

Asia to see strong growth in 2000, 2001: IMF

Bankers want fund to push reforms

WASHINGTON, Apr 4: Asian economies will record strong growth this year and next after a dismal showing during the crisis of 1997-99, according to International Monetary Fund data obtained by Reuters yesterday.

The figures, set to form a key part of the fund's World Economic Outlook when it is released April 12, project 2000 growth of 7.0 per cent in South Korea, 6.2 per cent in Taiwan, 6.0 per cent in Hong Kong and 5.9 per cent in Singapore.

But the performance will slacken off in most of these countries next year, the IMF added, projecting 6.5 per cent growth in South Korea, 6.0 per cent in Taiwan, 4.7 per cent in Hong Kong and 6.0 per cent in Singapore.

In China, which has administered Hong Kong since 1997, the economy would grow 7.0 per cent this year and 6.5 per cent in 2001.

The IMF forecast that Asia's emerging economies would expand 6.2 per cent this year and 5.9 per cent in 2001.

It projected that growth of 4.5 per cent this year and 5 per cent in 2001 and Indonesian growth of 3 per cent in 2000 and 3.5 per cent next year. The Malaysian economy would

grow 6.0 per cent this year and 5.8 per cent in 2001, it said.

Thailand, Indonesia and South Korea were the three big Asian recipients of multibillion dollar IMF-sponsored rescue deals as their economies teetered on the brink of economic collapse.

But all three countries are now recovering strongly from recession — South Korea's economy rose 10.7 per cent last year, the strongest performance recorded by the IMF anywhere in the world.

Moving further across the Pacific, the IMF forecast growth of 3.9 per cent in Australia this year, slowing to 3.5 per cent in 2001. It said the New Zealand economy would grow by 3.9 per cent in 2000 and 3.4 per cent in 2001.

Another report says, the world's recovery from the crisis-induced slump of 1997-99 should provide a window of opportunity for additional reforms to the world financial system, an influential bankers' group said yesterday.

The Institute for International Finance, in an open letter to ministers and central bankers meeting in Washington later this month, said emerging markets would grow some 5 per cent this year, after a slim 1 per cent last year.

Meanwhile the International Monetary Fund sees Latin America recovering fast from last year's slump.

growing at a pace which many economists believe to be unusual.

"Past experience has shown that periods of enthusiasm can be followed by sharp breaks in market sentiment if difficult reform measures are postponed," said IIF Managing Director Charles Dallara.

Dallara, reiterating a long-standing message from the bankers' group, said emerging market governments needed an "ongoing dialogue" with investors.

The International Monetary Fund needed to make its country surveillance more relevant to investors and lenders, releasing its detailed annual economic surveys for all economies with substantial access to world capital markets.

The IMF is carrying out a pilot project under which it releases detailed staff reports assessing economies as diverse as the Bahamas, Finland and the United States. But these reports, like a shorter summary of the board's discussions on a country's economy, are only released if the country approves.

Dallara also said countries needed to maintain sound economic policies, improve transparency and meet international standards on official data.

Meanwhile the International Monetary Fund sees Latin America recovering fast from last year's slump.

Brazil, rebounding from last year's devaluation, will grow 4 per cent this year and 4.5 per cent next year, according to the estimates due to be released on April 12 in the twice-yearly World Economic Outlook.

Mexico, the only major economy in the region not to suffer last year's recession, will plough ahead at 4.5 per cent in 2000 and speed up to 5.3 per cent in 2001, the IMF estimated.

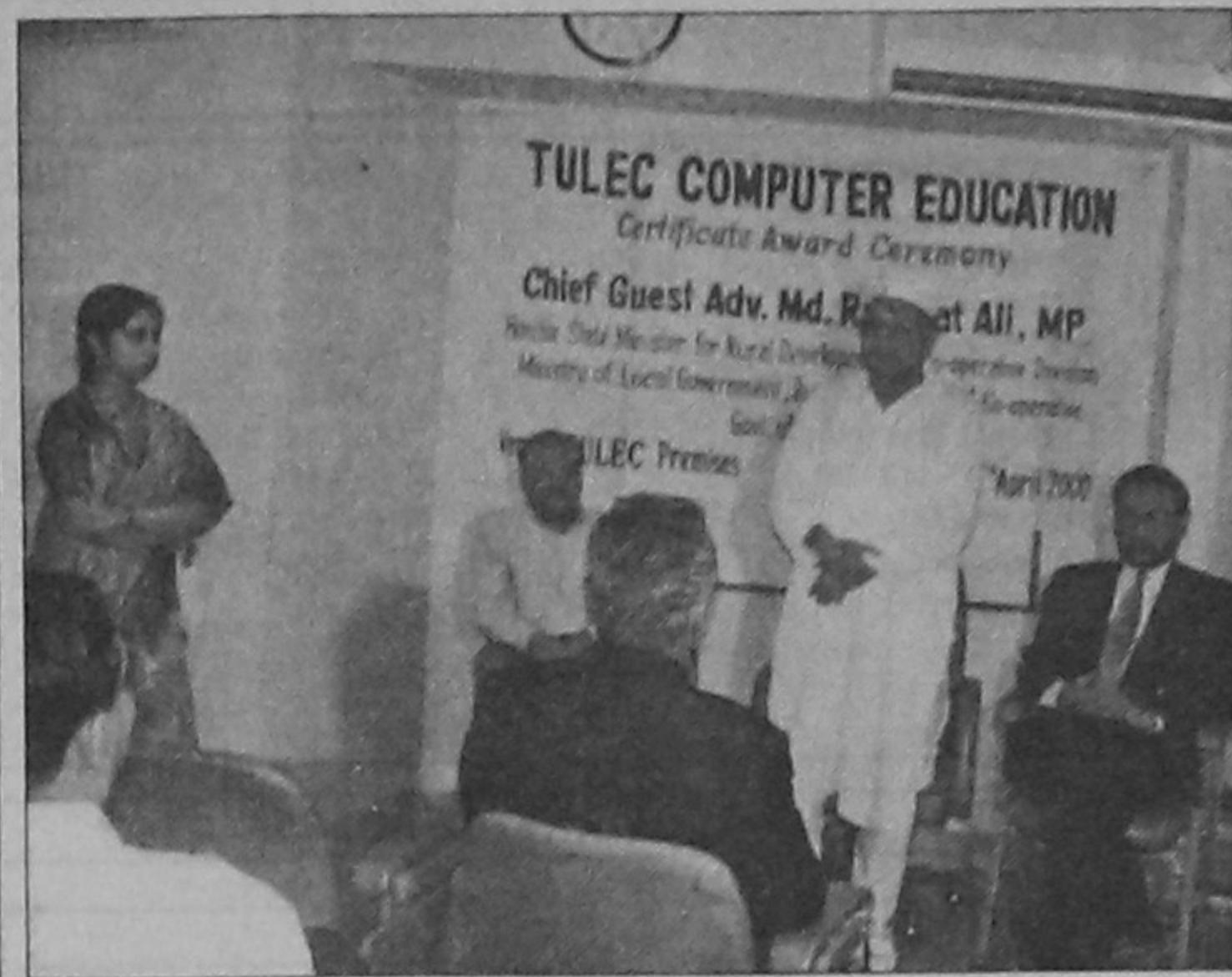
Argentina, which contracted 3.1 per cent in 1999, will grow by 3.4 per cent this year and 3.7 per cent next year.

Chile will spring back from last year's 1 per cent decline in GDP to grow 6 per cent in 2000 and 6.5 per cent in 2001.

Venezuela will overcome the region's worst recession, a 7.2 per cent fall in 1999, to grow 3.2 per cent this year and 3.1 per cent next year, according to the IMF projections.

Colombia shrank 5 per cent last year, but will rebound and grow 3 per cent this year and 4.8 per cent next year, while Peru will grow 4 per cent in 2000 and 6 per cent in 2001, the IMF forecast.

Ecuador, which has begun to adopt the dollar as its currency after a 7 per cent economic contraction last year, is expected to grow 1.5 per cent in 2000 and 4 per cent in 2001.



TULEC Computer Education certified the students of its fourth executive batch at a function held Monday. Picture shows chief guest Advocate Md. Rahmat Ali, (middle), State Minister for Rural Development & Co-operative Division, addressing the audience. Md. Ali Akbar Khan, MD, Tulec Computer Education Dhaka (on his right), and Joy Nag, Country Manager, Tata International Ltd, Bangladesh (on his left), were also present.

— TULEC photo

Nasdaq suffers record loss

Microsoft leads dip in European stocks

LONDON, Apr 4: Investors' shaky confidence in telecom, media and technology stocks, coupled with a steep drop in Microsoft shares, caused European stocks to close mostly lower Monday, reports AP.

The Dow Jones Stoxx Index of shares in European companies fell 6.98 points, or 1.8 per cent, to 387.12, while the London-based TechMARK 100 index fell 5.4 per cent and the telecom subindex 5.7 per cent.

Microsoft shares fell 10 per cent in London trading and a further 13 per cent in New York, hours ahead of the expected verdict from the judge overseeing the Microsoft antitrust trial. Settlement talks between the software company and the government collapsed over the weekend.

The Dow Jones Euro Stoxx Index, which tracks companies in countries that joined the single currency, ended down 11.72 points at 429.35. The Dow Jones Euro Stoxx 50 Index was down 12.8 points at 5,122.7, while the Dow Jones Stoxx 50 index fell 9.1 points to 4,966.0.

Lehman stocks shrugged off the Austrian National Bank's decision Monday to sell gold, while European oil stocks were unaffected by a statement by the OPEC president that another oil output hike by members will probably be needed.

Jackson's verdict, as the market expected, went against the company founded by Bill Gates, with the federal judge ruling that Microsoft attempted to quash competition in breach of antitrust laws.

The Dow appeared immune to Microsoft's woes, however, with traditional blue chips faring well, notably financial issues.

Oil weak as market awaits OPEC crude

LONDON, Apr 4: Oil fell back yesterday as dealers expected extra crude from OPEC producers after their decision to boost output and cool an overheated market, reports Reuters.

Benchmark Brent blend for May ended 24 cents lower at \$24.53 a barrel, well above its 1999 average of \$18.03 but down from its average so far this year of \$26.53.

May New York Mercantile Exchange (NYMEX) crude futures finished 45 cents down at \$24.45 a barrel, about 23 per cent down from a nine-year high of \$34.37 in early March.

"There could still be further downside ahead for crude, but we are not talking about a dramatic collapse — there should be plenty of buyers in the wings," broker GNI said in London.

In some cases new crude will take two months to reach end-users like motorists, but some

OPEC producers can rapidly supply extra volumes to US customers from storage in the Caribbean.

OPEC last Wednesday agreed an output rise of 1.45 million barrels per day (bpd) for nine of its members following a determined US campaign to wrestle prices lower and prevent a looming gasoline shortage in the thirsty American market.

Iran opted out of the OPEC deal but said it would still increase output by its allocated amount, in effect taking the output hike on paper to 1.7 million bpd.

The Centre for Global Energy Studies, a London-based think tank, estimated actual new flows would amount to 1.1 million bpd. It said this would be insufficient to push prices sharply lower but enough to prevent them returning to nine-year peaks above \$30.

Bangladesh Sugar and Food Ind Corporation Adamjee Court (5th floor)

115-120, Motijheel Commercial Area, Dhaka-1000

Ref. No. BSFIC/Air/C&F Agent/4/2000-2001 Dated: 22.3.2000

Re-Tender Notice for Clearing & Forwarding Works at Dhaka Airport

Sealed tenders are invited from bonafide licence and experienced Clearing & Forwarding Agents by Purchase Division of Bangladesh Sugar and Food Ind. Corporation, Purbarah Bhavan (2nd floor), 3, Dilkusha Comm Area, Dhaka-1000 for Clearing & Forwarding of Imported Stores through Zia International Airport, Dhaka. Earnest money of Tk 10,000.00 (Ten thousand) only in the form of Tk Order/Demand Draft in favour of Bangladesh Sugar & Food Ind. Corporation should accompany the tender. Tender must be dropped in the tender box kept in the Purchase Division at 12:00 Noon on 25.4.2000 and opened in presence of the tenderers (if any) at 12:10 PM on the same day. Tender schedule with detailed description and other terms and conditions will be available from the Addl Chief Accountant of this Corporation at Adamjee Court (4th floor), 115-120, Motijheel Comm Area, Dhaka-1000 on cash payment of Tk 150.00 (One hundred fifty) only (non-refundable) on all working days from 9:00 am to 12:30 PM. No tender documents will be sold on the day of opening of tender. Corporation reserves the right to accept/reject any or all tenders without assigning any reason whatsoever.

ST-280 DFP-7402-30/3 G-601

M A Zaman Additional Chief (Purchase)

Exchange Rates

| Following are yesterday's Standard Chartered Bank rates of major currencies against Taka | | | | | |
|--|--------|----------|--|----------|--------------|
| Selling | | Currency | | Buying | |
| TT/OD | BC | | | TT Clean | CD Sight Doc |
| 51250 | 51260 | USD | | 50,920 | 50,6516 |
| 0.4966 | 0.4966 | JPY | | 0.4755 | 0.4739 |
| 312538 | 312752 | CHF | | 30,4439 | 30,3430 |
| 303700 | 303907 | SGD | | 29,0782 | 28,9819 |
| 358167 | 358411 | CAD | | 34,5432 | 34,2987 |
| 59207 | 59247 | SEK | | 5,8134 | 5,7941 |
| 32042 | 32061 | AUD | | 29,2217 | 28,9221 |
| 136255 | 136348 | MYR | | 13,2327 | 13,1888 |
| 66130 | 66175 | HKD | | 6,4028 | 6,4713 |
| 137698 | 137792 | SAR | | 13,4430 | 13,3965 |
| 140620 | 140716 | AED | | 13,7210 | 13,6756 |
| 0.0463 | 0.0463 | NRW | | 0.0455 | 0.0453 |
| 823647 | 824210 | GBP | | 80,5463 | 80,3790 |
| 497139 | 497478 | EUR | | 47,8470 | 47,6865 |

Usance export bills

| TT Doc | 30 Days | 60 Days | 90 Days | 120 Days | 180 Days |
|--------|---------|---------|---------|----------|----------|
| 507152 | 504023 | 49,9646 | 49,5042 | 49,8921 | 47,8126 |

Exchange rates of some Asian currencies against US dollar

| Indian Rupee | Pak Rupee | Thai Baht | Mal. Ringgit | Indo. Rupiah | Sing. Dollar |
|--------------|------------|------------|--------------|--------------|--------------|
| 43,5443,64 | 51,8851,90 | 37,3897,93 | 3,7995,05 | 7430,7445 | 0,4872,82 |

US dollar

| Buying | Selling | 1 Month | 3 Months | 6 Months | 2 Months |
|------------|---------|---------|----------|----------|----------|
| Cash rates | 5065 | 5125 | USD | 6,13125 | 6,22575 |

Liber

| T.C. | Buying | Selling | 1 Month | 3 Months | 6 Months | 2 Months |
|------|--------|---------|---------|----------|----------|----------|
| | 506 | 512 | GBP | 6,05688 | 6,2625 | 6,47478 |

Market commentary

On Tuesday, demand for US dollar in the local interbank market was higher due to import payments and lower foreign currency inward remittances through the banking channel. Some of the authorised dealers approached the Bangladesh Bank for buying required dollar funds, after failing to square US short positions from the interbank market. The dealers said that few US/BDT deals took place above the central bank's US/BDT offer rate of 51.15. In the interbank market, the rate for cash US dollar was said to have crossed BDT 53 on high demand. The money market eased and the call rate ranged between 6 and 6.25 per cent.

The international foreign markets major focus was on the political developments in Japan. Japanese Prime Minister Keizo Obuchi was reported to be in coma. However, the news had limited impact of the Japanese yen. The US dollar was slightly hurt by Nasdaq fall. Dollar hovered around the 105 yen level. The euro also made limited gains from the ongoing political crisis in Japan.

Shipping Intelligence

Chittagong port

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