China poised to increase export at developing neighbours' expense

SINGAPORE, Nov 28: Rapidly-growing China will increase its share of Asian exports at the expense of developing neighbours and only Hong Kong and Singapore are facing up to the challenge, Salmon Smith Barney, the US-based investment bank said yesterday, reports AFP.

"As a low cost producer, China is already winning a growing share of Asian exports to the US in a widening range of goods," said the bank in a report.

"As she moves up the value chain, the pricing pressure on the products of Asian competitors will increase.

"Until they rise to this challenge by reforming and investing to raise productivity, China will continue to gain market share while holding down prices."

Hong Kong, one of the region's top financial centres, was responding to the challenge "by embracing technology to raise productivity," the report said.

Singapore has amended takeover rules to ease the way for mergers and acquisitions, bank restructuring and sale of government stakes.

"We also expect Singapore companies to flex their balance sheets as they expand their presence overseas," the report quoted Salomon Smith Barney market strategist Lim Jit Soon as saying.

With mergers and acquisitions likely to bring in foreign entrepreneurs, Singapore may see rising productivity gains without the accompanying inflationary price increases.

Taiwan is hindered by political challenges to President Chen Shui-bian and South Korea has to focus more on domestic housekeeping, it said.

Malaysia, Thailand, Indonesia and the Philippines may possess the "technical aptitude" to raise productivity but lack "economic creativity and access to venture capital.

"They will increasingly depend on being the recipients of the production side only of global IT (information technology), largely through foreign direct investment."

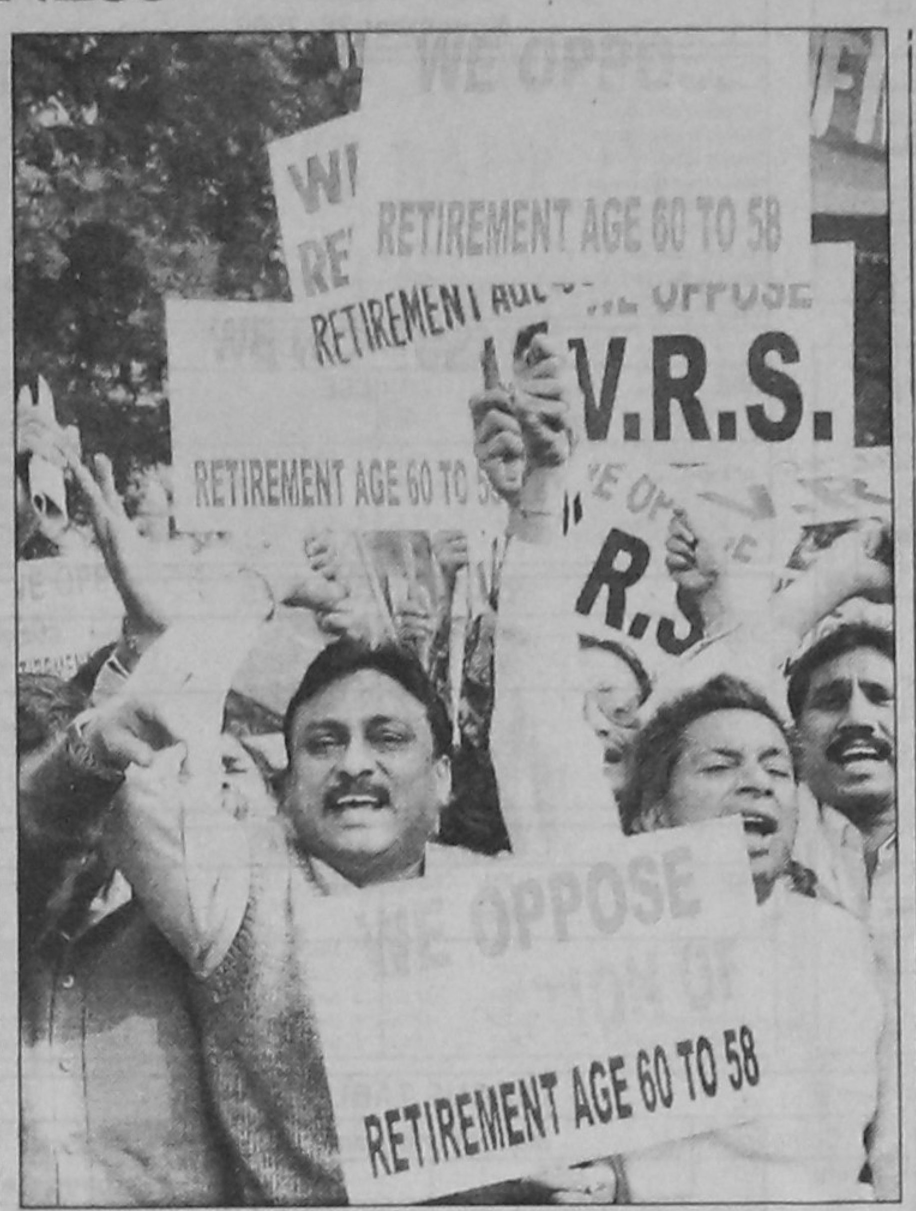
This will make these countries "trickle down" beneficiaries of the IT demand, with China taking a lion's share.

During the Association of Southeast Asian Nations (ASEAN) forum in Singapore last weekend, Chinese Premier Zhu Rongji proposed a free trade zone with ASEAN to form a market of 1.7 billion consumers.

Zhu allayed concerns that China's impending entry into the World Trade Organisation (WTO) would flood the market with cheaper exports and draw away foreign investments from Southeast Asia.

Southeast Asian countries were not China's main competitors in the United States and other developed markets, and China's WTO accession would mean a bigger market and more opportunities for ASEAN countries, Zhu said.

China's WTO membership will be a "win-win situation for all of us," he said.



Indian Bank employees shout slogans against Finance Minister Yashwant Sinha near the parliament yesterday. The employees are protesting against the privatisation of nationalised banks and reducing the retirement age of government employees from 60 to 58.
–AFP photo

German GDP drop suggests ECB rates on hold

FRANKFURT, Nov 28: German growth almost halved in the third quarter as higher interest rates and oil prices hit consumer spending, backing the view that the European Central Bank will keep interest rates on hold for the time being, says Reuters.

The Federal Statistics office said on Tuesday that growth in the three months to September 30 slowed to a seasonally-adjusted 0.6 per cent from the second quarter, when the economy had expanded at a rate of 1.1 per cent.

Year-on-year, and adjusted for seasonal and calendar factors, growth slowed to 3.4 per cent compared with 3.7 per cent in the second quarter. The unadjusted rate slowed to 2.8 per cent year-on-year from an upwardly revised 3.3 per cent.

The slowdown was in line with economists' expectations that growth in Europe's largest economy, which accounts for a third of euro zone output, was well past its peak.

The euro was little changed after the news at $0.8532, supported by market fears that the ECB will intervene in currency markets. Euro debt futures were also steady, with the December Bund future at 106.40, down four ticks, by 0800 GMT.

Economists said the ECB, whose council next meets on Thursday, was now likely to keep interest rates unchanged for the time being.

They said slowing growth and moderate underlying inflation – stripping out the impact of higher oil prices – was offsetting recent oil price-induced increases in headline euro zone inflation to well above the ECB's two per cent ceiling.

The bank is likely to refrain from interest rate rises while it assesses the impact of its seven rate hikes since last November which moved its benchmark interest rate up by 2.25 percentage points to 4.75 per cent, economists said.

"It shows that interest rate increases by the European Central Bank have had a dampening impact," said Klaus Schrueler, an economist at BfG Bank in Frankfurt.

M3 expected to slow

Euro zone M3 money supply growth, a key guide for the ECB, is also expected to have slowed in October, to 5.4 per cent from September's 5.5 per cent, as rate hikes dampened credit growth.

Some economists said the ECB may be too optimistic with its assessment that the euro zone's current cooling is a temporary phenomenon.

New DMD of Agrani Bank

Md Abdul Hamid Miah has joined Agrani Bank as Deputy Managing Director, says a press release.

Prior to joining Agrani Bank, he was General Manager of Bangladesh Krishi Bank.

Hamid held important positions in Planning Commission, Bangladesh Bank, Bangladesh Tea Board, Bangladesh Krishi Bank and Sonali Bank.

New MD of BKB

Md. Murshid Kuli Khan has joined Bangladesh Krishi Bank (BKB) as managing director.

Khan obtained his BA (Honors) & M A Degrees in Economics from the University of Dhaka in 1973 and 1974 respectively. He also holds masters in banking and finance from the University of Wales, UK in 1990, says a press release.

Md. Murshid Kuli Khan started his banking career with the central bank. During his long 24 years banking career, he worked in agricultural credit arena for more than a decade.

He also worked in the field of banking control, bank supervision, administration and operations departments of the central bank for a long time.

He received advanced training in the field of bank supervision, financial management and agricultural credit from the University of California, Irvine, USA, Federal Reserve System of USA, Bank of England and College of Agricultural banking, Reserve Bank of India, Standard Chartered Bank, London.

Khan has got ten publications on different aspects of banking in the research journals.

IMF to discuss war impact on Lankan economy this week

COLOMBO, Nov 28: An International Monetary Fund delegation will visit Sri Lanka this week to discuss the impact of the island nation's ethnic war on the economy and to review its reform agenda, an IMF official said yesterday, reports Reuters.

"It will be a staff surveillance exercise and will discuss the impact of the war and rising oil prices on the economy," Nadem ul Haque, IMF's senior resident representative, told Reuters.

"There will also be discussions on the reform agenda, the budget outturn for 2000 and plans for 2001," he said.

An escalation in fighting against separatist Tamil rebels in the island's northern peninsula has forced the government to raise defence spending by more than 40 per cent.

This will weigh on the budget deficit, forecast at 8.5 per cent of gross domestic product this year, up from 7.5 per cent in 1999.

Increased military imports, together with rising oil prices as well as tax and utility rate hikes to meet the added defence expenses, also saw the government increase its inflation rate forecast to 7.0-7.5 per cent by year-end, against a 1999 inflation rate of 4.7 per cent.

Haque said the IMF was fairly confident the government would meet its economic targets this year, and acknowledged that events had forced it to take some hard decisions.

Mad cow disease leads to political fallout in Europe

BERLIN, Nov 28: European governments struggled to contain the political fallout from a widening mad cow disease scare yesterday as German consumers became the latest to lose their appetite for beef amid health fears, says Reuters.

Chancellor Gerhard Schroeder rejected charges his government had mishandled the situation, after the discovery of first German cattle infected with mad cow disease or bovine spongiform ancephalopathy (BSE) plunged the country into the centre of Europe's mad cow health scare Friday.

"I think we have shown that we are capable of acting swiftly and precisely," he told reporters before a regular leadership meeting of his ruling Social Democrats in Berlin.

Germany and Spain have been the latest to find cases of BSE, which has been linked to the human form of the fatal, incurable and brain-wasting new variant Creutzfeldt-Jakob disease (nvCJD) that has killed more than 80 Britons.

European Health Commissioner David Byrne said in Berlin that Germany – instrumental in establishing the 1996 European Union ban on British beef – had been complacent in thinking itself free of the disease.

"I don't believe the German government acted consciously irresponsibly," he said. "They believed they were BSE free and adopted a particular approach which was not cooperative with EU efforts to introduce legislation to protect consumers.

No EU state could guarantee its beef was free of mad cow disease, Byrne said later in response to reports that Ireland planned to market its beef as BSE free.

EU farm ministers were set to hold a special meeting next Monday in Brussels.

Japan's Inter-Lease Corp goes bust

6th biggest bankruptcy in 2000

TOKYO, Nov 28: Ailing Japanese finance company Inter-Lease Corp said yesterday it had filed for special liquidation, making it the nation's sixth biggest corporate bankruptcy this year with 560 billion yen ($5 billion) in total debt as of end of October, reports Reuters.

The failure came as no major surprise because the company's biggest shareholder, Nippon Shinpan Co Ltd, had said it was considering liquidating the troubled unit.

Nippon Shinpan, a leading Japanese credit card company with a stake of nearly nine per cent in Inter-Lease, said it was seeking 550 billion yen in loans from 18 banks to prepare for a temporary rise in fund demand resulting from the liquidation.

Shares in Nippon Shinpan had more than halved to 155 yen by Monday from a late-January intraday peak of 321 yen.

The cost of liquidating Inter-Lease has already forced Nippon Shinpan to cut its group net profit estimate by about 60 per cent to 4.9 billion yen for the full year through to next March. It lost 24.8 billion yen last year. Nippon Shinpan said it would also skip dividend payouts for the first time since its 1961 listing.

Tokyo-based Inter-Lease, set up in 1974, is burdened with problem loans stemming primarily from aggressive lending during the nation's bubble era in the late 1980s. Many of those loans became unrecoverable after the bubble burst.

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		Currency	Buying		
TT/OD	BC		TT Clean	OD Sight Doc	OD Transfer
54.2500	54.2800	USD	53.8150	53.6464	53.5779
46.6647	46.7516	EUR	45.4918	45.3084	45.2318
77.3338	77.3758	GBP	75.8588	75.5923	75.5377
28.9436	28.9681	AUD	27.8897	27.7973	27.7172
0.4952	0.4953	JPY	0.4822	0.4820	0.4810
30.7198	30.7443	CHF	30.2122	30.1177	30.0332
5.3527	5.3578	SEK	5.2642	5.2466	5.2306
35.4553	35.4798	CAD	34.8929	34.7992	34.7161
6.9598	6.9611	HKD	6.8984	6.8807	6.8633
31.042	31.0634	SGD	30.6092	30.5654	30.4508
14.8919	14.9095	AED	14.5023	14.5242	14.4838
14.5791	14.5975	SAR	14.2395	14.2028	14.1846

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	Thai baht	Ma ringgit	Indo rupiah	NZ dollar
46.85/46.87	58.00/58.30	43.50/43.55	3.7995/3.8005	9450/9460	0.4055/0.4062

The local foreign exchange market was subdued on the first day of Ramadan. Demand for dollar picked up and trading range of dollar also went up. Call money market ranged between 6.5 and 7 per cent.

In the international market, dollar faltered against both yen and the euro with growing concerns of possible intervention helping the euro and corrective sales supporting the yen. The greenback tired to regain ground against yen after its slip from nine-month high on Monday. Meanwhile, speculation that the European Central Bank will intervene is driving the euro up.

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 28.11.2000.

Berth No	Name of Vessels	Cargo	L Port Call	Local Agent	Date of Arrival	Leaving
J/3	Banglar Doot	TSP (Fert)	Qing	Unique	20/11	29/11
J/5	Erodics	Sugar (TCB).	Sing	CCNL	6/11	28/11
J/6	Thai Binh	Fert (NPK)	Isha	SBS	23/11	5/12
J/7	Banglar Maya	GI/GL	Okha	BSG	19/11	1/12
J/8	Khulla	M Seed	Mari	BSL	4/11	-
J/9	Joy World	GI	Sura	SSLL	27/11	1/12
J/10	Oriental Queen	C Clink/Gypsum	Krab	RML	23/11	6/12
J/11	Boxer Capt Cook	Cont	P Kel	BDShip	24/11	1/12
J/12	Tiger River	Cont	Sing	Nol	21/11	28/11
J/13	Jaami	Cont	Sing	Cross	21/11	30/11
CCT/1	Jay Mars	Cont	Col	Everbest	25/11	28/11
CCT/2	Xpress Resolve	Cont	Sing	RSL	23/11	28/11
CCT/3	QC Pintail	Cont	Sing	QCSL	24/11	27/11
RM/14	Gati-1		Col	BSL	20/11	28/11
RM/15	Ava	Rice (P)	Yang	MTA	30/10	29/11
CCJ	Ocean Pride	C Clink (Ruby)	Krabi	PSAL	17/11	29/11
GSJ	Lady Aryettee	Fert (GTSP)	Sing	SBS	24/11	10/12
TSP	Iran Sekan	R Phos	Hamr	Secom	27/11	7/12
DOJ	Banglar Shurabh	C Oil	-	BSC	R/A	28/11
DDJ/1	Bright Sea	Idle	Krab	MBL	11/11	29/11
RM/8	Banglar Urmi	Repair	-	BSC	R/A	30/11
RM/9	Princess of Lorne	Sugar (TCB)	Bang	CCNL	2/11	1/12
Kafco(U)	Sea Banian	Urea	Hald	Everett	25/11	1/12

Vessels due at outer anchorage

Name of Vessels	Date of Arrival	Last Port Call	Local Agent	Cargo	Loading Port
Ocean-1	28/11	Yang	SMSL	GI (Log)	-
Qena	30/11	-	SBS	Fert	
Tug Salvigour	28/11	Col	AHZ	Towing	Michael
Michael	28/11	Col	AHZ	For Demolation	
Jin Cheng	29/11	Hanjin	BDShip	GI	-
B Shikha (Cont) 19/11	29/11	Sing	BSC	Cont	L Sing
Xiang Jiang	29/11	Bushan	BDShip	GI	
Indeendence (Cont)19/11	29/11	P Kel	BDShip	Cont	L Sing
St Aubin	29/11	Karabi	Everett	C Clink	-
K Naga	29/11	Sing	Pil (Bd)	Cong	-
Kapitan Ivanchuk	29/11	Sin	Uniship	C Clink (Seven	Circal
Southern Queen	28/11	Sura	Aeka	GI	(Copra)
Samara	30/11	Mumb	SMSL	GI (St Coil+Mach)	
Arabella (Cont) 20/11	30/11	-	QCSL	Cont	L Sing
Banga Birol (Cont)19/11	1/12	P Kel	BDShip	Cont	L Sing
Banga Bonik (Cont)21/11	2/12	Sin	BDShip	Cont	L Sing
Osg Argosy (Cont) 23/11	30/11	CBO	Everbest	Cont	L Sol
J Balsam (Cont) 23/11	2/12	-	Nol	Cont	L/Sing
Qc Teal (Cont) 22/11	2/12	-	QCSL	Cont	L/Sing
Bago	2/12	Sin	Everett	GI	Vehi
B Moni (Cont) 22/11	3/12	Sing	BSC	Cont	L/Sing
BBC Texas (24) 27/11	3/12	-	H&H	Generating	Pack
Actuaria (Cont)27/11	5/12	-	QCSL	Cont	L/Sing
B Robi (Cont) 26/11	5/12	Sing	BSC	Cont	L/Sing
B Lanka (Cont) 23/11	5/12	-	Baridhi	Cont	L/Sing
Osg Alphan (Cont) 26/11	5/12	Sing	RSL	Cont	L/Sing
Kota Bintang (Cont) 26/11	5/12	Sing	Pil (BD)	Cont	L/Sing
Kota Singa (Cont) 26/11	6/12	Sing	Pil (BD)	Cont	L/Sing

Tanker due

Haustrum	30/11	Juba	ECSL	HSD (RM/6)

Vessels at Kutubdia

Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival

Vessels at Outer Anchorage

Vessels Ready

Banga Bijoy (Cont)	Cont	P Kel	BDShip	26/11
Xpress Renown (Cont)	Cont	Sing	RSL	26/11
Kota Cahaya (Cont)	Cont	Sing	Pil (BD)	27/11
Xpress Padma (Cont)	Cont	P Kel	RSL	27/11

Vessels not Entering

Eco Challenge	Dia Phos	Na Ban	BSL	16/11
Patchara Naree	Mop (Bulk)	Niko	Litmon	17/11
Accord	Cement	Sing	Viking	5/4
Revenge	-	-	Sunshine	3.8.99
Xing Ye	Rice (G)	-	MHCSL	20.2.99
Karya Sentosa	Rice (G)	-	USTC	10.8.98

Movement of Vessels for 29/11/2000

Outgoing	Incoming	Shifting
J/3 B Doot-6.5	O Metor-8.72 GSJ	GSJO L Aryettee-6-J/5
J/5 Erdios-5	B Kakoli-7 J/3	
J/8 Khulla-5	B Shikha-7.8 CCT-3	
CCJ Ocean Pride 5	Bin Gheng-8.5 J/8	
DOJ B Jyoti-4	B Shourabh-7.4 DOJ	

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