

OECD forecasts healthy world growth despite high oil price

PARIS, Nov 21: The OECD said yesterday the global economy was likely to expand by a healthy 4.75 per cent in 2001, as the US powerhouse loses some steam. Europe settles back into cruising speed and Japan pulls out of the slow lane, says Reuters.

But it said world oil prices, at 60 per cent above last year's level, were a worry which could be aggravated by either conflict in the Middle East or a harsh winter, even if the toll was far less than during the oil crises of the 1970s.

"Global economic growth appears to have peaked during the first half of 2000, but world economic prospects remain relatively bright," the Organisation for Economic Cooperation and Development said in its twice-yearly Economic Outlook.

It said growth across its 29 members as a whole was set to slow by about one percentage point in 2001 from 4.3 per cent this year but that a sharper-than-expected upturn in countries beyond the OECD block would secure global growth of four per cent or more in the coming two years.

"If oil prices go back to where they were a few months ago, \$38 or \$39, we could see a reduction in growth by four tenths of a per cent and an increase in inflation by half a per cent," OECD chief econo-

mist Ignazio Visco said. The report said it was assuming an OECD oil-import price - which is about \$1.0 cheaper than benchmark Brent crude prices on average - of \$30 dollars a barrel until the middle of next year and a slight drop to \$27 by the second half of 2002.

The report saw US growth slowing to 3.5 per cent next year and 3.3 per cent in 2002, after 5.2 per cent this year.

The US Federal Reserve might have to raise interest rates a bit more to help ease the pace in the short term. The OECD based its forecasts on an assumption it would raise its key Fed Funds rate half a percentage point, from 6.5 per cent currently.

Falling equity prices and the toll of higher oil prices on household incomes should help ease demand and control inflation but further rate rises might be needed anyway in 2001, it said.

By 2002, the Fed might be able to start lowering borrowing costs again once the pace of the economy had slowed, it said.

Recovery in Japan, Europe still doing well

In Japan, which has been struggling for several years, the OECD said the economy had 'started a modest recovery' and

should grow by 2.3 per cent next year, and 2.0 per cent in 2002, after expanding by 1.9 per cent this year.

The Paris-based OECD said Japanese growth had been stronger than expected this year. "Growth will nevertheless remain volatile as fiscal measures run their course," it said.

Europe's leading economies were likely to slow down in the next two years but still perform healthily, the OECD said.

One of the main worries within the 11-nation euro currency zone was whether "core inflation" - not counting the direct oil impact - could be kept inside the European Central bank's two per cent ceiling target.

The ECB may need to raise interest rates by a further half a percentage point in the short term to ensure inflation does not get stuck above that ceiling, the OECD said.

Inflation trends have been surprisingly benign in the face of the oil price hike and the depreciation of the euro, but core inflation is projected to move up somewhat as spare capacity is exhausted and wage pressures start to emerge," it said.

"In this context and provided that the euro does not significantly appreciate in the short term, the ECB may need to raise rates somewhat further -

the OECD assessment is for a rise of 50 basis points - to keep core inflation from settling durably above two per cent."

Growth projections
The OECD said it saw euro zone growth slowing to 3.1 per cent next year and 2.8 per cent in 2002, from 3.5 per cent this year.

Growth in Germany, the euro zone's largest economy, was set to slow to 2.7 per cent next year and 2.5 per cent in 2002, from three per cent this year, while French growth would slow to 2.9 and 2.5 per cent respectively, after 3.3 per cent this year.

For Britain, outside the euro zone, the OECD said it saw growth this year on a par with Germany at 3.0 per cent, and slowing to 2.6 per cent and 2.3 per cent in the following years.

Interest rates might have to be raised if domestic demand did not slow down enough or if the pound fell sharply.

Outside the main economic power centres, the OECD said it saw Mexican growth easing to 5.0 per cent, and 4.5 per cent for the next two years.

For Russia - which went into virtual economic meltdown just two years ago - the OECD predicted a doubling of growth to 6.5 per cent this year and four per cent in the following two years.

IMF bailout scheme for ROK ends with unfinished reforms

SEOUL, Nov 21: South Korea today marked the third anniversary of its appeal for an international bailout amid tumbling financial markets here and the spectre of corporate failures and strikes, says AFP.

Three years ago, South Korea went cap-in-hand to the International Monetary Fund for a \$5-billion-dollar bailout promising in return drastic economic reforms.

The three-year arrangement with the IMF expires on December 3. But South Korea's financial markets remain turbulent, with the won depreciating sharply down to 1,163.30 against the dollar, and stock prices tumbling.

Foreign investors dumped the local currency to buy dollars, reflecting a negative outlook about South Korea's economy.

President Kim Dae-jung has been hailed for his role in saving the economy from collapse and for breaking up lumbering conglomerates.

But critics say the government has squandered public money while piling up debt to pay for restructuring. Kim also faces labor protests, with unions warning of strikes to protest job losses.

"Sentiment with likely remain wary amid growing uncertainty over whether the government will be able to meet its year-end schedule for economic reform," said Kyodo Securities analyst Kim Seung-ik.

Such concerns intensified after the country's main opposition Grand National Party boycotted all parliamentary work Sunday, disrupting the passage of economic reform bills.

"Despite modest progress, the corporate sector is still highly indebted," David Coe, the IMF's senior representative in Seoul, told the English-language daily Korea Herald.

"Banks should become stricter and need to be imposing market discipline."

The IMF said in a report last week that much of South Korea's corporate sector still "remains highly leveraged by international standards and continues to suffer from low profitability" with more work to be done.

Hundreds of weak banks with non-performing loans have been forced out of business in the past three years.

But the banking sector still has huge bad loans, which will require some 40 trillion won (34 billion dollars) in additional state funds on top of the 109 trillion won that the government has already put in.

BTI holds Gulshan project pre-handover meet

Building Technology and Ideas Ltd, an ISO 9001 certified real estate developer, recently held a pre-handover meeting of its Gulshan project, Dynasty, on November 18 at the project premises, says a press release.

The meeting was attended by all the clients of the project and discussed various aspects of the project, as it is at the verge of completion. This is a unique scheme of BTI, to build up excellent rapport with their clients, assuring total customer service and commitment.

From BTI the meeting was attended by Deputy Managing Director Engineer F R Khan, Director Construction Engineer J A Patwary, Manager Engineering Ahsanul Haque, Project Co-ordinator Waliullah, Sr Executive Sales & Marketing Kazi Md Zubaid, Executive Customer Service Md Manikuzzaman Khan and other officials of BTI.



Building Technology and Ideas Ltd held a pre-handover meeting of its Gulshan project, Dynasty, on the project premises recently. - BTI photo

Exchange Rates

| Following is yesterday's forex trading statement by Standard Chartered Bank Central bank buying and selling rate of USD BDT 53.85/BDT 54.15 | | | | | |
|---|---------|--------|----------|----------|-------------|
| SELLING | CUR. | BUYING | TT CLEAN | OD SIGHT | OD TRANSFER |
| TT/OD | BC | RENCY | | | |
| 54.2500 | 54.2800 | USD | 53.8150 | 53.6484 | 53.5779 |
| 46.4210 | 46.5079 | EUR | 45.5672 | 45.3838 | 45.3072 |
| 77.5613 | 77.6033 | GBP | 76.4080 | 76.1416 | 76.0869 |
| 28.1313 | 28.1558 | AUD | 27.4051 | 27.3126 | 27.2325 |
| 0.4982 | 0.4983 | JPY | 0.4847 | 0.4845 | 0.4835 |
| 30.3499 | 30.3744 | CHF | 29.9495 | 29.8449 | 29.7704 |
| 5.3485 | 5.3536 | SEK | 5.2600 | 5.2424 | 5.2264 |
| 34.9204 | 34.9450 | CAD | 34.4567 | 34.3630 | 34.2789 |
| 6.9686 | 6.9692 | HKD | 6.8988 | 6.8811 | 6.8637 |
| 30.982 | 31.0033 | SGD | 30.5848 | 30.5410 | 30.4264 |
| 14.8919 | 14.9095 | AED | 14.5023 | 14.5242 | 14.4838 |
| 14.5795 | 14.5979 | SAR | 14.2425 | 14.2058 | 14.1876 |

| Usance export bills | | | | | |
|---------------------|---------|---------|---------|----------|----------|
| TT DOC | 30 DAYS | 60 DAYS | 90 DAYS | 120 DAYS | 180 DAYS |
| 53.7041 | 53.7327 | 52.9304 | 52.4217 | 51.8668 | 50.6303 |

| Exchange rates of some Asian currencies against US dollar | | | | | |
|---|-------------|-------------|---------------|-------------|---------------|
| Indian rupee | Pak rupee | Thai baht | Malay ringgit | Indo rupiah | NZ dollar |
| 46.70/46.80 | 56.45/56.60 | 44.36/44.39 | 3.799/3.8005 | 9455/9475 | 0.3953/0.3960 |

In the international markets, the yen struggled to stay above 110 level to dollar after a reprieve for Prime Minister Yoshiro Mori raised the spectre of political uncertainty. Mori's survival as premier spurred heavy yen selling throughout the day, with traders describing it as the worst possible finale of the recent political drama, but the currency avoided major losses due to brisk dollar sales by exporters. Mori's survival of an opposition led no-confidence motion in parliament was seen as delaying further economic reforms and generating more political uncertainty.

Meanwhile, with the fall of the US stocks euro got support against the US dollar. German Finance Minister Eichel issued a warning to the market saying that Germany backed a strong euro. He added that the euro's current weakness against dollar was largely due to the strength of the US economy and there were signs that this could be changing. The organisation for Economic Cooperation and Development (OECD), however, said that it expected growth in the euro area to slow to 3.1 per cent next year and 2.8 per cent in 2002, from 3.5 per cent this year.

Shipping Intelligence

| Chittagong Port Berth Position and Performance of Vessels as on 21.11.2000. | | | | | | | | | |
|---|-------------------|-------------|--------|-------------|-----------------|---------|--|--|--|
| Berth No | Name of Vessels | Cargo | L Port | Local Agent | Date of Arrival | Leaving | | | |
| J/1 | Maya | GTSP | Sing | Litmond | 15/11 | 25/11 | | | |
| J/2 | Princess of Lorne | Sugar (TCB) | Bang | CCNL | 2/11 | 23/11 | | | |
| J/4 | Jinshwar | Sugar (TCB) | Darb | SBS | 2/11 | 23/11 | | | |
| J/5 | Erodios | Sugar (TCB) | Sing | CCNL | 6/11 | 26/11 | | | |
| J/6 | Ava | Rice (P/G) | Yang | MTA | 30/10 | 22/11 | | | |
| J/7 | Banglar Maya | GI (S Ash) | Okha | BSC | 19/11 | 26/11 | | | |
| J/8 | Khulla | M Seed | Mari | BSL | 4/11 | 24/11 | | | |
| J/9 | Bay Sisters | Peas (GI) | Sing | Mutual | 20/11 | 28/11 | | | |
| J/10 | Bright Sea | C Clink | Krab | MBL | 11/11 | 25/11 | | | |
| J/11 | Osg Alpha | Cont | Sing | QCSL | 16/11 | 25/11 | | | |
| J/12 | Aetuaris | Cont | P Kel | QCSL | 15/11 | 23/11 | | | |
| J/13 | Kota Berjaya | Cont | Sing | Pel (BD) | 15/11 | 23/11 | | | |
| CCT/1 | Banga Lanka | Cont | Col | Baridhi | 21/11 | 24/11 | | | |
| CCT/2 | J Balsam | Cont | Sing | NOL | 13/11 | 22/11 | | | |
| CCT/3 | QC Teal | Cont | Sing | QCSL | 17/11 | 21/11 | | | |
| RM/14 | Gati-1 | HR CCIL | Cal | BSL | 20/11 | 25/11 | | | |
| RM/15 | Sungrisan-9 | CTSP (P) | Sing | Delmore | 24/10 | - | | | |
| CCJ | Ocean Pride | C Clink | Krab | RSAL | 17/11 | 27/11 | | | |
| GSJ | Banglar Dool | TSP (Fert) | Qing | Uniqne | 20/11 | 30/11 | | | |
| TSP | Banglar Kakoli | R Phos | Eden | Seacom | 6/11 | 30/11 | | | |
| DOJ | Banglar Shourabh | C Oil | BSC | R/A | 22/11 | - | | | |
| DD | Tshd Aru-II | Repair | Mong | SSST | 12/11 | 23/11 | | | |
| RM/8 | Banglar Urme | Repair | BSC | R/A | 26/11 | - | | | |
| CUFLJ | Mary Nour | Cement | Lang | BSL | 15/11 | 27/11 | | | |

| Vessels Due at Outer Anchorage | | | | | | |
|--------------------------------|-----------------|-----------|-------------|------------------|--------------|--|
| Name of Vessels | Date of Arrival | Last Port | Local Agent | Cargo | Loading Port | |
| Banglar Robi 9/11 | 21/11 | Sing | BSC | Cont | L Sing | |
| Jaamli (Cont) 13/11 | 21/11 | Sing | Cross | Cont | L Sing | |
| Tiger River (Cont) 13/11 | 21/11 | Sing | NOL | Cont | L Sing | |
| Orient Star | 23/11 | Bank | Litmond | TSP (Fert) | | |
| Dea Champion | 21/11 | Sing | Arafeen | Proj Equip | | |
| Xpress Makulu (Cont) | 21/11 | Sing | RSL | Cont | L Col | |
| Xpress Resolve (Cont) 14/11 | 23/11 | Sing | RSL | Cont | L Sing | |
| Thai Binh | 23/11 | Isha | SBS | Fert (Npk) | | |
| Lady Aryette | 24/11 | Janj | SBS | Fert (Gtsp) | | |
| Chief of Cherokee (48) 16/11 | 23/11 | CMB | ASA | Iron Pipes | | |
| Triumph Kaohsiung | 24/11 | Yang | RML | S Coal | Lot | |
| City of Houston | 24/11 | Suez | ASA | S Ash+C Soda | | |
| Jaya Mas (Cont) 16/11 | 24/11 | Col | Everbest | Cont | L Col | |
| Xpress Palma (Cont) 14/11 | 25/11 | Sing | RSL | Cont | L Sing | |
| Samara | 25/11 | Mumb | SMSL | G (St.Coll-Mach) | | |
| Olympic Mentor | 25/11 | P Sual | Ancient | Wheat (G) | | |
| Xpress Renown (Cont) | 25/11 | Sing | RSL | Cont | L Sing | |
| Boxer C Cook (Cont) | 24/11 | PKL | BDSHIP | Cont | L Sing | |
| Banga Boley (Cont) 15/11 | 25/11 | PKL | BDSHIP | Cont | L Sing | |
| Qc Pintail (Cont) 15/11 | 24/11 | Sin | QCSL | Cont | L Sing | |
| Xiang Jiang | 26/11 | - | BDSHIP | GI | | |
| Qena | 26/11 | - | SBSL | Fert | | |
| Joy World | 27/11 | Surbia | SSS | S Coal | Nelsprint | |
| Kota Cahaya (Cont) 16/11 | 27/11 | Sing | Pil (BD) | Cont | L Sing | |
| Banglar Shikha (Cont) | 28/11 | Sing | BSC | Cont | L Sing | |
| Orient Indonesia (Cont) 19/11 | 29/11 | - | BDSHIP | Cont | L Sing | |
| Banga Btroll (Cont) | 29/11 | - | BDSHIP | Cont | L Sing | |
| Kota Naga (Cont) 19/11 | 29/11 | Sing | Pil (BD) | Cont | L Sing | |
| Arabella (Cont) 20/11 | 30/11 | - | QCSL | Cont | L Sing | |

| Tanker Due | | | | |
|--------------|-------|------|------|--------------------|
| Actinia-1000 | 22/11 | Juba | ECSL | HSD (RM)S 7000W/LT |

| Vessels at Kutubdia | | | | |
|---------------------|----------|-----------|-------------|-----------------|
| Name of Vessels | Cargo | Last Port | Local Agent | Date of Arrival |
| Energy Explorer-IV | - | - | BBAL | 5/4 at 1700 |
| Isinaya | - | - | BBAL | 17/8 at 1030 |
| Dea Conqueror | - | - | Arafeen | R/A (7/11) |
| Sea Whip | P Equite | Sing | Arafeen | 17/11 at 0800 |
| Seabulk Command | - | - | IBS | R/A (18/11) |
| Aspiros-II | C Oil | Rast | BSL | 10/11 at 2000 |
| Banglar Jyoti | C Oil | - | BSC | R/A (21/11) |

| Vessels at Outer Anchorage | | | | |
|----------------------------|------|------|----------|---------------|
| Vessels Ready | | | | |
| Kota Singa (Cont) | Cont | Sing | Pil (BD) | 19/11 at 1136 |
| Sceptre | CDSO | Darb | Rainbow | 16/11 at 0130 |

| Vessels not Ready | | | | |
|-------------------|------------|------|---------|---------------|
| Hanjin Tampa | R Seed | Lapa | Rainbow | 13/11 at 1412 |
| Patchara Marce | Mop (Bulk) | Niko | Litmond | 17/11 at 1658 |

| Vessels Awaiting Employment/Instruction | | | | |
|---|----------|-------|---------|---------------|
| Handy River | | | | |
| Vessels not Entering | | | | |
| Sin King | GI | N Ban | IML | 4/11 at 0111 |
| ECO Challenge | Dia Phos | Sing | BSL | 16/11 at 0330 |
| Leopard-I | C Clink | Rohs | ANCE | 17/11 at 1900 |
| Galina-IV | M Seed | Coch | Rainbow | 18/11 at 1600 |
| Accord (Attach 7/600) | Cement | Sing | Viking | 5/4 at 1435 |
| Revenge (Attach 29/8/99) | - | - | Roman | 3/8/99 |
| Xing Ye (Attach 24/6/99) | Rice (G) | - | MHCSL | 20/2/99 |
| Karya Sentosa | Rice (G) | - | USTC | 10/8/98 |
| Patchara Narce | - | - | - | - |

| Movement of Vessels for 22/11/2000 | | | | | | |
|------------------------------------|-------------|--------------|-------|-------|-------------|-------|
| Outgoing | Incoming | Shifting | | | | |
| J/8 | Ava | Kota Singa | CCT-1 | GSJ | B Deot | J/6 |
| CCT-2 | J Balsam | Hanjin Tampa | J/3 | TSP | B Kakoli | GSJ |
| RM-15 | Sungrisan-9 | Sceptre | RM-4 | DD | Tshd Aru-II | DD-2 |
| DOJ | B Shourabh | B Jyoti | DOJ | CCT-1 | B Lanka | CCT-2 |

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



Roger E Marsh, Chief Executive Officer of Tyser & Co, visited Bangladesh recently. He also visited Paramount Insurance Company Ltd and exchanged views with the top management of the company. Photo shows (left to right) Deputy Managing Director Sajjad Zahir, Managing Director M.A. Hamid, Chairman Md. Shakhawat Hossain, Roger E Marsh, Representative in Bangladesh of Tyser & Co, S.K. Paul Chowdhury and Advisor Mursheed Ali Khan Panni.

HK consumer prices dip for 24th month

HONG KONG, Nov 21: Consumer prices fell at the rate of 2.7 per cent in October, as the territory's deflationary streak reached two years and worsened slightly from a month earlier, the government said Tuesday, reports AP.

Prices had fallen by 2.6 per cent in September, when calculated on a year-on-year basis, the Census and Statistics Department said.

Private economists had forecast deflation in the range of 2.6 per cent for October.