

# South, SE Asia may grow fastest

Collective growth rate seen at 6.2pc in 2000, 2001

UNITED NATIONS, Apr 24: The World's fastest economic growth rates are expected to be in South and Southeast Asia which will collectively reach about 6.2 per cent each in 2000 and 2001 compared with 5.8 per cent in 1999, according to latest figures released here, says IPS.

The most vibrant growth will be in South Korea (8.2 and 7.3 per cent in 2000 and 2001 respectively), followed by China (7.5 and 7.6 per cent), Malaysia (7.2 and 6.9 per cent) and India (6.35 and 6.8 per cent).

In a report titled "Global Economic Outlook," the UN says that most crisis-affected East Asian countries have been recovering at a robust pace since 1999, with South Korea

leading the group with a record 10.7 per cent growth in 1999.

The financial crisis of mid-1997 virtually destroyed the economies of Thailand, Indonesia, South Korea and the Philippines. As a result, the International Monetary Fund (IMF) had to bail out South Korea with 58 billion dollars in financial assistance. Indonesia with 43 billion dollars, Thailand with 17.2 billion dollars and the Philippines with about 1.0 billion dollars. But virtually all of these economies have gradually recovered from the devastation.

"Strengthening domestic demand and the foundations for sustainable export growth are expected to continue to lead

the expansion in East and South Asia," the report said.

In contrast to the projected 6.2 per cent growth in South and Southeast Asia, African economies are expected to grow by 4.4 per cent and 4.6 per cent in 2000 and 2001 respectively while the economies of Latin America and the Caribbean will grow by about 3.7 and 4.2 per cent.

The collective economic growth in the world's industrial nations, however, is expected to reach only about 3.0 per cent each in 2000 and 2001. The strongest growth will be in the United States — at 4.2 per cent in 2000 and 3.7 per cent in 2001 compared with Japan's 0.9 per cent and 1.9 per cent.

The UN study, released Thursday, says the economic performance of the United States over the past few years has been "unprecedented" in recent history. By March 2000, the current upswing set a record for the longest period of continued economic expansion — 108 months in a row.

"It is not only the length but also the strength of the current expansion in the US with low inflation and low unemployment that has been surprising — indeed puzzling — economists and policy makers," the report said.

An important feature of the US economy has been a rise in the trend of productivity growth since the mid-1990s. In 1999,

labour productivity rose over three per cent compared with the average of just half that magnitude over the past two decades.

Meanwhile, the information technology revolution has been accompanied with capital deepening and improved labour quality, according to the report. These have recently been seen as the main causes for the higher productivity growth.

In contrast, the Japanese economy remains sluggish, as the large scale government stimulus spending in the past several years has thus far failed to put consumption and investment on a self-sustained path.

## Outgoing Bank Negara chief says No reason to scrap ringgit peg

KUALA LUMPUR, Apr 24: Malaysia's outgoing central bank chief said inflation is expected to remain subdued over the medium term and there are no compelling reasons to readjust the ringgit currency peg, reports Reuters.

"We believe that the present ringgit exchange rate is consistent with the fundamentals of the economy," Bank Negara governor Ali Abu Hassan Sulaiman said in an interview published today in the Star newspaper.

As such, there are no compelling reasons to warrant a readjustment of the peg."

The ringgit was fixed at 3.80 units per US dollar in September 1998, and most economists consider it undervalued. But Ali said inflation is expected to remain subdued and "the threat of (currency) misalignment remains small."

The consumer price index, which is the most widely used measure of inflation in Malaysia, rose by 1.5 per cent over the first three months of the year compared with the same period in 1999.

"Given that this is a market-driven merger, we do not expect the banking institutions to face much difficulty in meeting the end-2000 deadline," he said.

The question of whether 10 banking groups is the final number is for the market to determine.



The statutory meeting of the shareholders of Islami Insurance Bangladesh Limited was held at the head office of the company in the city on Saturday. Members of the company and Managing Director A B M Nurul Haq were present.

— Islami Insurance photo

## Land violence clamps down on tourism at Victoria Falls

VICTORIA FALLS (Zimbabwe), Apr 24: Violent sheets of foam and water collapse over Victoria Falls into a gorge 100 meters (yards) below, creating an awe-inspiring swirl of mist and rain that attracts mobs of tourists from around the world, reports AP.

But with political turmoil and an often violent fight over white-owned farms roiling Zimbabwe, the crowds at the falls have thinned out, leaving the local economy gasping and tourism businesses worried about the future.

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"This should be one of our busiest weekends," McNamara said.

"It isn't."

The town's hotels, fully booked last Easter, were only about 70 per cent full this year, said Andy Conn, regional chairman of the Zimbabwe Council for Tourism.

"The coming months are likely to be much worse," Conn said.

Many reluctant visitors swallowed their fears and came

blame people."

Over the holiday weekend, the town centre was desolate, the craft market was silent and McNamara's usually sold-out champagne river cruises were attracting little interest.

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Many reluctant visitors swallowed their fears and came

this weekend, because it was too late to get a refund for their accommodations. Visitors' with reservations in May and later can cancel with no such penalty, Conn said.

Thousands already have.

"We are going into a serious dice the next three months. It's looking very, very bleak," Conn said.

The falls themselves are at their peak of beauty. With the mighty Zambezi River gorged with water from recent floods, the 1,708-meter-wide (5,604-foot-wide) falls dump hundreds of thousands of cubic meters (millions of cubic feet) of water a minute into the giant crevice below.

Vietnam PM says  
subsidies alone  
won't beat  
poverty

HANOI, Apr 24: Communist Vietnam's prime minister has urged individuals to pull themselves from poverty as the scourge will never be beaten if the state keeps doling out subsidies, an official newspaper reported today, says Reuters.

"Vietnam now belongs to the group of poorest countries in the world and poverty is really the whole nation's share," the Saigon Times Daily quoted Phan Van Khai as saying on Friday.

The English-language paper quoted Khai as saying Vietnamese needed "the self-respect to pull him or herself out of poverty by their own bootstraps without relying on the government's help" at a conference reviewing Vietnam's poverty reduction programme.

He said poverty would linger forever if the government continued to subsidise poor households that refused to help themselves.

Labour and Social Welfare Minister Nguyen Thi Hang told the same conference the proportion of very poor households in Vietnam had fallen to 13 per cent last year from 15.7 per cent in 1998.

## Statutory meet of Islami Insurance shareholders held

The statutory meeting of the shareholders of Islami Insurance Bangladesh Limited was held at its head office in the city on Saturday, says a press release.

The meeting was attended by the shareholders of the company, the managing director of the company, A B M Nurul Haq, was also present at the meeting.

The company has so far established 18 branches in the city and other parts of the country to expand its business.

## Major Thai bank posts profits

BANGKOK, Apr 24: Thailand's third-largest commercial bank, Thai Farmers Bank, has shown quarterly profits for the first time since the Asian crisis struck in 1997, says AP.

But the country's largest bank, Bangkok Bank, remains mired in red ink due to losses from problem loans.

Thai Farmers said last week it had a net profit of 301.4 million baht (\$8 million) in the first quarter, versus a net loss of 7.24 billion baht (\$195 million) a year earlier.

## Exchange Rates

Following are yesterday's Standard Chartered Bank exchange rates against the Taka to major currencies					
Central Bank USD/BDT rate		Buying-BDT 50.85		Selling-BDT 51.15	
TT/OD	BC	Currency		TT Clean	OD Sight Doc
TT/OD	BC			TT Clean	OD Sight Doc
512250	512500	USD		50.8500	50.8815
04908	04910	JPY		0.4732	0.4716
303036	303045	CHE		30.1548	30.0548
305694	306043	SGD		29.4680	29.3704
350516	350787	CAD		34.2194	34.1060
58567	58605	SEK		5.7588	5.7277
314163	314316	AUD		28.6184	28.5235
136255	136321	MYR		13.2405	13.1633
66116	66148	HKD		6.4952	6.4599
137691	137758	SAR		13.4502	13.3716
140620	140688	AED		13.7291	13.6836
00464	00465	KRW		0.0457	0.0454
81287	813184	GBP		79.6260	79.0717
487252	487490	EUR		47.0973	46.9412

## Usance export bills

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
507452	504321	501041	49.5335	49.0110	47.8408

## Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Tha Baht	Mal. Ringit	Indo Rupiah	Sing. Dollar
43/60/43.6	51.75/	37.92/	3.7995/	7893/	0.4923/
5	52.10	37.97	—	7913	0.4939

## USD

	Buying	Selling	1 Month	3 Months	6 Months	12 Months
Cash	50.85	51.25	USD	615	6.31813	6.52438

## Market commentary

On Monday in the interbank foreign exchange market, demand for US dollar was high. Call money market continued to be moderate and call rate ranged between 5.5 and 6 per cent.

In the International markets, the yen moved in tight ranges against dollar and euro as the holiday thinned market reacted to the potentially bullish news for the Japanese currency. The market players commented that they were reluctant to trade aggressively on any major currencies. The Nikkei average rose by 3.65 per cent recovering partly from a ten per cent decline following a reshuffle in the index component share. The market ignored upbeat comments on the Japanese economy by Finance Minister Kiichi Miyazawa, who said he expected high growth in GDP for the January March quarter in response to healthy spending by companies. The market, in general, spend a quiet day as most of the major currency centres are closed for Easter holidays.

## Shipping Intelligence

### Chittagong port

Berth position and performance of vessels as on 24.4.2000

Berth no	Name of vessels	Cargo	L port call	Local agent	Date of Leaving
J/1	Gannet	G/IMa	Dal	Rainbow	18/4 24/4
J/2	Xiangjiang	Gl	Shal	Bdship	19/4 27/4
J/3	DU Man Gang	Rice(P)	Hochi	Total	4/4 304
J/4	AA Venture	Rice(P)	Kara	CLA	22/4 30/4</