

Star BUSINESS

E-mail: business@thedailystar.net

China, India face financial risks amid global slowdown

AFP, Washington

Asian powerhouses China and India have to grapple with some critical problems in their financial systems amid a projected slowdown in global economic growth, experts warn.

The two large economies have been growing rapidly in a relatively favorable external environment so far.

But with the world economy likely to slow down, China may face a potentially large number of new defaults on nonperforming loans, warned Jahangir Aziz, the China

division head of the International Monetary Fund (IMF).

A key reason for this, he said, could be falling consumption in the world's most populous nation, which had been expanding on the back of rapid investment and trade surpluses.

"The question is, can China keep on expanding its export markets without seeing a rise in protectionist pressures or more stiffer price competition from its competitors in a world economy which is not growing as fast as it used to be in the past few years," he asked.

They "could lead to a potentially

large number of new loan defaults on nonperforming loans" and "an adverse banking sector," Aziz said at the launching in Washington of two new IMF books on the expanding role of China and India in the world economy.

Aziz said that the threat facing China came at a "very unfortunate time" as Beijing had just completed or was almost to complete a very large recapitalization of the banking system.

"If this banking system is now faced with another spate of new nonperforming loans, then that is going to push back the reforms that

took place over the last few years," he said.

India, on the other hand, may see an end to its dangerous living with high fiscal deficits amid the expected slowdown, another expert told the forum.

"High fiscal deficits did not create a crisis in my view largely because of this global benign environment...that masked the otherwise pernicious effect of high fiscal deficits," he said.

Another "concern," he said, was that India's public sector owned 75 percent of the assets of the banking system.



PHOTO: DUTCH BANGLA

Md Yeasin Ali, managing director of Dutch Bangla Bank Ltd, opens the 35th branch of the bank at Arzoo Mansion at Naya Bazar in the capital on Monday. The new branch will have ATM facilities on its premises.

CURRENCY

Following is yesterday's (Dec 19, 2006) forex rate statement of Standard Chartered Bank.

Sell		Buy			
TT/OD	BC	Currency	TT Clean	OD Sight/Doc	OD Transfer
69.5700	69.6000	USD	68.3000	68.2772	68.2317
92.4724	92.5123	EUR	87.8953	87.8660	87.8074
137.1016	137.1607	GBP	131.4229	131.3791	131.2914
55.7047	55.7287	AUD	51.9285	51.9112	51.8766
0.6020	0.6023	JPY	0.5748	0.5746	0.5742
57.8448	57.8698	CHF	54.7539	54.7356	54.6991
10.5122	10.5168	SEK	9.4677	9.4645	9.4582
61.2250	61.2514	CAD	58.4760	58.4565	58.4176
8.9691	8.9730	HKD	8.7653	8.7624	8.7565
46.0302	46.0500	SGD	44.0389	44.0243	43.9949
19.0969	19.1051	AED	18.4460	18.4399	18.4276
18.6986	18.7067	SAR	18.0683	18.0623	18.0502
12.7752	12.7807	DKK	11.4931	11.4893	11.4816
237.2944	237.3989	KWD	234.6060	234.5301	234.3784

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Norwegian	NZ dollar	Malaysian ringgit
44.805	61.1	107.65	35.725	6.2346	0.6906	3.56

Local Market

FX: Local interbank FX market was active on Tuesday. The USD strengthened against the Bangladeshi taka.

"The American side has a long and repeatedly unfulfilled duty on annulling the Jackson-Vanik Amendment," Lavrov was quoted as saying.

The measure was introduced by the US Congress in 1974, barring establishment of full trade relations with the Soviet Union in order to pressure Moscow's communist leadership into easing restrictions on emigration of ethnic Jews.

Moscow has repeatedly pushed for the measure to be lifted, arguing that in modern Russia emigration restrictions no longer exist.

Bank of Japan left interest rates on hold as expected but the central bank's governor Toshihiko Fukui said domestic consumer prices had softened, which prompted investors to scale back expectations for tighter policy there. The dollar was steady against yen. For insight into whether the Japanese economy is improving enough for the BOJ to raise rates next month, the market will be eager to digest readings due next week for consumer prices, household spending and unemployment. Market is also waiting for the US Treasury to release its semi-annual report on foreign exchange on Tuesdays, days after Treasury Secretary Henry Paulson returned from China with no major breakthrough on the value of the yuan.

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 19/12/2006

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	23/12	1660
J/4	Hpaan	Gl(Y,Ma)	Yang	MTA	13/12	21/12	--
J/5	Fu Wen Shan	Gl	Pusa	Cosco	12/12	20/12	2151
J/9	Csav California	Cont	Col	PSSL	10/12	19/12	44
J/10	Banga Bijoy	Cont	Col	Baridhi	12/12	20/12	197
J/11	Sea Master One	Cont	Sing	PML	12/12	19/12	--
J/12	Dali	Cont	Col	Seacon	16/12	22/12	160
J/13	Banga Borak	Cont	Sing	Bdship	13/12	21/12	278
CCT/1	Kota Rukun	Cont	Sing	Pil(Bd)	11/12	21/12	254
CCT/2	Esham	Cont	Pasi	CEL	15/12	21/12	209
CCT/3	Rio Lawrence	Cont	Sing	QCSL	14/12	19/12	66
NCT/1	Kota Ratna	Cont	Sing	Pil(Bd)	12/12	21/12	92
NCT/2	Malaysia Star-1	Cont	P. Kel	QCSL	14/12	20/12	318

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo	Loading ports
Hope	19/12	Novo	Litmond	Wheat(P)	--
Ja Vesta	19/12	Sing	Vega	Cont	Sing
Brave Royal	19/12	Kant	BRSL	C. Clink	--
Vana	19/12	Sing	Move	C. Clink	--
Four Glens	19/12	S. Hai	Rsship	Scraping	--
Xpress Resolve	19/12	Sing	Seacon	Cont	Sing
Cec Liberty	21/12	Hald	Sunshine	Pr. Cargo	2 Pkgs
Pac Palawan	20/12	Sing	CEL	Cont	Sing
Desert Sun	20/12	Argen	Rainbow	Soyabean	--
Josco View	20/12	P. Kel	RSL	Cont	Sing
Phu Tan	21/12	Sing	PSSL	Cont	Sing
Oel Enterprise	21/12	Col	PSSL	Cont	Col

Tanker Due

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo
Topless	20/12	Kuwa	MSTPL	HSD/JP-1
Smooth Sea-3	20/12	Belaw	Rysl	Cpol
Jag Preeti	22/12	Chenn	SLL	HSD
Lady-1	23/12	Pasi	USL	CDSO(RM/3)

Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Wira Keris	--	--	IBSA	R/A(19/12)
Triton Lark	Wheat(P)	Russ	Rainbow	18/12

Vessels at outer anchorage

Name of vessels	Cargo	L. Port call	Local agent	Date of arrival
Banga Borak	Cont	Sing	Bdship	16/12
Banga Bodor	Cont	P. Kel	Baridhi	16/12
Cape Henry	Cont	Sing	APL	17/12
Marissa Green	Cont	Sing	Everbest	17/12
Precious River	Cont	Sing	Vega	17/12
Eastern Star	Cont	--	PML	R/A(14/12)

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



PHOTO: GP

Grameenphone (GP) and Bangladesh Power Development Board have jointly launched 'BillPay', which enables PDB customers in Chittagong city to pay their bills electronically at any GP authorised 'BillPay' centre. ANH Akther Hossain, energy ministry secretary, ANM Rizwan, chairman of PDB, and Erik Aas, managing director of GP, among others, were present at the 'BillPay' launching ceremony.

Russia urges US to end Cold War-era trade restrictions

AFP, Moscow

Russian Foreign Minister Sergei Lavrov called Tuesday on the United States to end Cold War-era trade restrictions, known as the Jackson-Vanik Amendment, Interfax news agency reported.

"The American side has a long and repeatedly unfulfilled duty on annulling the Jackson-Vanik Amendment," Lavrov was quoted as saying.

Moscow has repeatedly pushed for the measure to be lifted, arguing that in modern Russia emigration restrictions no longer exist.

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