fund (IMF) Director-General Horst Koehler said here Sunday.

"Risks and uncertainties are present because of the fragile geopolitical situation, and confidence cannot be restored until the situation is resolved," the official

told an annual conference of the World Bank Parliamentary Network.

But there would be no collapse of the economy, Koehler said.

"Despite the crises of the last two years -- the crisis in Asia, September 11 2001 -- and now the prospect of war -- the economy has not collapsed, so there is no need for panic," he assured his audience.

Koehler said he would rather

there were no war, but that this was "a situation the IMF cannot control."

The IMF chief executive predicted that hostilities would be brief, should there be war over Iraq.

The IMF was not for the time being preparing any emergency plan for Iraq. "If war breaks out we will try to ensure that the people of Iraq and the region can look forward to a better future," he promised.

Koehler also appealed to developing countries to make greater efforts towards achieving economic growth, and carry out structural changes to help developing countries and fight world poverty.

Some 100 parliamentary deputies from countries around the world attended the annual gathering aimed at increasing dialogue on international development and promoting the contribution by parliaments to fighting poverty.

ASEAN, Japan meet on free trade area

AFP, Kuala Lumpur

Senior officials from the Association of Southeast Asian Nations (ASEAN) and Japan held their first meeting Monday to map out a framework to create a regional free trade agreement (FTA) within a decade.

Philippines' trade official Ramon Kabigting, who is co-chairing the talks, described it as a "very good step forward" but said another four meetings would be held before October to thrash out details.

The committee hoped to complete a framework on the "rules of the game" for negotiations on the FTA to present to ASEAN leaders at their summit in Bali, Indonesia, in October, he said.

"We agreed (today) on the terms of reference for our committee, elements that we wanted to put in framework that we have this year to complete and a workplan for attacking the assignment," he told reporters.

Kabigting said an ASEAN-Japan FTA would be a "strong building block" for an expanded East Asia free trade zone encompassing rising giant China and South Korea.

The next meeting would likely take place in Tokyo late April, he added.

The meeting in Kuala Lumpur was the first since Japanese Prime Minister Junichiro Koizumi sealed a pact with ASEAN leaders at their summit in November to work on a framework to set up a free trade deal.

Drawn out Iraq war will hit software sector: Wipro

AFP, Bangalore

The chief executive of Indian software firm Wipro said Monday a drawn-out conflict in Iraq would hurt the information technology sector.

"The imponderables really are how long the war takes and its long-term impact," said Vivek Paul, chief executive of Wipro Technologies -- the global information technology business division of Wipro, India's third largest software exporter.

"One scenario is that US prevails quickly... to generate a zone of freedom and democracy through the entire Middle East and a lot of strife that goes around the world comes down.

"If you look at such a scenario then you can look forward to a positive outcome," Paul told AFP.

But he said a war lasting more than a month could increase strife around the world with United States being viewed as an oppressor rather than a liberator.



PHOTO: DCCI

A 10-day exposition, Pragati 2003, organised by Assam-based North East Chamber of Commerce and Industry (NECCI), Guwahati in association with Dhaka Chamber of Commerce and Industry (DCCI), South East Asia Enterprise Development Fund (SEDF) and Confederation of Indian Industries (CII), was inaugurated on 5 March in Guwahati, India. Lt Gen SK Sinha (Retd), governor of Assam (3rd-R), was present as the chief guest at the inauguration. Chief Minister of Assam Tarun Gogoi (2nd-R), Minister for Commerce and Industry of Assam Bhuvaneshwar Kalita (extreme right), Chief Secretary of Assam Prabir Kumar Dutt (4th-L), NECCI President Chiranjit Chaliha (4th -R), and DCCI Director Sayeeful Islam (3rd-L), among others, were also present.

Chinese lawmakers okay plan to make govt fit for WTO

AFP, Beijing

Chinese lawmakers Monday approved a sweeping plan to streamline the government and make it fitter to meet the challenges of economic reform and membership of the World Trade Organization (WTO).

The plan, announced last week, slashes the number of ministries from 29 to 28, and most crucially merges the Ministry of Foreign Trade and Economic Cooperation and the State Economic and Trade Commission into one.

The super-department that will be formed as a result, the Ministry of Commerce, is better in conformity with WTO rules, as it helps break down the distinction between foreign and local companies, officials have said.

The State Development Planning Commission has been renamed the State Development and Reform Commission, possibly reflecting Chinese wishes to be seen as a market-driven rather than a planned economy.

The vast majority of delegates at the National People's Congress endorsed the proposal with just 88 opposing it.

Government restructuring has been a continuous effort during China's more than two decades of economic reform.

This is the fifth time government has been streamlined since 1982, and this year's effort appears less sweeping than previous plans.

Malaysia may issue \$4.7b in bonds to spur economy

AFP, Kuala Lumpur

Malaysia may issue up to 18 billion ringgit (4.7 billion dollars) in bonds this year and economic pundits on Sunday described the move as timely and crucial to bolster the economy amid fears sparked by the looming Iraq war.

Economists agreed that the government had an important role to spur the fragile economy amid a shortfall in foreign direct investment and the failure of the domestic private sector to fuel growth.

But they warned that funds from the bond issue must be utilised prudently and in income generating activities to ensure socio-economic stability and sustainability.

Ramon Navaratnam, a former treasury deputy secretary-general, told AFP that the bond issue was crucial to counter an anticipated slowdown in the world economy since the funds could be used to help fund pump-priming measures due to be announced later this month.

Fed may lower rate soon to help shaky economy

AFP, Washington

The Federal Reserve may soon lower its headline interest rate to boost the US economy, already struggling and with prospects of a US war against Iraq weakening it further.

The Federal Open Market Committee, the US central bank's decision maker on currency matters, is likely to further ease its credit policy at its March 18 meeting.

Only a few weeks ago, analysts dismissed the idea of any letup in the interest rate, already at its lowest in 41 years.

A series of disappointing figures are showing growth lethargic -- almost stationary -- in the biggest economy on the planet. Due to the threat of war, consumer confidence is down and many business investments are on hold.

The latest and most worrying piece of economic data is that the US jobless rate in February rose to 5.8 per cent, compared with 5.7 per cent in January, as the US economy lost 308,000 jobs last month.

Unemployment, in fact, is at its

highest since November 2001 when the United States was fighting to stay out of recession in the wake of the September 11 attacks.

Given the "surprisingly weak employment report and the fact that growth will be barely one percent in the first quarter, we now expect the Fed to ease 25 basis points at the March 18 meeting," said Kathy Bostjancic and David Rosenberg, economists at investment company Merrill Lynch.

Both believe the Fed will go on to drop the rate by another 25 basis points at its May 6 meeting, which would bring the federal funds rate, the main weapons of the Fed's currency policy, to 0.75 percent from the current level of 1.25 percent.

"We think the Fed is doing the same thing we are doing, cutting their economic forecast," said James Glassman, senior US economist at J.P. Morgan. "So we think they will cut rates at their next meeting."

J.P. Morgan has cut its first quarter growth forecast in half from three percent to 1.5 percent.

The Fed, in its Beige Book report released Wednesday, said that

economic growth in January and February had remained weak, with fears of war and economic uncertainty serving to brake consumer spending and business investment.

The Beige Book survey will serve as the basis for the March 18 monetary policy meeting.

Some analysts believe the central bank may choose to wait and see how the Iraqi crisis evolves before giving a new push toward lower rates.

The Fed meeting, to take place the day after the US-British ultimatum, set for March 17, for Iraq to disarm, could come just before a war is launched.

"We think that with the Fed seeing war as close at hand, it will decide, in a close call, merely to indicate its awareness of the recent weak signals, holding the (target) at 1.25 percent for the time being," said Peter Hooper, chief economist at Deutsche Bank Securities.

Salomon Smith Barney economists meanwhile think there is a 40 percent chance that the Fed will lower the rate by half a point on March 18.

CURRENCY

Following is yesterday's foreign exchange rate statement by Standard Chartered Bank

Selling	Currency	Buying			
		FF/OD	BC	Transfer	
58.8500	58.9000	USD	57.9000	57.7299	57.6608
65.3176	65.3731	EUR	63.3079	63.1219	63.0464
94.8074	94.8879	GBP	91.8584	91.5885	91.4789
36.6930	36.7242	AUD	34.9137	34.8111	34.7695
0.5086	0.5091	JPY	0.4921	0.4906	0.4900
44.4285	44.4663	CHF	43.0868	42.9602	42.9088
7.0386	7.0446	SEK	6.9081	6.8878	6.8795
40.3995	40.4339	CAD	39.2356	39.1204	39.0735
7.5537	7.5601	HKD	7.4168	7.3950	7.3862
34.0804	34.1093	SGD	33.2415	33.1438	33.1042
16.1529	16.1667	AED	15.6364	15.5995	15.5748
15.8186	15.8321	SAR	15.3179	15.2729	15.2546

Local Interbank FX Trading:

The local interbank foreign exchange market was active Monday. Dollar weakened against Bangladeshi taka as call rates jumped up. Some banks sold dollar to generate local currency.

Local Money Market:

Call money rates moved higher after Sunday's auction of T-bill where the central bank borrowed BDT 2.163 billion from commercial banks. At the close call money rate ranged between 12.00 and 15.50 per cent compared with 8.50-9.50 per cent previously.

International Market:

The dollar edged down towards last

week's seven-month lows against the yen and four-year low against the euro overshadowed by a possible attack in Iraq. Even a drop in the Tokyo stock market's Nikkei average to 20-year lows and news that North Korea had test-fired a cruise missile into the Sea of Japan failed to do much on dollar side but to cause a momentary wobble in the yen, highlighting the market's bearishness on the US unit. Instead the market focused on whether an US-UK Spanish resolution to authorise force against Iraq would win UN backing or the US would lead a conflict regardless, and what damage

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SHIPPING

CHITTAGONG PORT

Berthing Position And Performance Of Vessels As On 10/3/2003

Berth No	Name Of Vessels	Cargo	L Port	Local Agent	Date Of Arrival	Lea-Ving	Import Disc
J/1	Katerina-k	Rice	Kaki	Able	24/2	11/3	1164
J/2	Keng Tung	Gi	Yang	Everett	9/3	11/3	1103
J/4	Banglar Gourab	Gi	Yang	Royal	5/3	15/3	268
J/5	Pinya	Rice	Yang	Mutual	7/3	15/3	X
J/6	Asia Crusader	Gi(copre)	Sing	Usl	2/2	10/3	30
J/7	Banglar Mamata	Gi	Yang	Royal	24/2	11/3	828
J/9	Yong Jiang	Gi	Inch	Bdship	6/3	13/3	2408
J/10	Alethini	Gi	Vanc	Litmond	19/2	15/3	2298
J/11	Banga Borat	Cont	P.kel	Bdship	9/3	10/3	240/193
J/12	Xpress Resolve	Cont	Col	Everbest	7/3	11/3	185/x
J/13	Banglar Shikha	Cont	Sing	Bsc	7/3	10/3	200/402
Cct/1	New Sea Star	Cont	P.kel	Qcsl	9/3	12/3	294/216
Cct/2	Banga Bijoy	Cont	Col	Baridhi	7/3	10/3	27/x
Cct/3	Mardios	Cont	P.kel	Rsl	9/3	12/3	252/x
Rm/14	Banglar Doot	Wheat(p)	K.dia	Litmond	R/a	-	-
Rm/15	Banglar Moni	Repair	Sing	Bsc	27/2	12/3	-
Csj	Ocean Pride	Gi	Yang	Psal	11/2	12/3	-
Tsp	Pearl Of Ajman	R.phos	Egypt	Seacoast	23/2	14/3	-
Rm/3	Warrior	Cdso	Reuni	Ambl	1/3	10/3	-
Rm/4	Corona	Cpo	Sing	Usl	9/3	10/3	-
Doj	Banglar Shourabh	C.oil	K.dia	Bsc	R/a	10/3	-
Rm/9	Banglar Kakoli	Repair	Sing	Bsc	21/1	12/3	-
Rm/10	Banga Lanka	Repair	Col	Baridhi	18/2	15/3	-
Sm/10	Dredder Gemini	-	Chand	Karna	-	28/3	-
	(re.export Cargo. 499)						
Kafco(a)	Andhika Puspita U	Urea	Penra	Oil	05/03	9/3	-

Vessels Due At Outer Anchorage Date 10/3/2003

Name Of Vessels	Date Of Arrival	L Port	Local Agent	Cargo	Loading	Port
Asian Prime	10/3	Tanj	Asil		Clink	
Banga Barta	11/3	Hald	Baridhi		Cont	Col
Banga Biraj	11/3	P.kel	Bdship		Cont	Sing
Orient Vision	11/3	-	Pssl		Cont	Yang
Galina-iii	11/3	Mumb	Usl		M.seed	
Marills-i	11/3	-	Psl		Com In Bulk	
Marine Chemist	11/3	-	Rship		For Demolition	
Patriarch	12/3	Sing	Mbl		Urea	
Qc Dignity	13/3	P.kel	Qcsl		Cont	Sing
Qc Lark	13/3	P.kel	Qcsl		Cont	P.kel
Kota Naga	12/3	Sing	Pil(bd)		Cont	Mgl
Kranj	12/3	Sin	Prog		Gi	
Banga Bodor	13/3	Sin	Bdship		Cont	Sing
Banga Bonik	14/3	-	Baridhi		Cont	Col
Xpress Manaslu	14/3	P.kel	Rsl		Cont	Sing
Jaami	14/3	-	Everbest		Cont	Col
Eastern Victory	14/3	Olia	Litmond		Cont	Sing
Kota Berjaya	15/3	Sing	Pil(bd)		Cont	Sing
Banga Birol	15/3	-	Bdship		Cont	Sing
Orient Freedom	15/3	-	Pssl		Cont	Sing
Asian Leader	16/3	-	JP		Vehi	-
Haneburg	16/3	Sing	Pil(bd)		Cont	Sing
Asimont	16/3	-	Seamore		Cont	Sing
Feng Shun Shan	17/3	-	Bdship		Gi	
Qc Teal	18/3	P.kel	Qcsl		Cont	Sing
Kota Cahaya	19/3	Sing	Pil(bd)		Cont	Sing
Ana	20/3	-	Pssl		Cont	Sing
Banga Borak	21/3	-	Bdship		Cont	Sing
Kota Singa	21/3	Sing	Pil(bd)		Cont	Sing

Tanker Due

Name	Date	Port	Agent	Cargo
Atalanta	10/3	Lumut	Usl	Cpo
Healthy Falcon	10/3	-	H&h	Cpo
Jala Doot	11/3	Ruwa	Atlantic	Hsd(gas Oil)

Vessels At Kutubdia

Name Of Vessels	Cargo	Last Port	Local Agent	Date Of Arrival
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Outside Port Limit

Name	Cargo	Last Port	Local Agent	Date Of Arrival
Sea Panther	P.cargo	Sing	Sakhi	4/2
Barge S-657	P.cargo	Kol	Sakhi	21/2
Des Captain	-	-	Arafreen	R/a
Pearl Of Baharin	Clink	Koshi	Uniship	2/3
Onda	C.oil	Rast	Unique	6/3
Banglar Jyoti	C.oil	-	Bsc	R/a

Vessels At Outer Anchorage

Vessels Ready

Name	Cargo	Last Port	Local Agent	Date Of Arrival
Banglar Maya	Wheat(p)	K. Dia	Litmond	R/a
Qc Honour	Cont	P.kel	Qcsl	9/3
Assets Victory	Rice	Visa	Uniship	9/3
Eagle Strength	Cont	Sing	Nois	9/3
Xing Long Hai	Bitumen	B.abb	Uti	9/3
Trompeteros	Cdso	Durb	Bol	8/3

Vessels Not Ready

Name	Cargo	Last Port	Local Agent	Date Of Arrival
Duke	Gas Oil	Ruwa	Atlantic	4/3
Banglar Borti	Cont	P.kel	Bdship	R/a
Sea Phenonix	Gi	Sing	Rainbow	7/3
Ds Pioneer	Clink	Lumut	Move	9/3

Vessels Awaiting Employment/Instruction

Nil

Vessels Not Entering

Name	Cargo	Last Port	Local Agent	Date Of Arrival
Tae Dong Gang	Mop/dap(p)	Akaba	Owsl	24/2
Alkimos				