

# 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 4.5 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 continuous 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.

## 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.

## 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 scrap 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 Abul 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.

"Generally, misalignments can happen if domestic inflation increases, there are massive capital inflows as well as a sharp appreciation of the US dollar," he said.

However, these factors are not expected to pose a threat in the near term.

The central bank chief, who will be stepping down after 20 months in the post, said the elimination of offshore trade in the ringgit had brought stability to the financial system.

Ali, who will be replaced at the head of Bank Negara on May 1 by Zeti Akhtar Aziz, current deputy governor, said bank mergers were progressing smoothly.

All of Malaysia's financial institutions must merge into 10 core groups by the end of the year.

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 rolling Zimbabwe, the crowds at the falls have thinned out, leaving the local economy gasping and tourism businesses worried about the future.

"We're looking at cancellations daily," said Mike McNamara, general manager of Dabula Safaris. "I can't really

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.

"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. 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 dive 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.

## Indonesian reforms please IMF

### Govt warned against backsliding

JAKARTA, Apr 24: The International Monetary Fund's acting director said Monday has been encouraged by Indonesia's economic reform but warned that the government must not waver from the reform programme demanded by the fund, reports AP.

Speaking after meeting President Abdurrahman Wahid, Stanley Fischer said he expects the flagging national currency to strengthen if reforms are put in place.

"I believe the President will renew his efforts to implement the programme, the fund's most senior official told reporters at the state palace."

Indonesia has been under pressure to meet a host of reform deadlines before the IMF will release a \$400 million loan.

The IMF postponed the disbursement of the loan tranche because Wahid's government slipped back in its timetable for change.

An IMF review team this week is scheduled to assess Indonesia's reform record before

the fund's board meets in May to decide whether to resume lending to Indonesia.

"The main reason for my visit is to reassure President Wahid of the IMF's support for Indonesia's economic programme and to review its progress with him," Fischer said in a statement Sunday.

He also welcomed this month's Paris Club of creditors agreement to reschedule \$5.8 billion of Indonesia's debt.

Senior Economic Minister Kwik Kian Gie last week said he was optimistic that the IMF would resume lending to Indonesia in May.

The minister also said that, as of last Wednesday, the government had implemented 90 per cent of the programme stipulated in the letter of intent with the IMF.

The national currency has weakened progressively over the past few weeks, hitting a low of 8,000 rupiah to the dollar last week, well off its levels of around 6,875 at the beginning of the year.

## Japan PM, BOJ vow to back economy as polls loom

TOKYO, Apr 24: With elections looming, the Japanese government and central bank vowed anew today that they would continue to support the economy's fragile recovery, reports Reuters.

In his first appearance before a key committee of parliament, Prime Minister Yoshiro Mori promised to press on with the recovery-first policies of his predecessor, Keizo Obuchi, who was felled early this month by a massive stroke and is in a coma. "It is indeed regrettable that former Prime Minister Obuchi fell ill without completing his mission," Mori said in a nationally televised session of the Lower House budget committee. "I would like to proceed aggressively with Obuchi's economic policies."

Similarly, Bank of Japan Governor Masaru Hayami, while repeating that the world's second-biggest economy is clearly improving, signalled that the central bank must keep interest rates virtually at zero for some time yet.

After explosive growth in the first half of 1999, the economy

slid back into technical recession in the second half. This year, corporate profits and capital investment — fuelled by the information technology revolution and booming export markets — have rekindled growth. But this improvement has not decisively filtered through to personal consumption, the lion's share of the economy, because workers remain worried about their future amid corporate restructuring that keeps incomes down and unemployment at record highs.

In recent days politicians have increasingly played to the concerns of the public and small businesses as the prospect of Lower House elections looms. Mori must call elections by October but is expected to hold them in June to win the Obuchi "sympathy vote" and get the public's seal of approval before Group of Eight summit.

Thus Finance Minister Kiichi Miyazawa, joining Mori in the Lower House budget committee, said he is ready to wield the big stick of budget policy to ensure recovery.

## Exchange Rates

Following are yesterday's Standard Chartered Bank exchange rates against the Taka to major currencies. Central Bank USD/BOT rate: Buying:BDT 50.85 Selling:BDT 51.15									
Selling		Currency		Buying					
TT/OD	BC			TT Clean	OD Sight	Doc	Transfer		
51.2250	51.2500	USD	50.8500	50.8815	50.9900				
0.4908	0.4910	JPY	0.4732	0.4716	0.4708				
30.8306	30.8456	CHF	30.1548	30.0648	29.9491				
30.5894	30.6043	SGD	29.4680	29.3704	29.3191				
35.0616	35.0787	CAD	34.2194	34.1060	33.9778				
5.8576	5.8605	SEK	5.7968	5.7397	5.7277				
31.4163	31.4316	AUD	28.6184	28.5235	28.3219				
13.6255	13.6321	MYR	13.2405	13.1966	13.1633				
6.6116	6.6148	HKD	6.4952	6.4737	6.4599				
13.7691	13.7758	SAR	13.4502	13.4057	13.3716				
14.0620	14.0668	AED	13.7291	13.6836	13.6487				
0.0464	0.0465	KRW	0.0457	0.0455	0.0454				
81.2787	81.3184	GBP	79.6260	79.3621	79.0717				
48.7252	48.7490	EUR	47.0973	46.9412	46.8592				
Usance export bills									
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days				
50.7452	50.4321	50.0141	49.5335	49.0110	47.8408				
Exchange rates of some Asian currencies against US dollar									
Indian Rupee	Pak Rupee	Thai Baht	Mal Ringit	Indo Rupiah	Sing Dollar				
43.60/43.65	51.75/52.10	37.92/37.97	3.7995/3.7995	7893/7913	0.4929/0.4939				
US dollar									
	Buying	Selling		1 Month	3 Months	6 Months	12 Months		
Cash rates	50.65	51.25	USD	615	631813	652438	684438		
T/C	50.6	51.2	GBP	613	630875	644719	674		

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 arrival	Date of Leaving
J/1	Gannet	GI(YM)	Dali	Rainbow	18/4	24/4
J/2	Xiangjiang	GI	Shal	Bdship	19/4	27/4
J/3	DU Man Gang	Rice(P)	Hochi	Total	4/4	30/4
J/4	AA Venture	Rice(P)	Kara	CLA	22/4	30/4
J/5	Won san	GI(Y, Ma)	Xing	Total	5/4	24/4
J/6	Forest-1	GI(Copra)	Sura	Aeka	21/4	27/4
J/7	Dai Hong Dan	Rice (P)	Sigon	SBS	11/4	27/4
J/8	Rainbow(49)	GI(STC)	5 Hal	ASA	21/4	24/4
J/10	Marine Express	Wheat(P)	Teker	Total	4/4	25/4
J/12	Kot Bertha	Cont	Sing	Pil(BD)	16/4	24/4
J/13	Jayamara	Cont	Col	Everest	21/4	25/4
CCT/1	Kota Berjaya	Cont	Sing	Pil(BD)	16/4	27/4
CCT/2	Jurong Balsam	Cont	Sing	Nol	17/4	25/4
CCT/3	QC Pintall	Cont	Sing	QCSL	19/4	25/4
RM/14	Banglar Shikha	Cont(tide)	Sing	BSC	17/4	26/4
CCJ	Al Shams	C Clinic	Krabi	RML	19/4	20/4
GSJ	Banglar Mamata	Repair	-	BSC	R/A	30/4
TSP	Elizabeth	R Phos	Hamre	Seacom	22/4	3/5
DOJ	Banglar Jyoti	C Oil	-	BSC	R/A	24/4
DOJ/1	Chem Trader	L Oil	Kila	Unique	11/4	26/4
RM/8	YusupK	CDSO	Plou	TSI	16/4	24/4
RM/9	Banglar Moni	Repair	-	BSC	R/A	29/4
Kafco(U)	Sadankaplanoglu	Urea	-	Rainbow	10/4	24/4

Vessels due at outer anchorage						
Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading	port
Iran Norbuvat	24/4	B Abbas	BSC	-	-	-
Orient Independence	24/4	P. Kel	Bdship	Cont	-	Sing
Banga Biraj (Cont) 30/2	25/4	P. Kel	Bdship	Cont	-	Sing
San Pablo (Roro) 24/0	25/4	P. Kel	JF	Vehi	-	Sing
QC Teal (Cont) 15/4	25/4	Sing	QCSL	Cont	-	-
Sun Bright	25/4	-	SBS	Cement	-	-
Jon Jin	26/4	-	SEB	Cement	-	-
Gretke Oldendorff	26/4	-	Everett	-	-	-
Achiever (Cont) 15/4	26/4	Sing	RSL	Cont	-	Sing
Kota Cahaya (Cont) 11/4	26/4	Sing	Pil (BD)	Cont	-	Sing
New Success	26/4	-	Prog	GI	-	-
Brilliant	26/4	-	-	-	-	-
PESCADORES (48) 5/4	27/4	-	Everett	GI (ST Coll)	-	-
Keishun (Roro) 24/4	27/4	Sing	Everett	Vehi	-	-
OSG Argosy (Cont) 20/4	27/4	-	Everett	Cont	-	Col
Handy Humanity	28/4	Philippin	Total	Wheat(P)	-	-
QC Miallard (Cont) 19/4	28/4	-	QCSL	Cont	-	Sing
Mergui	29/4	Yang	MTA	Rice (P)	-	-
Jim Cheng	30/4	Tang	Bdship	GI	-	-
Xpress Resolve (Cont) 20/4	30/4	Sing	RSL	Cont	-	Sing
Clipper Eagle	3/4	Alba	Litmond	R Seed	-	-
Da Fu	4/5	Shanghai	Bdship	Spl. Cargo	-	-
Orient Lialic (48) 5/4	27/4	-	Everett	GI (ST Coll)	-	-

Tanker due				
Name of vessels	Cargo	L port call	Local agent	Date of arrival
Novo Voyager	25/4	Durb	OTL	CDSO
Halla	26/4	Aljub	ECSL	HSD
Petrobulk Cape	26/4	Sing	SBS	Napha

Vessels at Kutubdia				
Name of vessels	Cargo	L port call	Local agent	Date of arrival
Energy Explorer-IV	-	-	BBAL	5/1
Ismaya	-	-	BBAL	17/8
MFB Devi Matha	-	-	BBAL	24/0
MFB Sona	-	-	BBAL	24/10
MFB Lakshmi	-	-	BBAL	24/10
Barge CSK-6	-	-	BBAL	R/A (28/11)
Tug Magarita	-	-	BBAL	R/A (28/11)
Tug Dharma Sakti-108	-	-	BBAL	R/A (29/3)