

G7 ministers meet tomorrow to bridge US-EU rift

REUTERS, Frankfurt

The world's richest countries should not let transatlantic political rifts stand in the way of joint policies to help the war-battered global economy, a senior financial source in the Group of Seven industrialised countries said Tuesday.

G7 finance ministers and central bank governors meet on Friday and Saturday in Washington ahead of semi-annual meetings of the International Monetary Fund and the World Bank.

Recent tensions between some European countries and the United States over the war in Iraq were not yet straining economic relations, but the Bush administration seemed less ready for international economic cooperation than previous governments, the source said.

Many analysts fear that the diplomatic stand-off between G7 economies Germany and France on the one hand and the United States on the other could lead to trade conflicts and further

depress weak global growth.

"I hope that multinational discipline in economic and budget policy, but also in the field of central banks will not be damaged," the source said in a briefing to journalists.

"Interest in the United States for cooperation in multilateral forums is not as strong as was the case under former administrations," he added.

The global economy would still show moderate growth this year even though a recovery has been delayed. But it was essential that policymakers radiate confidence and unity in the face of still very high uncertainty and existing risks, he said.

Countries should agree to avoid protectionist measures that skew competition and should get their own economies in order rather than relying on growth from nations with sound policies, the source said, but he did not detail specific measures.

One risk is the current account and budget deficits in the United States, the source said. Financing these deficits

requires the US to suck up \$2.5 billion a day to investments from abroad. Some policymakers say this is unsustainable.

European policymakers have repeatedly said the "double trouble" from the US risks a dollar collapse, but many US officials routinely dismiss the warnings and say the deficits are sustainable because of US economic strength.

European Central Bank president Wim Duisenberg last Saturday stepped up criticism of the twin US deficits, saying they required vigilance and said the topic would be taken up at the G7 meeting, though without criticising the United States.

The source said the current account deficit was not just the fault of the United States. Europe was also to blame because it had failed to engage in structural reforms that would raise the region's growth pace and had thus contributed to the gap.

The source declined to give growth figures for the IMF's World Economic Outlook due to be presented this week.

Some figures already reported by the media show growth estimates for most economies have been scaled down.

The source also defended the IMF's plan to set up an international bankruptcy court for countries that default on their own debts, though acknowledging heavy criticism from the United States, and from the private sector and emerging markets.

The so-called Sovereign Debt Restructuring Mechanism (SDRM) would allow for orderly defaults by nations unable to repay their debts. The plan would work in similar fashion to courts that allow companies to operate during bankruptcy.

"The SDRM does not seem to have political priority out of the United States, to put it mildly. This will certainly be a controversial discussion as other G7 countries and especially European Union countries are in favour of proceeding," he said.



PHOTO: UNITREND

Telekom Malaysia International (Bangladesh) Limited, the service provider of AKTEL, formally launched its mobile-to-mobile pre-paid service, Mobile Link at a press conference held on Monday in Dhaka. (from left) Zulkifli Awang, general manager-Finance, Yussli Yusoff, general manager-Marketing, Dato' Ezanee Bin AB Aziz, Managing Director, Ahmad Salleh, general manager- Technical and Rezaur Rahman, chief coordination manager of Telekom Malaysia International (Bangladesh) Limited, attend the press conference.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank

Selling	Currency	Buying
TT/OD	BC	TT Clean
58,7300	58,7800	57,8000
63,6574	63,7116	61,4645
92,1709	92,2493	89,2952
35,9251	35,9557	34,1714
0,4945	0,4949	0,4788
42,7252	42,7615	41,4694
6,9070	6,9129	6,7785
40,2895	40,3238	39,1413
7,5375	7,5439	7,4034
33,0743	33,1024	32,2779
16,1191	16,1328	15,6102
15,7859	15,7994	15,2906
		15,2457
		15,2274

Indian Rupee	Pak Rupee	Lankan Rupee	Thai Baht	Norwegian Kroner	NZ Dollar	Malaysian Ringgit
47.38	57.8	96.93	42.940	7.2650	0.5519	3.80

Local Interbank FX Trading:
The local interbank foreign exchange market was active on Wednesday. Dollar ended slightly stronger against the taka because of increased import, especially food items.
Local Money Market:
Demand for call money was moderate. The call money rates remained unchanged as the market experienced stable liquidity condition. At the close, call rates remained unchanged between 7.75 and 8.25 per cent.
International Market:
Dollar fell against the euro on Wednesday

despite increasing market conviction that the war on Iraq was ending as investors' concern grew over US economic fundamentals. Against the Japanese yen, dollar received some support from Japanese players. The greenback held steady on the yen at 119.78. Dollar was also down by a third of a per cent against the Swiss franc. But it was slightly up against the sterling. Euro gained by almost 0.40 per cent against the Japanese currency.
At 1600 hours on Wednesday, euro was at 1.0752/62, GBP at 1.5538/43 and yen at 119.80/84 against the dollar.

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BOJ warns of economic risk at home from Iraq war, SARS

AFP, Tokyo

The Bank of Japan (BoJ) in its latest monthly report Wednesday warned of new economic risks for the nation due to the war raging in Iraq and worldwide outbreak of a killer strain of pneumonia.

In its economic assessment for April, which was unchanged for the fifth straight month, the BoJ said: "Economic activity remains flat as a whole, despite some signs of improvement, with greater uncertainty about the economic outlook partly due to Iraq-related developments."

The report was the first at a regular policy board meeting under new BoJ governor Toshihiko Fukui.

After the two-day meeting which ended Tuesday, the central bank announced it would study an unprecedented move to buy corporate debt to

help cash-starved companies raise funds.

Investments by firms were starting to rebound as exports continued to rise, but consumer confidence in Japan remained weak, the BoJ said.

"Corporate profits continue to recover, but the improvement in business sentiment as a whole has come to a halt due mainly to substantial uncertainty regarding the economic outlook," the report said.

The war on Iraq, which was entering its fourth week, could hurt Japanese exports -- knocking a recent recovery off track.

Economic conditions in Asia were expected to improve, the central bank noted.

"However, their recovery is likely to be anaemic, at least for the time being,

given the recent weakness shown in economic indicators of the US and European economies amid greater uncertainty regarding Iraq-related developments," it cautioned.

"In this situation, the increase in Japan's exports is expected to remain very modest, and industrial production is likely to be more or less unchanged for the immediate future."

As a result a self-sustaining recovery in domestic demand is unlikely to gain momentum for some time, with production seen as flat, while private consumption remains dampened by falling salaries and a high unemployment rate.

The outbreak of Severe Acute Respiratory Syndrome (SARS) also posed a threat to Japan's latest recovery cycle.

KL economic package this month: Minister

ANN, The Star

An announcement will be made on the Malaysian government's proposed economic package this month, said Second Finance Minister Jamaludin Jarjis, who hinted that the property sector could be one of the "prime sectors" targeted in the package.

He denied recent press reports that the timetable for the package had been derailed by the outbreak of Severe Acute Respiratory Syndrome (SARS) and the war in Iraq.

"We said the announcement would be made in April. We are still in the month of April. To say there's a delay is rather presumptuous at this juncture," he told reporters after launching the National Property Information Centre Valuation and Property Department's Property Market Report 2002 in Kuala Lumpur Monday.

SHIPPING

Chittagong port

Berthing position and performance of vessels as on 9/4/2003.

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disch
J/1	CGS Raziya Sullana	Visit	Para	MMI	6/4	10/4	-
	CGS Vajra	Visit	Para	MMI	6/4	10/4	-
J/2	Prospects	Rice/WT(P)	Viza	Uniship	18/3	11/4	665
J/3	Mandiri Jaya	Gl	Busha	Prog	6/4	11/4	1507
J/4	Dok Chon	Sugar	Tuti	Mutual	3/4	15/4	606
J/5	Zang San	WT/Rice	Kaki	SSTL	29/3	11/4	111
J/6	Hang Shun	Rice	Kaki	USL	30/3	15/4	606
J/7	Inwa	Rice	Yang	Total	7/4	14/4	511
J/8	An Shun Jiang	Gl	Busa	Uniship	3/4	9/4	1762
J/9	Pavonis	Gl	Iran	MSA	4/4	12/4	1654

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Ocean Pride	10/4	Yangoon	PSAL	Gl	
QC Lark	10/4	P Kel	QC SL	Cont	Sing
Al Muztuba	11/4	Viza	CLA	Rice	
Banga Borti	11/4	P Kel	BDSHIP	Cont	Sing
Sanlit	11/4	Indo	TOSL	Clink	Conf/Mir
Jaami	11/4	Col	Everbest	Cont	Col
Kola Singa	12/4	Sing	Pil (BD)	Cont	Sing
Banga Bilol	12/4	--	Baridhi	Cont	Col
QC Dignity	12/4	P Kel	QC SL	Cont	Sing
Orient Freedom	12/4	PKL	PSSL	Cont	Sing
Xpress Manaslu	12/4	P Kel	RSL	Cont	Sing
Banga Biraj	13/4	--	BDSHIP	Cont	Sing
Daili	13/4	Sing	Pil(BD)	Cont	Sing
Saizgiller	14/4	--	JF	Vehi	
Asimont	14/4	--	Seabome	Cont	Sing

Tanker due

Quiri	9/4	Kaki	Poi	CDSO (RM/3)
Tirta Niaga-I	9/4	Dumai	Seacom	CPOL(RM/8/3)
Pransdya Dwitya	9/4	Sing	CTPL	F Oil (RM/4)

Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Outside Port Limit				
Barge: S-657	P Cargo	Kel	Sakhi	21/2
Danat Qatar	C Oil	Jebe	USS	4/4
Banglar Joyoti	C Oil	--	BSC	R/A

Vessels due at outer anchorage

Vessels ready	Vessels not ready
New Sea Star	Cont
Banga Borak	Cont

Banga Borat	Cont	--	Bdship	R/A (28/3)
Sailor-1	C Clink	Kant	Litmond	8/4
Net Challe	Cano/R.Seed	Sing	Mutual	8/4

Vessels awaiting employment/instruction

Banglar Gourab	-	-	BSC	R/A (24/3)
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Vessels not entering

Lestari Utama	Gypsum	Krabi	SSA	3/4
Antigon-B	C Clink	Lumut	Move	8/4
Alkimos	GTSP/MAP	Aust	CCNL	2/6
Bosowa Delapan	--	--	Mutual	R/A (4/4)
Suisen	Scraping	Mong	Rsship	5/4
Accord	--	Sing	Viking	5/4

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

STOCK