

China-Taiwan links seen hurting HK trade role

HONG KONG, Jan 2: New direct trading exchanges between China's Fujian province and two Taiwan islands pose little threat to Hong Kong now but full-scale links could herald its diminished role as a major trade entrepot, reports Reuters.

Since Taipei approved limited direct trade and transport links between the Eastern Chinese province and Matsu and Quemoy islands last month - economic backwaters at the front line of Taiwan's defence against China since 1949 - analysts have downplayed the significance for Hong Kong, maintaining only full-scale direct links would have any impact.

"The worry for Hong Kong would be full scale direct links which would mean no limits on ships sailed from any port in Taiwan to any port in China. This could diminish Hong Kong's role as a transshipment port," she said, adding that it was impossible to quantify the potential impact now.

The first legal and direct arrival of a Taiwan boat in mainland China in 50 years symbolised a small but significant step in Beijing's push for full trade, transport and postal exchanges with its longtime rival.

But few expect full-scale links to become a reality for some time as it would require China and Taiwan to resume high level talks, stalled since the mid 1990s.

Yan said full-scale direct links could mean mainland China re-exporting its products through Taiwan's ports instead of via Hong Kong if costs there remained more competitive. Re-exports from China currently account for around 40 per cent of Hong Kong's total exports which have been a key driver of the territory's economic recovery from Asia's 1997/98 financial crisis.

"If we see full-scale links, we won't just be talking about trade between China and Taiwan but transshipments to the rest of the world."

An added consequence of the full-scale links for Hong Kong could also be the ability for Taiwan to make direct investments in the mainland, diminishing the attraction of the Guangdong region as an investment site close to Hong Kong, the Trade Development Council said in its newly published report on the subject.

However, analysts said Hong Kong's economy unlikely to be adversely affected by stronger links between Taiwan and the mainland as the territory was likely to retain several key roles, including that of China's major transshipment point for years to come.

Three ferries from the outlying Taiwanese islands of Kinmen and Matsu separately sailed to mainland cities Xiamen and Fuzhou on Tuesday, inaugurating the so-called "three mini links" - direct transport, trade and postal services.

"Bilateral trade will continue to expand," said Hsu Kuochung, director of the statistics department at the finance ministry.

"But growth in trade will be limited given the restrictions on the mini-links," he said.

Kinmen and Matsu are banned from acting as a transshipment point between the mainland and Taiwan island due to national security considerations and to protect the Taiwan economy, the finance ministry said.

Taiwan-China trade may post modest growth

TAIPEI, Jan 2: Trade between Taiwan and China may rise only modestly following the launching Tuesday of the first direct links in 51 years, an official said, reports AFP.

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Desktop Computer Connection Ltd, the CISCO Systems integrator and business partner in Bangladesh, participated in the CISCO Partner Summit at Taj Exotica, Goa, India recently. Picture shows Borhan Uddin, Managing Director of Desktop Computer Connection Ltd, Manoj Chugh, President, and B Ashok, Channel Manager of CISCO India and SAARC region, at the summit.

Shipping Intelligence

Table titled 'Chittagong Port' showing Berth Position and Performance of Vessels as on 02.01.2001. Columns include Berth No, Name of Vessels, Cargo, L Port, Local Agent, and Date of Leaving Arrival.

Table titled 'Vessels Due at Outer Anchorage' showing Name of Vessels, Date of Arrival, L Port, Local Agent, Cargo, and Loading Port.

Table titled 'Vessels of Kutubdia' showing Name of Vessels, Cargo, Last Port, Local Agent, and Date of Arrival.

Table titled 'Vessels at Outer Anchorage' with a sub-section 'Ready On' showing Name of Vessels, Cargo, L Port, Local Agent, and Date of Arrival.

Table titled 'Vessels Not Ready' showing Name of Vessels, Cargo, L Port, Local Agent, and Date of Arrival.

Table titled 'Vessels Awaiting Instruction' showing Name of Vessels, Cargo, L Port, Local Agent, and Date of Arrival.

Table titled 'Movement of Vessels for 3.01.2001' showing Outgoing, Incoming, and Shifting vessels.

Advertisement for Dhaka Electric Supply Authority Tender Notice. Includes details about sealed tenders, project specifications, and contact information for the General Manager (Consultancy) and Executive Engineer.

Euro-zone borrowing costs ease

FRANKFURT, Jan 2: The cost of borrowing in the euro zone eased on Tuesday under the variable-rate auction of funds in the ECB's regular refinancing ("refi") operations and it appears increasingly unlikely that the European Central Bank will move its key rates in the near future, reports AFP.

The lowest rate at which the ECB allocated funds was 4.76 percent, or less than the 4.79 percent set at the last auction of funds on December 22.

And the weighted average rate for bids by commercial banks also fell to 4.78 percent from 4.84 percent.

Under the variable-rate auction of funds, commercial banks effectively set interest rates for the 11-country euro zone by deciding for themselves the rate at which they are prepared to borrow funds from the central bank.

The ECB nevertheless keeps its hands on the steering wheel by setting a minimum rate at which banks can bid for funds. The minimum bid rate has been set at 4.75 percent since the beginning of October.

It is the gap between the minimum bid rate and the rate at which commercial banks bid that ECB watchers check for signals on future movements in interest rates.

The gap tends to widen as market speculation increases that the ECB is about to increase its official rates.

At this week's auction, the ECB allocated a total 101 billion euros (95 billion dollars) in funds.

Some 488 banks had placed bids for a combined 136.434 billion euros, with bids ranging from 4.75 percent to 4.94 percent, the ECB said.

A total 20.84 percent of bids were allotted at the marginal rate of 4.76 percent.

The 14-day refi agreements, scheduled to expire on January 17, replace 121 billion euros in refis due to expire this week.

That means that the ECB drained a total 20 billion euros in liquidity from the euro-zone banking system via the operation.

Until late last year there had been speculation that the ECB might have to tighten monetary conditions again in face of the inflationary dangers resulting from the weakness of the euro and the high oil prices. But the euro has recently rebounded sharply and there has also been an easing of oil prices.

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Spl ReadyCash discount time extended

The special discount offer for ReadyCash cardholders has been extended up to 31 of this month, says a press release.

ReadyCash cardholders who have not yet used up their discount coupons will be able to do so till this period.

Any ReadyCash cardholder making purchases worth Tk. 200 or more through his/her ReadyCash card, will be entitled to this special discount.

Anwaruddin made ICAB president



Anwaruddin Chowdhury, FCA, has been elected president of the Institute of Chartered Accountants of Bangladesh (ICAB) for the year 2001.

The election was held at the ICAB's council meeting held in the city recently, says a press release.

The meeting also elected Akhtar Solih Kasem, FCA, A K Gulam Kibria, FCA, and A S M Nayeem, FCA, vice presidents of the institute for the same term.

Chowdhury is a partner of Aziz Halim Anwar & Co. Elected to the Council of the Institute in 1995, he was its vice president in 1998 and 1999. He was served as chairman of the Institute's Technical and Research Committee in 1998 and 1999 and as chairman of Accounting and Auditing Standards Monitoring Committee in 2000.

Chowdhury has presented many technical papers in national and international conferences on various macro-economic and professional issues. He served as Executive Secretary of South Asian Federation of Accountants (SAFA) in 1995 and represented Bangladesh on SAFA WTO Working Committee from 1995 to 1999. He was a member of the Bangladesh Bank Task Force for implementation of IAS-30.

Euro rises to 5-month highs

LONDON, Jan 2: The euro put on a fresh show of strength on Tuesday, climbing to the highest level for over five months in response to a fresh batch of favourable euro-zone statistics, reports AFP.

The single European currency climbed to 0.9459 dollars in early deals, its highest since mid-July, from 0.9422 dollars in New York in late Friday dealing.

The euro extended recent gains against the Japanese unit, rising to 108.66 yen from 107.74 yen on Friday.

Office of the Executive Engineer, RHD Ferry Division, Barisal (RHD), Tender Notice. Includes details about tender notices, eligibility, and a list of work items with estimated costs and earnest money.

Govt. of the People's Republic of Bangladesh Office of the Executive Engineer, RHD Feni Road Division, Feni Notice Inviting Tender. Includes details about sealed tenders, project specifications, and contact information for Md Idris Mia, Executive Engineer, RHD Feni Road Division, Feni.

Advertisement for Bangladesh Petroleum Exploration & Production Company Limited (BAPEX). Includes details about tender notices, sub-auction notices, and contact information for the General Manager (Consultancy) and Auction Committee.