

Market reaction to G7 should not be over-interpreted: IMF

AFP, Dubai

IMF managing director Horst Koehler said Wednesday that the initial reaction of foreign exchange and equity markets to the G7's call for greater exchange rate flexibility should not be over-interpreted, predicting that markets "will calm down".

"I don't think that we should now over-interpret the first reaction of markets," Koehler said at a news conference at the end of the World Bank/International Monetary Fund (IMF) annual meetings.

"I expect markets to calm down again," he said.

He said exchange rates have a role to play in an orderly adjustment of global trade imbalances, but he cautioned against governments pressuring each other on exchange rates in public.

"The role of exchange rates is (not something) which we should push ahead through public trumpeting and organising pressure," he said.

"This is a thing we need to discuss. We need to see the fundamentals of the economies and we need to see a recognition that we all sit in one boat, so I am quite happy about the outcome of ministers' discussions," he said, referring to Saturday's meeting of G7 finance ministers and central bank governors.

The G7, which groups the world's most powerful economies, said more flexibility is needed in exchange rates "to promote smooth and widespread adjustments in the international financial system, based on market mechanisms".

The statement triggered a sharp sell-off in the dollar, particularly against the yen, and declines in equity prices.

G7 participants said they had taken a broad-based approach to the problem, with no country singled out for criticism over its exchange rate policy, but markets interpreted the statement as a call to let the dollar depreciate against the yen, and for a relaxation of

the fixed currency regimes of other Asian countries, notably China.

Koehler said that in addition to exchange rate flexibility, there is also a need for stronger domestic growth outside the United States if trade imbalances are to be corrected.

The IMF said in a report last week that a massive US budget gap and current account deficit threatens a sustained recovery in the global economy.

The US budget gap is expected to reach a record 480 billion dollars in 2004, while the current account deficit amounted to 138.7 billion dollars in the second quarter this year.



PHOTO: RANGS ELECTRONICS
Rangs Electronics Ltd Deputy Managing Director J Ekran Hussain formally inaugurates a new showroom of the company at Savar in Dhaka recently.

IMF backs G7 on currency, WB supports poor on farm

AFP, Dubai

The International Monetary Fund (IMF) here Tuesday backed a call by the Group of Seven (G7) industrialised states for more flexibility in exchange rates, at the start of the IMF's annual meeting with the World Bank.

And the World Bank supported the demand of poor nations for lower agriculture subsidies in rich countries to improve their international trade and reduce poverty.

"Allowing greater exchange rate flexibility would be helpful both domestically and globally," IMF managing director Horst Koehler said in his opening speech at the meeting in the Gulf emirate of Dubai, attended by 16,000 delegates and journalists from

184 countries.

He said one of the key steps needed to deal with risks from current account imbalances and high public debt involves "allowing more flexible exchange rates where appropriate".

The finance ministers and central bank chiefs of the G7 issued Saturday a veiled call for Asian countries, and notably China, to allow their currencies to rise in order to check the widening gap in the US current account deficit.

The G7 -- Britain, Canada, France, Germany, Italy, Japan and the United States -- after a meeting here also urged the IMF to exercise "effective and persuasive surveillance" of the currency situation.



PHOTO: THE ORIENTAL BANK
Ishtiaque Ahmed Chowdhury, executive vice-president of The Oriental Bank Limited, and Ashraful Islam, chairman of the Shibchar Hatchery and Fisheries Limited, exchange documents after signing an investment agreement on behalf of their organisations in Dhaka recently. Among others, Md Shafiquddin, deputy managing director of the bank, and Md Shamimul Islam, managing director of Shibchar Hatchery, were present.

Farm subsidy issue may undermine FTAA: Canada

REUTERS, Ottawa

Differences over farm subsidies, which undermined recent world trade talks, could also impair efforts to create a Free Trade Area of the Americas, Canada's trade minister said Tuesday.

Canada, one of the world's largest farm exporters, supported efforts to cut agricultural subsidies at global trade negotiations in Cancun, Mexico, this month.

But Trade Minister Pierre Pettigrew said the failure to agree to a worldwide deal in Cancun would make it difficult for countries like the United States to agree to reduce farm subsidies as part of a Western Hemisphere agreement, if Brazil and other Latin American countries insist on cuts.

"It would seem to be very, very difficult for the United States to move much and make concessions on agricultural subsidies without the European Union making the same concessions multilaterally," he told a luncheon of journalists and diplomats.

European farmers could gain a competitive advantage over their counterparts in the United States or Canada if the FTAA countries agreed on subsidy cuts without getting a similar concession from Europe.



PHOTO: BANK ASIA
Syed Anisul Huq, managing director of Bank Asia, along with other officials and participants poses for a photograph at a workshop on 'Treasury and Exchange Operation' at the bank's principal office in Dhaka on Saturday.

CURRENCY

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

TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
58.7500	58.8000	USD	5785.00	57.6801	57.6110
68.0090	68.0669	EUR	65.5209	65.3285	65.2503
97.6601	97.7432	GBP	94.7178	94.4396	94.3266
40.3495	40.3838	AUD	38.2851	38.1727	38.1270
0.5309	0.5314	JPY	0.5124	0.5109	0.5102
43.5605	43.6975	CHF	42.2973	42.1730	42.1226
7.5282	7.5346	SEK	7.0189	6.9983	6.9899
43.5799	43.6169	CAD	42.3159	42.1916	42.1411
7.5885	7.5949	HKD	7.4597	7.4378	7.4289

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	Malaysian ringgit
45.83	57.895	94.95	40.090	7.0569	0.6421	3.80

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 24/9/2003

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disch
J/1	OCEAN PRIDE	GI (LOG)	YANG	PSAL	16/09	27/09	1153
J/2	PATHEIN	PULSE/RICE	YANG	TOTAL	3/09	24/09	200
J/4	INDUGUWA VALLEY	SUGAR(P)	KAKI	ABLE	20/09	26/09	1072
J/5	AL MUZTUBA	WHEAT (G)	HALD	CLA	15/09	24/09	461
J/6	ASSETS VICTORY	WHEAT (P)	VISH	PARK	16/09	25/09	1350
J/7	BANGLAR DOOT	GI (ST & PA)	PENA	PROG	21/09	30/09	1340
J/8	IRAN VAHDAT	SPL. CARGO	B. ABB	BSC	20/09	26/09	111
J/9	SITTWE (LINER)	GI (ST.C)	YANG	EVERETT	20/09	27/09	1012
J/10	ATLANTIC DIAMOND	WT(P)/PEAS	NORC	MUTUAL	11/09	25/09	1165
J/11	EAGLE STRENGTH	CONT	SING	NOL	21/09	25/09	482
J/12	XPRESS MANASLU	CONT	P. KEL	RSL	22/09	26/09	325
J/13	OCLARK	CONT	P. KEL	QCCL	21/09	26/09	432
CCT/1	BANGABIRAJ	CONT	--	BDSHIP	RIA	26/09	--
CCT/2	BANGLAR SHIKHA	CONT	SING	BSC	20/09	24/09	249
CCT/3	ORIENT GRACE	CONT	P. KEL	PSSL	21/09	25/09	117
RM/14	AMANAT SHAH	REPAIR	YANG	CLA	31/08	27/09	--
CCJ	NOBLE EMPRESS	CLINK	TARJ	BSL	21/09	26/09	--
(RE. EXPORT CARGO: 499)							
CUSTOM	TUG SBM-1	BALLAST	SING	OTBL	09/12	--	--
JETTY	TUG JUBILEE DUA	BALLAST	SING	OTBL	09/12	--	--
K(U)	THALASSINI	UREA	CAL	MBL	19/09	--	24/09

Vessels due at outer anchorage: Dated: 24/9/2003

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
SAMIL PO	24/09	AZEL	HSL	SUGAR
LE CHANGLING	24/09	KAKI	SSA	CLINK
OCEANLBO	24/09	B. MAHS	RKSHIP	BALLAST
STAR SEABIRD	24/09	INDO	LITMOND	CLINK
YONG JIANG (LINER)	24/09	WINCH	BDSHIP	GI
KEISHUN (RORO/24)	25/09	P. KEL	EVERETT	VEHI
BUDY TEGUH (CONT)	25/09	SING	PIL (BD)	CONT

Tanker due

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
NIKMARY	24/09	ROSA	POL	CDSO(RM/3)

Outside port limit:

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
DEA CAPTAIN	--	--	IBSA	R/A (23/09)
QURANIA SMILE	WHEAT (G)	SING	SSST	19/09
BANGLAR ROBI	WHEAT (G)	--	BSC	R/A (19/09)

VESSELS AT OUTER ANCHORAGE

VESSELS READY:

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
ATHINA	R. PHOS	HAMR	BMA	08/09
BANGABORTI	CONT	--	BDSHIP	R/A (16/09)
JAGANG	RICE	CHENN	JNSL	15/09
ORIENT FREEDOM	CONT	P. KEL	PSSL	23/09
BANGABORAK	CONT	P. KEL	BDSHIP	23/09

VESSELS NOT READY

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
GUO SHUN	FERT (BAG)	SING	UNIQUE	13/09
SAFINAZ	FERT (BAG) GI	SING	PML	19/09
TONG SHANG HAI	CANOLA/WT	VANV	MTCL	20/09
CHIN SHWEHAW	SUGAR(P)	KAKI	ABLE	22/09
MYEIK	GI	YANG	TOTAL	22/09
BHORUKA VIKRAM	SUGAR (P)	VIZA	SSTL	22/09

VESSELS AWAITING EMPLOYMENT / INSTRUCTION

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
BANGALANKA	--	--	BARIDHI	R/A (01/09)
BANGABJOY	CONT/REPAIR	--	BARIDHI	R/A (22/09)
BANGLAR SHOURABH	--	--	BSC	R/A (22/09)

Movement of vessels for 25/9/2003

Outgoing	Incoming	Shifting
J/6	A. VICTORY	J/9
J/10	A. DIAMOND	J/11
CCT/3	O. GRACE	E. STRENGTH

The above are yesterday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by ITC Family, Dhaka.

STOCK