

# IMF warns Asia on corporate reform complacency

KUALA LUMPUR, June 29: The International Monetary Fund said yesterday Asia's economy recovery had been impressive but slackening of financial sector and corporate reforms posed downside risks to the turnaround, says Reuters.

Keiji Saito, director of the International Monetary Fund's office for Asia and Pacific warned governments against complacency on structural reforms as their economies gathered momentum.

"So far, so good. The downside risk in my view is complacency, particularly with regard to structural reforms," he said.

The IMF put together recovery packages for three one-time Asian tiger economies — Indonesia, Thailand and South Korea — after the region's crippling financial crisis in mid-1997.

"A lot of progress has been made in Korea, Thailand and even in Indonesia but reforms

by no means are complete. Efforts must be continued as economic recovery proceeds," Saito said.

He said that growth in Asia also hinged on the fortunes of the US and Japanese economies.

Saito, in Malaysia's capital to address a seminar on regional capital mobility, said Japan would register a positive growth in 2000 helped by a pick-up in corporate investment and a budgetary stimulus.

"Basically, the problem the Japanese economy is facing right now is weak consumption whereas investment in the corporate sector seems to be picking up," he said.

I understand the government is willing for another supplementary budget and that will give another stimulus later in the year. Combining all these elements I think the Japanese economy will register a positive growth this year."

The Economic Planning Agency (EPA) said earlier in June that January-March GDP spurted ahead 2.4 per cent from the previous quarter — a 10 per cent annual growth rate for the three-month period and the best quarter in four years.

Asked whether he was satisfied with the pace of financial reforms in Japan, Saito said: "Of course, one can wish for more but with Japanese speed which is a little slower than Malaysia and definitely than Korea, I think reform is proceeding.

Saito said Malaysia, which took an unorthodox route imposing capital controls to protect its economy, was doing very well.

He said the government efforts to restructure the banking industry was very impressive.

Malaysia's central Bank Negara has ordered the nation's 54 financial institutions to

merge into 10 anchor groups by the end of 2000.

Saito said Malaysia's capital control and fixed exchange rate, imposed in September 1998, had played a useful role.

"Probably, I believe fixed exchange had a useful role but at the same time, the challenge I think is the exit problem. I think that's a challenge facing the Malaysian authorities," he said.

Saito said Indonesia was not falling behind in the implementation of its reform pledges but lagged behind Thailand and South Korea.

Asked whether there was a risk that IMF's next loan tranche to Indonesia be delayed because of slow reforms, he said: "That I really don't know. A lot depends on the progress of the authorities' reform efforts."

He said Indonesia needed to step up its financial sector reform, corporate sector restructuring and privatisation.

# Oil steady on low US fuel supplies

LONDON, June 29: Oil prices moved sideways yesterday consolidating at over \$30 a barrel amid continued concerns about low fuel supplies in the United States, the world's largest oil consumer, reports Reuters.

Benchmark Brent Blend crude oil for August delivery erased earlier gains in a late session sell-off on London's International Petroleum Exchange but managed to hold above \$30 a barrel to end 14 cents lower at \$30.10. US light crude was 16 cents down at \$31.90 a barrel.

Prices remain a long way above the ideal \$25 a barrel level that OPEC ministers say they are targeting after agreeing a modest output increase last week.

Dealers shrugged off potentially bearish news that came after Tuesday's close when the American Petroleum Institute (API) reported US crude oil inventories rose last week.

The API said US crude stocks for the week ended June 23 were up 2.25 million barrels to 291 million barrels. The increase was the first stock rise seen in the last seven weeks.

A bullish run continued after the US Department of Energy on Wednesday reported a smaller crude stock build of 300,000 barrels, but eased off for crude to trade in a narrow range.

The DOE confirmed API distillate figures, showing a modest 350,000-400,000 barrel increase, exacerbating market concerns that refiners are concentrating too much on filling a gasoline shortfall and not producing enough heating oil.

Distillate stocks at around 104 million barrels are some 27 million barrels — around 26 per cent — below levels prevailing the same time last year, the API data showed.

Traders rushed to buy oil futures late on Tuesday, reversing earlier losses, after US Energy Secretary Bill Richardson said he was worried that home heating oil stocks are low in the US Northeast.

## Exchange Rates

Following are yesterday's Standard Chartered Bank rates of major currencies against Taka						
Central bank buying and selling rate of USD: BDT 50.85/BDT 51.15			Buying			
Selling	Currency	Buying	TT Clean	OD Sight	OD Doc	OD Transfer
TT/OD	BC					
51.2500	51.2800	USD	50.8650	50.6964	50.6279	
0.4950	0.4953	JPY	0.4770	0.4754	0.4748	
31.3859	31.4043	CHF	30.6804	30.5378	30.5374	
30.0006	30.0181	SGD	28.9121	28.8163	28.7773	
35.0188	35.0393	CAD	34.1720	34.0587	34.0127	
5.7955	5.7969	SEK	5.6869	5.6770	5.6694	
31.9800	31.9867	AUD	29.1711	29.0744	29.0351	
13.6318	13.6397	MYR	13.2447	13.2008	13.1830	
6.6092	6.6131	HKD	6.4918	6.4703	6.4615	
13.7758	13.7838	SAR	13.4542	13.4096	13.3916	
14.0692	14.0775	AED	13.7362	13.6906	13.6721	
0.0462	0.0462	KRW	0.0454	0.0453	0.0452	
78.0281	78.0738	GBP	76.3891	76.1359	76.0330	
48.8310	48.8596	EUR	46.9128	46.7573	46.6941	
Usage export bills						
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days	
50.7601	50.4469	50.0286	49.5481	49.0255	47.8549	
Exchange rates of some Asian currencies against US dollar						
Indian Rupee	Pak Rupee	Thai Baht	Mal. Ringit	Indo. Rupiah	NZ Dollar	
44.60/44.75	52.0/52.5	39.15/39.18	3.9996/04	8688/8695	0.4666.73	
US Dollar						
Buying	Selling		1 Month	3 Months	6 Months	12 Months
Cash notes	50.6660	51.2800	USD	6.68438	6.78	6.94
TC	50.6150	51.2600	GBP	6.1175	6.22609	6.3375
Liber						

## Shipping Intelligence

### Chittagong port

Berth position and performance of vessels as on 29.6.2000						
Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving
J/1	Banglar Doot	Rice(P)	Kara	BSC	08/06	3/7
J/2	Apex	Rice(P)	Saig	Cindy	10/06	7/7
J/3	Altair-ss	Sugar(G)	Kous	Litmond	12/06	3/7
J/4	Gold Indus(48)	GI(S Asic Soda)	Yang	Everett	22/06	1/7
J/5	Esaco Fortune	GI(Copra)	Const	BSL	14/06	1/7
J/6	Esco Virgo	GI(Copra)	Sing	Prog	08/06	02/7
J/7	Areopoles	C Clink	Tuba	MBL	08/06	30/6
J/8	Jin Hong Hai	Wheat(P)	Psaid	OWSL	07/06	7/7
J/9	Banglar Maya	GI/GL	Jedd	BSC	25/06	1/7
J/10	Fua Kavenga	GI(Copra)	Sing	Alseas	08/06	1/7
J/11	OSG Argosy	Cont	Col	Everbest	17/06	4/7
J/12	Norbuk Oak	C Clink	Pada	NWSL	08/06	3/7
J/13	Banglar Robi	Cont	Sing	BSC	27/06	3/7
CCT/1	Sin Hai	Cont	P Kel	RSL	16/06	1/7
CCT/2	OC Pintail	Cont	Sing	QCSL	26/06	1/7
CCT/3	DA Fu	Cont	Hal	PSL	26/06	4/7
RM/14	Pirburn	C Clink	Sing	PSL	26/06	4/7
RM/15	Lestari Utama	Cement	rb	ANCL	21/06	7/7
RM/5	Southern Royal	L Oil	Thail	Litmond	28/06	30/6
RM/6	Poti	HSD/P-1	Bala	Atlantic	12/06	30/6
DD	Banglar Joyti	Repair	-	BSC	R/A	8/7
RM/8	Bay Fortune	Repair	-	BSC	R/A	30/6
CUFLJ	Mary Nour	Cement	Lank	BSL	22/06	4/7

Vessels at Kutubdia						
Ready on:						
Energy Explorer-IV	-	-	BBAL	-	5/4	
Ismaya	-	-	BBAL	-	17/8	
Barge CSK-6	-	-	BBAL	R/A (28/11)		
Tug Magarita	-	-	BBAL	R/A (28/11)		
DEA Champion	-	BAHA	Arafeen	R/A (26/6)		
Dea Conqueror	-	-	Arafeen	R/A (27/6)		
Seadulk Command	-	-	IDS	R/A (27/6)		
Vessels at outer anchorage						
Ready on:						
Pattyann	CDSO	Kaki	Rainbow	R/A (11/6)		
PU Cheng	RJ (Maizee)	Chin	Prog	10/6		
Ava	GI (Maizee)	Yang	MTA	11/6		
Johnnyl	Wheat(P)	Jedd	OWSL	18/5		
NEGO Lomhok	GI (DP)	Hako	Litmond	4/6		
Stavanger Pride	HSD/MS	Sing	Atlantic	16/6		
Qing Ann(Cont)	GI (Log)					