Malaysia's fast-paced economy showing signs of cooling

KUALA LUMPUR, Nov 2: Malaysia's fast paced economy is showing signs of cooling, but while businesspeople are less happy consumers are optimistic they will be better off in the coming months, a private economic think that said yesterday, reports Reuters.

The Malaysian Institute of Economic Research (MIER) in its latest economic outlook forecasted gross domestic product (GDP) growth of 8.4 per cent this year before moderating to 6.3 per cent in 2001.

It said an anticipated slowdown in the US economy, softening demand for personal computers, higher domestic interest rates and uncertain foreign investment flows posed risks to the Malaysian economy.

The finance ministry in its annual economic report last week projected GDP to grow by 7.5 per cent in 2000 and 7.0 per cent next year GDP grew by 5.8 per cent in 1999.

The influential think tank said inflation, spurred by increased demand, is expected to climb over four per cent next year from an estimated 2.3 per cent in 2000.

The government expects inflation, measured by consumer prices, to fall to 1.9 per cent in 2000 from 2.8 per cent in 1999.

MIER's latest survey showed the Business Conditions Index (BCI) for the third quarter stood at 59.4 points, down five points from the previous quarter and 2.8 points lower than the year-ago period.

"That means that business trends, while still expansionary, appear to decelerate somewhat but it also means that a cooler pace in the economy can be expected in the next quarter which could dampen the momentum of business confidence," it said.

The survey was based on questions mailed to 750 business organisations.

It said manufacturing sector, led by electronic exports, continues to power growth.

"Growth is still driven by manufacturing as recovery in other sectors like construction and finance is still lagging," said Eddie Lee, regional economist at Vickers Ballas.

The influential think tank asked the government to step up efforts to attract foreign investment to thwart competition from other competing regional economies.

But consumers are not showing any loss of confidence.

MIER's Consumer Sentiments Index (CSI) stood at 126 points in the third quarter, up five points from the previous quarter.

"Consumer's assessment of their present conditions remains high, buoyed by rising incomes, low inflation and strong job markets," it said.

More than 30 per cent of the 1,257 households surveyed said they expected to be financially better off in the next six months.

The Statistics Department in a separate announcement said the trade surplus jumped to 6.1 billion ringgit ($1.6 billion) in September from 4.8 billion ($1.3 billion) in August.

"It's a very strong number and partly maybe due to high global crude oil prices. Oil prices had peaked in September," said Nizam Idris, regional economist at IDEAglobal.com.

Exports jumped by 23.9 per cent year-on-year to 34.9 billion ringgit in September while imports rose by 30.5 per cent.

The trade surplus in the first nine months of the year stood at 43.7 billion ringgit against 52.5 billion in the same period a year ago.

Think tank sees higher 2001 growth

Chinese economy to grow 8.3pc in 2000

BEIJING, Nov 2: China's economy is set to grow 8.3 per cent this year and will record even higher growth in 2001, a leading state-run economic think tank said today, reports AFP.

"This year's GDP (gross domestic product) increase will be 8.3 per cent," said the report issued by the State Information Center, according to Xinhua news agency.

The center said next year's growth rate could be as high as 8.5 per cent as long as the government continued efforts to stimulate the economy by issuing at least 160 billion yuan (19.3 billion dollars) in treasury bonds and increasing money supply by 14.5 per cent.

"The central government should continue to adopt the preactive fiscal policy in 2001 to issue 160 billion yuan in treasury bonds, which should be incorporated into the yearly budget early in the year," Xu Hongyuan, the main authority of the report, was quoted as saying.

China's economy grew by 8.2 per cent in the first three quarters of 2000 compared to the same period last year.

The figure far outstrips the government's annual target of seven per cent and strongly indicates that China's economy has shaken off the effects of the 1998 Asian financial crisis.

Chinese statistics are often contradictory and confusing, and several varying growth predictions have appeared in the state press or been voiced by officials.

Economists at the National Bureau of Statistics, when announcing third quarter statistics earlier this month, refused to predict this year's growth rate, but said the outlook was good for continued moderate growth.

Exchange Rates

Following are yesterday's **Standard Chartered Bank** foreign exchange rates (indicative) against Taka to clients.

Central bank buying and selling rate of USD: BDT 53.85/BDT

Selling		Currency	Buying		
TT/OD	BC		TT Clean	OD Sight Doc	OD Transfer
54.2500	54.2800	USD	53.8150	53.6464	53.5779
47.2062	47.2931	EUR	45.4325	45.2491	45.1725
79.3049	79.3469	GBP	77.5174	77.2509	77.1963
29.5013	29.5258	AUD	26.5058	26.4133	26.3332
0.5081	0.5082	JPY	0.4898	0.4896	0.4886
30.7754	30.7999	CHF	30.0887	29.9942	29.9097
5.5220	5.5272	SEK	5.4302	5.4126	5.3966
35.6551	35.6797	CAD	34.8160	34.7224	34.6392
6.9933	6.9946	HKD	6.8698	6.8521	6.8347
31.6395	31.6609	SGD	30.4894	30.4456	30.3310
14.8919	14.9095	AED	14.5023	14.5242	14.4838
14.5776	14.5960	SAR	14.2380	14.2013	14.1831

Usance export bills

TT Doc	30 days	60 days	90 days	120 days	180 days
53.7041	53.3727	52.9304	52.4217	51.8688	50.6303

Exchange rates of some Asian currencies against US dollar

	Indian Rupee	Pak Rupee	Lankan Rupee	Indo Rupiah	Thai Baht
Buy	46.70	57.00	79.30	9135	43.55
Sell	46.80	57.50	79.38	9155	43.60

Local foreign exchange market spends a quiet day amid prevailing sluggishness in the dollar-Taka market. Demand for dollar was flat and trading of dollar/Taka was range bound. In the Money market, demand for call money was steady. Overnight borrowing at call was range bound and gyrated between 6.0 and 6.5 per cent.

In the international markets, dollar was under pressure as growing signs of US economic slowdown and rumbling about intervention gave the optimistic market players some anxious moments. The mood swing against the dollar was encouraged by soft US manufacturing data on Wednesday and more of the same was likely later, with a sharp slowdown expected in productivity.

Furthermore, news that Israel and Palestine had agreed on measures to end the violence between them seemed to lessen the attraction of the dollar from a safe haven viewpoint. And in the background loitered the threat of intervention, with a European Central Bank meeting due later almost certain to generate verbal support for the euro.

Participants of a seminar on 'International Trade' organised by Citibank,NA at a city hotel on Sunday are seen with Gary Collyer, Senior Trades Advisor of the bank, who was the keynote speaker. – Citibank photo

Citibank holds seminar on int'l trade

Citibank, NA organised a day-long seminar on 'International Trade' at a city hotel on Sunday, says a press release.

Focus of the seminar was on UCP 500 and its future, URC 525, Standby LC vs Guarantees and case studies.

Gary Collyer, Senior Trade Advisor of Citibank, was the key-note speaker in the seminar.

One of the leading authorities in the world on international trade and an expert on UCP, he has worked with Citibank's trade operations based in London and has knowledge of Bangladesh trade practices.

The participants were from different financial institutes and leading corporate houses.

Collyer has elaborately presented the most advanced technology for trade bolero.net – the electronic trade community – which results from a 50-50 joint venture between the world's logistics and financial communities, especially between TT club and SWIFT organisation.

Citibank, NA is a US bank operating in 104 countries world-wide and is a part of Citigroup, the world's largest and most profitable financial services company, catering to the need of over 100 million customers worldwide.

India to review policy on foreign equity in newspapers

NEW DELHI, Nov 2: In an age when the Internet and satellite television bypass international borders, the government is reviewing a 45-year-old ban on foreign investment in newspapers that was meant to protect the Indian press from outside influence, reports AP.

The new information and broadcasting minister, Sushma Swaraj, said a group of ministers would look into the question at an upcoming meeting in New Delhi. Now, the country's biggest newspapers and the two domestic news agencies are owned by major Indian industrial firms.

Prime Minister Atal Bihari Vajpayee's government already has opened up other sectors of the economy to foreign investment, including the huge insurance business and the telecommunication sector.

Swaraj – talking to a conference of economic editors last week – said the widespread use of the Internet raised questions about the rule prohibiting foreign investment in the media. But she gave no hint which way the government would move.

"We are not saying whether we are allowing it (foreign investment) or not. It is being considered," Swaraj said.

She noted that other countries that allowed foreign investment in print media had been extremely cautious. "It has to be seen to what extent doors can be opened for it in India," she added.

Foreign ownership of the Indian media is forbidden under a 1955 Cabinet decree adopted when Jawaharlal Nehru was the prime minister.

In 1994, a Congress party-led government blocked a proposal to allow the Financial Times of London to invest in the Indian daily Business Standard. Subsequently, Time magazine and the International Herald Tribune scrapped plans to start Indian editions.

Past efforts to allow such foreign investment were protested by newspapers and domestic news agencies, which expressed fear that foreign interests could seize control of India's media and disseminate biased news.

But that attitude appears to be changing. Major Indian newspapers are now saying that the government can't keep the print media in a time warp, especially with satellite television channels beaming their signals into the country.

Indonesia completes massive bank recapitalisation

Programme costs country $71b

JAKARTA, Nov 2: Indonesia has completed one of the world's largest bank recapitalisation programmes, costing the cash-strapped country the equivalent of $71 billion, says Reuters.

Completion of the 650 trillion rupiah project, via a swathe of bond issues to some 40 of the country's banks, has been a major plank of the economic reforms agreed with the International Monetary Fund in exchange for regular injections of cash.

Indonesia's banks were devastated by the Asian financial crisis of the late 1990s and the plunge in the rupiah, which left the country's corporate sector unable to repay huge debts.

In a statement today, the Finance Ministry said it had issued 12.95 trillion rupiah in bonds to recapitalise state banks Bank Rakyat Indonesia (BRI) and Bank Tabungan Negara (BTN).

This is the second tranche for both banks, bringing the total amount of bonds issued to 29.149 trillion rupiah for BRI and 14.005 trillion for BTN.

The Finance Ministry also said state-owned Bank Negara Indonesia (BNI) had to return 630 billion rupiah, in excess recapitalisation bonds to the government.

Under the second tranche, BRI, one of Indonesia's largest state-owned banks, gets 8.744 trillion rupiah in bonds.

BTN, which focuses on housing loans, gets 4.201 trillion rupiah in bonds, the statement said.

A key aim of the recapitalisation programme has been to boost bank capital adequacy ratios, a key measure of financial health, to at least four per cent.

But because the recapitalised banks have such poor balance sheets, they are prohibited from selling more than 15 per cent of their government-backed bonds to raise funds to pay of debts and improve their lending capability.

The last bond issue for BRI comprises 2.914 trillion rupiah of five-year bonds carrying a fixed annual coupon of 12 per cent; 2.914 trillion rupiah in six-year bonds with an annual interest rate of 12.125 per cent and 2.914 trillion rupiah in seven-year bonds with a 12.250 per cent coupon, the statement said.

The last bond issue for BTN consists of floating rate and fixed rate bonds.

The fixed rate bonds are 637.896 billion of five-year paper carrying a 12 per cent coupon; 637.897 billion rupiah of six-year bonds with a 12.125 per cent coupon; and 637.897 billion rupiah of seven-year paper with a 12.250 per cent coupon.

The floating rate bonds were worth 2.287 trillion rupiah, with rates linked to the rupiah's rate against the dollar.

In response, the government has said it plans to raise interest rates on some bank bail-out bonds to stimulate investor interest.

Under the plan, which is expected to take effect this month, the government will allow banks to swap a portion of their recapitalisation bonds, mainly bearing coupons of around 12 per cent.

Brazil reports $523m trade deficit in Oct

BRASILIA, Nov 2: The Brazilian trade balance reflected a 523 million US dollar deficit in October, the highest negative balance since November 1999, reported the Development, Industry and Foreign Trade Ministry on Wednesday, says Xinhua.

Last month, Brazilian exports reached 4.638 billion dollars, and imports reached 5.161 billion dollars, according to the ministry.

The balance showed a 320 million dollar deficit in September that resulted from 4.724 billion dollars in exports and 5.044 billion dollar in imports.

'HK remains world's freest economy'

HONG KONG, Nov 2: Hong Kong was declared the world's freest economy yesterday in an annual survey by The Heritage Foundation and The Wall Street Journal, retaining top spot for the seventh year and keeping Singapore in second place, says Reuters.

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 2-11-2000

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving
J/1	Hanjin Houston	GI/WT(P)	Sing	Mutual	11/10	4/11
J/2	Anlong Jiang(Liner)	GI	S Hai	Bdship	25/10	3/11
J/3	Pathein	Rice(P)	Yang	MTA	14/10	2/11
J/5	Chong Chon Gang	Sugar(TCB)	Tuti	CCNL	25/10	5/11
J/6	Xuang Cheng	GI	S Hai	Bdship	26/10	3/11
J/7	Yong Jiang	GI	Dali	Bdship	26/10	6/11
J/8	Pride	Salt(TCB)	Kand	UML	22/9	6/11
J/9	Mergui	Rice(P)	Yang	MTA	23/10	6/11
J/10	Osg Alpha	Cont	Sing	RSL	31/10	4/11
J/11	Golden-D	C Clink	Pipa	NWSL	28/10	10/11
J/13	Jurong Balsam	Cont	Sing	Nol	27/10	2/11
CCT/1	Orint Independence	Cont	P Kel	Bdship	28/10	2/11
CCT/2	Acturia	Cont	P Kel	QCSL	31/10	4/11
CCT/3	Banga Bonik	Cont	Pkel	Bdship	1/11	5/11
RM/15	Sungrisan-9	Gtsp(P)	Sing	Delmure	24/10	10/11
CCJ	Ocean Pride	C Clink(Ruby)	Krab	PSAL	24/10	4/11
RM/3	Tirata Niaha-II	RDB	Dunai	Seacom	1/11	3/11
RM/4	Pranedya Dwitya	F Oil	Sing	CTPL	31/10	3/11
RM/6	Eltanin	C Clink	Sing	PSAL	3/10	6/11
DOJ	Banglar Shourab	Reapair	-	BSC	R/A	8/11
DDJ/1	Banglar Gourab	Repair	-	BSC	R/A	7/11
RM/8	Banglar Jyoti	Repair	-	BSC	R/A	5/11
CUFLJ	Mary Nour	Cement(Scan)	Lang	BSL	21/1	4/11

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Jineshwar	2/11	-	SBS	Sugar(G)	-
Dea Captain	2/11	Sing	Arafeen	Proj Mat	-
Gaurri(Cont)23/10	2/11	-	Cross	Cont	Sing
AL Muztarba	3/11	Okha	Cla	GI	-
Asian Century (Roro/24)24/10	2/11	Sing	JF	Vehi	-
Xpress Makalu (Cont)7/10	3/11	PBO	Everbest	Cont	Col
Chu Hong (Cont)25/10	3/10	Sing	Qcsl	Cont	Sing
Kinda	4/11	Mari	BSL	M Seed	-
St Aubin	3/11	-	Everett	C Clink	-
Joy Miracle(72)/17/09	4/11	Jaka	SSLL	GI(St. Coil)	-
Xpress Resolve (Cont)23/10	4/11	Sign	RSL	Cont	Sing
Banga Lanka (Cont)25/10	5/11	Col	Baridhi	Cont	COL
Lady Juliet	4/11	Mong	Lttmond	Scraping	-
Tiger River (Cont)25/10	4/11	-	NOL	Cont	Sing
Banglar Robi(Cont)25/10	5/11	Sign	BSC	Cont	Sing
Keishun(Roro/24/10	5/11	-	Everett	Vehi	-
Brother Hoep(72)30/10	5/11	-	Everett	GI(St Coil)	-
Erodios	6/11	Sing	CCNL	Sugar(TCB)	-
Ping Jiang	5/11	Yant	Bentarans	Dap(Fert)	-
Xpress Renown(Cont)16/10	6/11	Sing	RSL	Cont	Sing
Boxer Capt Cook (Cont)30/10	6/11	-	Bdship	Cont	Sing
QC Pintail(Cont)26/10	7/11	-	QCSL	Cont	Sing
Kota Cahaya (Cont)29/10	7/11	Sing	Pil(BD)	Cont	Sing

Tanker due:

Minsa	2/11	Ravo	BSL	LB Oil	-
Gazlion	3/11	Hald	MBL	Ammonia	-
Mina	3/11	Jedd	USS	Phos Acid(TSP)	-
Filma Satu	4/11	-	Rainbow	Cpo	-
Juliana	4/11	Bintu	Sealift	Cop/RBD/F Acid	-
Aspilso-II	9/11	Rast	BSL	Crude Oil	-

Vessels at outer anchorage:

Ready on:

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Spring Ocean	GI(ST.C)	Sing	Everett	29/10
Sheng Yang Liner	GI	Sing	RML	30/10
Grand Slam Liner	GI	Sing	Prog	30/10
Exceed-2(72)	GI(ST C)	Sing	Everett	1/11
Mathilde Oldendorff	GI(Y Pe)	Bank	Seaglory	24/10
QC Teal(Cont)	Cont	Sing	QCSL	1/11
Beluga Obsession	GI	P Said	IPL	1/11
OSG Arogosy(Cont)	Cont	Col	Everbest	1/11
Kota Singa (Cont)	Cont	Sing	Pil(BD)	2/11
Mapuridge(72)	GI(ST C)	Sing	-	2/11
Enos	Urea	Basu	SMSL	31/10

Vessels not entering:

Marine Express	WT(P)MS	-	Rinbow	R/A(27/10
Makmur Perkasa	C Clink	Indo	Uniship	27/10
Ibn Express	Tsp(P)	Tampa	Litmond	18/10
KS Prince	C Clink	Krab	SBS	30/10
AL Bauraq	C Clink	-	Seacom	R/A(9/10
Martina Prima	Scraping	Sing	OTBL	27/10
Fabrizia Prima	Scraping	Sing	OTBL	27/10
Tug Salvigour	-	Maur	AHZ	27/10
Tiba	Scraping	Maur	AHZ	27/10
Shantar	Scraping	Yang	OTL	1/11
Accord	Cement	-	Viking	5/4
Revenge	-	-	Sunshine	R/A(9/10)
Xing Ye	Rice(G)	-	USTC	R/A(18/9)
Karya Sentosa	Rice(G)	-	USTC	R/A(18/9)

Movement of vessels for Nov 3 & 4-11-2000

Outgoing	Incoming	Shifting
3/11		
J/1 H Houston	J Spring Ocean	RM/6 Eltanin-6 to RM/9
J/2 Along Jiang	J/3 Exeed-2	
J/3 A Century	J/2 Sheng Yang	
J/6 Xuang Cheng	J/6 G Slam	
RM/4 P Dwtiya	Kafco Gazlion	
RM/3 T Niaga	J/12 Beluga Obsession	
	RM/3 Minsa	
4/11		
CCT Osg Alpha	CCT/2 Jaamt	J/11 Golden-D to J/10
J/12 K Berjaya	J/13 K Singa	J/13 Enos to J/11
CCT/2 Acturia	NB Chu Hong	
CCJ O Pride	J/12 Xpress Padma	
Cufij M Nour	RM/3 Filma Satu	
RM/3 Minsa-4	RM/4 Juliana	
Kafoco Gazzlion		

The above are shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by **HRC Group**, Dhaka.