

Star BUSINESS

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Fair winds for world growth but dollar dangers emerge

Says OECD

AFP, Paris

Leading economies will grow strongly by 3.2 percent this year but slow to 2.5 percent next year on a soft patch in the United States, the Organisation for Economic Cooperation and Development said on Tuesday.

The OECD area seemed to be redistributing growth between its regions rather than entering "a major slowdown", with a "soft landing" in the US suggesting that there would be no bursting bubble as in 2000, the organisation said.

The report painted a picture of the US economy slowing and the eurozone performing unexpectedly strongly in the short term.

"All considered, the outlook for the OECD area remains favourable," the OECD said in a six-month review of

the world economy.

The 30 OECD countries would show growth of 3.2 percent this year, slightly higher than the last forecast in May of 3.1 percent.

Overall growth next year would be 2.5 percent, a rather sharp reduction from the earlier forecast of 2.9 percent. And in 2008, they would grow by 2.7 percent.

It reassured that house prices and the huge US external deficit should steady, but warned that this could go wrong and then a sharp fall of the dollar, rise of interest rates and housing downturn might feed each other.

The US economy would grow by 3.3 percent this year, instead of by 3.6 percent forecast six months ago, while the eurozone would grow by 2.6 percent, up from a forecast of 2.2 percent.

The forecast for Japan this year was steady at 2.8 percent.

But next year, US growth would be 2.4 percent, sharply down from 3.1 percent forecast earlier. The eurozone by contrast would grow by 2.2 percent, slightly more than 2.1 percent expected in May.

The Japanese economy would grow by 2.0 percent next year, down from an earlier estimate of 2.2 percent.

However, Asian countries, learning from their currency crises in the 1990s, had built up dollar "war chests".

An eventual reduction of the US current account deficit would probably involve "further adjustment in the dollar exchange rate" which could involve "sharp movements not only in exchange rates but also in interest rates".

Nepal unlikely to achieve 5pc growth

XINHUA, Kathmandu

Nepal Rastra Bank (NRB), the central bank of Nepal, predicted that Nepal was unlikely to enjoy 5 percent economic growth this year as targeted by the government, local Annapurna daily reported here yesterday.

"The NRB, however, forecast that the economy would grow 4-4.5 percent," the local daily reported quoting NRB report on national economy.

"The whole economy is destined to suffer this year as the paddy production, a main contributor to national economy, is likely to decrease due to bad weather condition," said Bijaya Nath Bhattarai, governor of the NRB.

However, he said that non-agriculture sector would perform well this year compared to previous years because of ongoing peace process.



PHOTO: SRISTY HOMETEX

Sristy Hometex Limited, a home textile product maker, took part in the International Furniture Fair in Tokyo on 22-25th November. Ashraf-ud-Doula, Bangladesh ambassador to Japan, Mohammad Abdul Qayyum, DG of EPB, Japanese buyer Yuji Shimono and G Saha, managing director of Sristy Hometex, pose with Sristy products in the fair.

CURRENCY

Following is yesterday's (Nov 28, 2006) forex rate statement by Standard Chartered Bank

Major currency exchange rates		Exchange rate of some currencies	
BC Sell	TT Buy	Per USD	BDT per Currency
US dollar	69.65	68.55	
Euro	92.95	88.57	
Pound	136.62	131.27	
Australian dollar	55.65	52.00	
Japanese yen	0.61	0.59	
Swiss franc	58.74	55.71	
Swedish kroner	10.59	9.55	
Canadian dollar	62.54	59.87	
Hong Kong dollar	8.98	8.80	
Singapore dollar	45.93	44.06	
UAE dirham	19.12	18.51	
Saudi riyal	18.72	18.13	
Danish kroner	12.84	11.58	
Kuwaiti dinar	237.51	235.39	
Indian rupee		44.50	1.62
Pak rupee		60.80	1.19
Lankan rupee		108.00	0.67
Thai baht		36.41	1.99
Malaysian ringgit		3.64	19.86

USD forward rate against BDT	
Buy	Sell
1M	68.65
2M	68.77
3M	68.92
6M	69.36

* All currencies are quoted against BDT
* Rates may vary based on nature of transaction
* The forward rates are indicative only and fixed dated

Local Market
FX: Local inter-bank FX market was active on Tuesday. The demand for USD remained stable and there was a steady volume of cross currency transactions. The USD fell against the Bangladeshi taka.
Money Market
Money market was active on Tuesday. Call money rate remained unchanged and ranged between 6.50 and 7.00 percent. Bangladesh Bank accepted one to seven day reverse repos worth Tk 19.66 billion (\$262 million) at an interest rate of 6.5 percent.
International Market
The euro inched towards recent 20-month highs against the dollar, while it hit another record peak versus the low-yielding yen on Tuesday as European policymakers sounded sanguine on the euro's exchange rate.



PHOTO: CITYCELL

Mohammad Abdul Moyeed, managing director of Pride Group, and Sharif Shah Jamal Raj, head of Corporate and Direct Sales of CityCell, exchange documents after signing an agreement. Under the deal, the Pride Group will enjoy telecoms solutions including mobile internet connectivity through CityCell's CDMA 2000 1X technology.

ADB provides assistance to rail project in Vietnam

XINHUA, Manila

The Asian Development Bank (ADB) has allocated a 1.7 million US dollar technical assistance (TA) grant to prepare a project to develop two urban mass rapid transit (MRT) rail lines in Ho Chi Minh City of Vietnam, said ADB in a news release yesterday.

Hubert Jenny, an ADB senior urban development specialist, said MRTs can provide convenient, comfortable, safe, affordable, and clean urban travel, thus reducing reliance on private modes of travel and improving the quality of urban living for Ho Chi Minh residents.

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 28/11/2006

Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Dtof arrival	Leaving	Import disch
J/1	Jkm Muhieddine	Wheat(P)	Novo	Angelic	16/11	1/12	1872
J/2	Long An	Rice(G)	Sing	ANCL	25/11	2/12	1499
J/3	Layar Sentosa	Sugar	Chenn	Mutual	27/11	3/12	--
J/4	Eco Progress	Tsp(BADC)	Sfax	SSST	19/11	3/12	730
J/5	Yaad-E-Mohammed	Gl(S. Ash)	Okha	Intraport	19/11	3/12	--
J/6	Mir Damad	Cont	Viza	BSCA	24/11	28/11	100
J/7	Chanda Naree	Gl	Mong	TMML	25/11	30/11	--
J/8	Orionis	Urea(B/C)	Damm	PSAL	20/11	5/12	1245
J/9	Cape Bonavista	Cont	P. Kel	Bdship	18/11	28/12	--
J/10	Csav California	Cont	P. Kel	PSSL	20/11	30/11	273
J/11	Sea Master One	Cont	Sing	PML	22/11	30/11	139
J/12	Kota Petani	Cont	Sing	Pli(Bd)	19/11	30/11	234

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo	Loading ports
Katya Zelenko	28/11	Sing	NYK	Vehi	210 Pkgs
Xpress Resolve	28/11	P. Kel	Seacon	Cont	Sing
QC Wisdom	28/11	Sing	QCSSL	Cont	Sing
Cape Henry	28/11	Sin	APL	Cont	Sing
Maris	29/11	Kohsi	Litmond	C. Clink	--
Dali	29/11	Col	Seacon	Cont	Col
Dolphin-II	1/12	Viza	Sunshine	Gl(St. Bl)	--
Freya	2/12	Chenn	H & S	Gl(Tin Plate)	--
Banglar Shikha	30/11	Sing	BSC	Cont	Sing
QC Pintail	30/11	Col	QCSSL	Cont	Sing
Banglar Moni	30/11	Col	BSC	Cont	Sing
Qing Jiang	1/12	--	Cosco	Gl	--
Martha Russ	1/12	Sing	QCSSL	Cont	Sing

Tanker due

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo
Borak	1/12	Hald	FSA	Bitumen(RM/4)
Ocean Six	29/11	Lumut	Rainbow	CPO(RM/4)

Vessels at Kutubdia

Name of vessels	Cargo call	Last Port	Local agent	Date of arrival
Tong Hai	Wheat	Kavk	USL	28/11

Vessels at outer anchorage

Name of vessels	Cargo call	Last Port	Local agent	Date of arrival
Precious River	Cont	Sing	Vega	10/11
Rio Lawrence	Cont	Sing	QCSSL	12/11
Ja Vesta	Cont	P. Kel	Vega	15/11
Esham	Cont	Pasi	CEL	15/11
Yong Xing	Cont	Col	PSSL	17/11
Kota Ratna	Cont	Sing	Pli(Bd)	20/11
Josco View	Cont	P. Kel	Eol	22/11
Banga Borak	Cont	Sing	Bdship	22/11
Amer	Cont	Mala	CEL	23/11

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

STOCK