

# Star BUSINESS

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## Global economy at 'turning point': World Bank

AFP, Washington

The global economy has reached a potentially dangerous "turning point" with the United States at risk of recession if the housing market crashes, the World Bank warned Wednesday.

In a report called Global Economic Prospects, the Bank also said globalization is an unprecedented opportunity for developing nations, although income inequality and environmental damage could undermine its benefits.

The twice-yearly report predicted growth in worldwide gross domestic product (GDP) of 3.2 percent in 2007, down from a projected 3.9 percent this year.

reached a turning point and the ingredients are in place for a soft-landing scenario, although some downside risks remain," said World Bank economic forecaster Hans Timmer, one of the report's two authors.

"A faster-than-expected weakening of the housing markets in high-income countries could generate a much sharper slowdown and even recession, with potentially significant effects for developing countries," he said.

The report said growth in the United States should ease gradually, but did not exclude a recession following years of red-hot growth.

"Such a shock could prompt a recession in the United States, with growth slowing to as little as -0.2

percent of GDP in 2007 and 2.7 percent in 2008."

After its latest policy meeting Tuesday, the Federal Reserve cautioned that the US housing downturn has now become "substantial."

Among other major risks identified for the global economy, the World Bank report said an economic "overheating" could provoke a sharper slowdown, while "further inflationary pressure may yet emerge."

A supply shock in oil markets could also disrupt world growth, while a "disorderly unwinding" of global imbalances remains possible.

In the medium term, the risk remains that investors could "rapidly lose confidence in the dollar" as

the US economy slows and its current account deficit mounts.

Government data out Tuesday showed the US trade deficit fell to a 14-month low of 58.9 billion dollars in October, thanks to a retreat by oil prices from summer highs.

But the trade gap with China surged to a new high of 24.4 billion dollars, underlining a political controversy as Treasury Secretary Henry Paulson and other top US officials headed to Beijing for economic talks this week.

The World Bank and International Monetary Fund have repeatedly warned that the global economy is dangerously out of kilter as China runs up mammoth surpluses and the United States devours imported goods.

Such stresses have sparked disquiet, in the United States and elsewhere, about the impact of globalization.

The World Bank report devoted its largest section to how to best manage the growing integration of the international economy.

In terms of its impact on poverty, the benefits of globalization have been clear and should continue, World Bank chief economist Francois Bourguignon said.

"The number of people living on less than one dollar a day could be cut in half, from 1.1 billion now to 550 million in 2030," he said.

Global trade in goods and services could rise more than threefold to 27 trillion dollars in 2030, and trade as a share of the global economy will rise from one-quarter today to more than one-third, the report said.

"However, some regions, notably Africa, are at risk of being left behind. Moreover, income inequality could widen within many countries, compounding current concerns over inequality between countries," Bourguignon cautioned.



PHOTO: RANGS ELECTRONICS

**Song Ah Lee, senior sales executive of ARM, Sony Singapore, inaugurates Sony-Rangs's latest promotional campaign ahead of Eid and New Year at the company's Sonatori Showroom in Dhaka Tuesday. The campaign styled '1 er vitor 3' offers attractive features, including week-long vacation to Nepal, special discounts and gifts through scratch cards on purchase of selected Sony-Rangs products such as still and video camera, home theatre and TV.**

## CURRENCY

Following is Wednesday's (December 13, 2006) forex trading statement by Standard Chartered Bank.

Sell		Buy			
TT/OD	BC	Currency	TT Clean	OD Sight/Doc	OD Transfer
69.8700	69.9000	USD	68.6000	68.5771	68.5314
94.2407	94.2811	EUR	89.6122	89.5823	89.5226
139.3068	139.3666	GBP	133.5848	133.5403	133.4512
56.4829	56.5072	AUD	52.6779	52.6604	52.6253
0.6106	0.6109	JPY	0.5829	0.5827	0.5823
59.2470	59.2724	CHF	56.0458	56.0271	55.9897
10.7567	10.7613	SEK	9.6737	9.6705	9.6640
61.7335	61.7600	CAD	58.9752	58.9556	58.9163
9.0128	9.0167	HKD	8.8086	8.8057	8.7998
46.4345	46.4544	SGD	44.4416	44.4268	44.3971
19.1840	19.1922	AED	18.5375	18.5314	18.5190
18.7797	18.7878	SAR	18.1467	18.1407	18.1286
13.0296	13.0352	DKK	11.7095	11.7056	11.6978
238.3477	238.4522	KWD	235.6286	235.5524	235.3999

### Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	Malaysian ringgit
44.64	60.935	108.05	35.285	6.1227	0.6913	3.54

### Local Market

**FX:** Local interbank FX market was active on Wednesday. The USD remained almost unchanged against the Bangladeshi taka.

### Money Market

Money market was active on Wednesday. Call money rate remained unchanged and ranged at around 6.50 per cent.

### International Market

The dollar held in a tight range versus the euro on Wednesday as investors looked to US retail sales data at 1330 GMT for

clues on whether the US economy is sufficiently weak to require interest rate cuts in 2007. The yen plumbed record lows against the euro and hit eight-year lows versus sterling and the Swiss franc as more investors took the view that the Bank of Japan would not raise rates at a policy meeting next week. On Tuesday the dollar lost ground after a Federal Reserve policy meeting highlighted "substantial" weakness in the housing market while renewing a warning on inflation. It kept rates on hold at 5.25 percent as expected.

## SHIPPING

### Chittagong Port

Berthing position and performance of vessels as on 13/12/2006.

Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import disch.
J/2+3	Sarim	Sugar	Kohsi	Litmond	25/11	20/12	886
J/4	Seiyo Spirit	GI(St.C)	Yang	H&SI	13/12	17/12	324
J/5	Banga Bonik	Cont	Col	Baridhi	7/12	15/12	--
J/6	Bao Xing	Sugar	Kand	Mutual	26/11	14/12	1324
J/9	World Ace	GI(St.Pa)	Sing	Prog	4/12	15/12	1371

### Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo	Loading ports
Zorina	13/12	Sin	OLM	C. Clink	--
Eagle Pioneer	13/12	Sing	CT	Cont	Sing
Banga Borak	13/12	Sing	Bdship	Cont	Sing
Hpaan	13/12	Yang	MTA	GI(Y. Ma)	--
Rio Lawrence	13/12	Sing	QCSL	Cont	L/Ptp
Baltic Frontier	15/12	Stax	SSST	TSP/BADC	--
Hong Yun	14/12	Chin	Litmond	Urea(BCIC)	--
Malaysia Star-1	14/12	PKel	QCSL	Cont	L/Ptp
Ocean Blue	14/12	Sing	Everett	Vehi	135 Pkgs
Coastal Express	14/12	Kol	BSCA	Cont	L/Vizza
Esham	15/12	Sing	CEL	Cont	Sing
Addu Star	15/12	--	Seacom	R. Phos	--

### Tanker due

Name of vessels	Date of arrival	Last Port	Local agent	Type of cargo
Navakun-21	13/12	Pasi	USL	CPO(RM/4/3)
C.P.37	14/12	Thai	BSL	Base Oil(RM/3)
Al Deerah	16/12	Kuwa	MSTPL	HSD/JP-1

### Vessels at Kutubdia

Name of vessels	Cargo call	Last Port	Local agent	Date of arrival
Sea Bulker	Wheat(P)	--	Total	5/12
Medi Melbourne	Wheat(P)	Jedd	Jnship	8/12
Elli	Crude Oil	Rast	DSL	4/12

### Vessels at outer anchorage

Vessels ready	Cargo	Port	Agent	Date
Vasashin Mariner	Cont	Ptp	PSSL	8/12
Kota Rakayet	Cont	Sing	Pli(Bd)	8/12
Kota Benjaya	Cont	Sing	Pli(Bd)	9/12
Pacific Express	Cont	Sing	Pli(Bd)	10/12
CSAV California	Cont	Col	PSSL	10/12
Kota Rukun(Cont)	Cont	Sing	Pli(Bd)	11/12
Borak	Bitumen	Hald	FSA	11/12
Sea Master One	Cont	Sing	PML	12/12
Fu Wen Shan	GI	Pusa	Cosco	12/12

### Vessels awaiting employment / instruction

Vessel Name	Status	Agent	Date
Banglar Shourabh	--	BSC	R/A(2/16)
Asrar-A-Mostafa	--	Intraport	R/A(6/10)
Banglar Mookha	Repair	Damm	18/11
Layar Sentosa	--	Mutual	R/A(3/12)
TCP-6	--	SPCL	R/A(4/12)
Orionis	--	PML	R/A(10/12)

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



PHOTO: LEMON COMMUNICATIONS

**Selim Chowdhury, managing director of Group 4 Securitas Bangladesh (P) Ltd, a subsidiary of Group 4 Securitor PLC, and Tanvir Ibrahim, head of Corporate Sales of Banglalink, exchange documents after signing a corporate agreement recently. As per the deal, the security service providing company will enjoy special tariff and value added services under the mobile phone operator's 'Professional' package.**

## STOCK