

IMF to slash 2001 global growth forecast to 3.5pc

Fischer points to sharp US slowdown in Davos

DAVOS, Switzerland, Jan 28: The International Monetary Fund warned Saturday it was slashing its 2001 world growth forecast to 3.5 per cent, from 4.2 per cent, because of a sharp slowdown in the US economy, says AFP.

The IMF will lower its previous 4.2 per cent, announced in September in Prague, to around 3.5 per cent, Stanley Fischer, IMF first deputy managing director, told a seminar at the annual summit of the World Economic Forum.

It is clear that world economic growth has slowed ... our estimate will come down significantly to around 3.5 per cent, he said, adding that estimations were still going on before the

new rate would be announced officially.

Fischer explained the downward revision of the 4.2 per cent rate the IMF forecast in September was needed because of a swift, deeper-than-expected slowdown of the US economy.

However, he added that despite the current slowdown in the United States, a recession of the kind that was experienced in the late 1980s and 1990s was an improbable scenario.

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Japan's main 'whip' is restructuring the economy, especially in the banking sector, he said.

But that tool is "not particularly fast-acting," he added.

French Finance Minister

He said that the Fed could cut rates by a further four to five percentage points if necessary, but added that it was unlikely that such drastic action would be taken.

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Laurent Fabius, speaking at the same event, agreed that a recession could be prevented. "The room for using interest rates is very big ... I do not see any signs of a credit crunch."

Fabius' German counterpart, Hans Eichel, expressed optimism on the prospects for the euro zone economy, saying that growth should be no lower than three per cent in 2001.

I continue to see good prospects for growth in the euro zone. The effects from foreign trade should be limited ... the dynamism of the euro zone economy remains unbroken.

He added that the softening of price pressures in the euro zone is "easing the task of monetary policy."



Michael K Nathan, GTZ Project Coordinator, delivers his speech as the guest speaker at the "January Lunch Meeting" of the consultants organised by IMC Bangladesh. M Saidul Haq, President of IMC Bangladesh, and A Karim, First Vice-president of the institute, are also seen in the picture. - IMC photo

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against Taka to major clients						
Currency	Selling TT & OD	Selling BC	Buying TT Clean	Buying OD Sight	Buying OD Export Bill	Buying OD Transfer
US Dollar	54.2500	54.2800	53.8150	53.6970	53.6250	
Pound Stg	79.8343	79.8784	87.0640	77.8929	77.7884	
Deutsche Mark	26.0428	26.0572	24.9893	24.9345	24.9011	
Swiss Franc	33.0269	33.0452	32.3485	32.2776	32.2343	
Japanese Yen	0.4665	0.4667	0.4545	0.4535	0.4529	
Dutch Guilder	23.1134	23.1262	22.1784	22.1298	22.1001	
Danish Krone	6.7580	6.7618	6.6173	6.6028	6.5939	
Australian \$	30.0816	30.0983	28.7372	28.6742	28.6358	
Belgian Franc	1.2627	1.2634	1.2116	1.2089	1.2073	
Canadian \$	36.4387	36.4589	35.4093	35.3316	35.3842	
French Franc	7.7650	7.7693	7.4509	7.4346	7.4246	
Hong Kong \$	6.9697	6.9730	6.8863	6.8716	6.8620	
Italian Lira	0.0263	0.0263	0.0252	0.0252	0.0252	
Singapore \$	31.3820	31.3993	30.4091	30.3424	30.3017	
Euro	50.9353	50.9635	48.8748	48.7676	48.7022	
Saudi Rial	14.5036	14.5118	14.3102	14.2788	14.2597	

Bill buying rates

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
53.7512	53.3665	52.9181	52.4696	52.0212	51.1243

US dollar London Inter Bank Offered Rate (LIBOR)						
Buying (\$)	Selling (\$)	Ccy	1 Month	3 Months	6 Months	9 Months
53.625	54.2500	USD	6.685	5.5675	5.41125	5.3325
0	54.2500	USD	6.685	5.5675	5.41125	5.3325
77.7884	79.8343	GBP	5.92344	5.81688	5.72750	5.65906
46.495	48.1500	Cash/TC	4.68063	4.69125	4.63563	4.61500

Exchange rates of some Asian currencies against US dollars						
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won	
46.485/	59.02/	42.77/	8.795/	9400/9500	1279.9/	
46.495	59.12	42.84	8.8005		1281.9	

Amex notes on Sunday's Market

The inter-bank USD/BDT market was moderately active today because of the weekend in the international market. The USD/BDT rate was between the 54.16 and 54.17 range. The average call rate ranged between 5.75 and 6.00 per cent.

On January 25, the US currency had tumbled from one-month highs near 91 cents per Euro after Federal Reserve chairman Alan Greenspan said current economic growth was around zero, reinforcing expectations for a half percentage point rate cut from the central bank later this month. The dollar again held its ground against the Euro on January 26, reversing the earlier losses as investors considered the plus side of a widely expected easing in US interest rates next week.

Against the yen, the dollar was also firmer, helped in part by weak Japanese economic data that reinforced the market's bearishness on Japan's economy.

Sterling was mixed a little over a cent above recent six-week lows against the dollar on January 26, paring early gains after British growth data reinforced expectations of an interest rate cut by the Bank of England next month. The Swiss Franc was slightly weaker but holding in sideways range as the market focused on next week's policy setting meeting of the US Federal Reserve.

In New York on Friday, the majors closed against US \$ at 117.30/117.40 JPY, 1.6526/1.6536 CHF, Euro at \$0.9232/0.9239 and GBP at \$1.4606/1.4616.

Shipping Intelligence

Chittagong Port

Berth Position and Performance of Vessels as on 28.1.2001.

Berth No	Name of Vessels	Cargo	L Port Call	Local Agent	Date of Leaving Arrival
J/1	Southern Queen	GI (COPRA)	Sing	AEKA	28/11
J/2	Andhika Adikarara (72)	GI (St C)	Yang	ASA	25/1
J/3	Noumea Express	GI(COPRA)	Sing	AEKA	18/1
J/4	Enos	GI(Ma)	Yang	SMSL	11/1
J/5	Alam Tabah	Wheat (P)	Viza	RSA	30/1
J/6	Chopol-2	C Clink	Krab	MBL	24/1
J/7	Eltanin	Wheat (P)	Mon	SMSL	11/1
J/8	Hilda	GI (St C)	P Gud	Oil	26/1
J/9	St Crixo	GI (Peas)	Sing	Litmond	11/1
J/10	Jaami	Coni	Sing	Cross	23/1
J/11	Kuo Hsing	Cont	P Kel	QCSL	19/1
J/12	Banga Birul	Cont	P Kel	BD Ship	22/1
CCT/1	Boxer Capt Cook	Cont	P Kel	BD Ship	22/1
CCT/2	Acturia	Cont	P Kel	QCSL	24/1
CCT/3	Banga Bijoy	Cont	Sing	BD Ship	23/1
RM/14	Pavonis	Idle	MUMB	SMSL	28/12
GSJ	Banglar Kallol	Wheat(G)	K Dia	Lams	27/1
TSP	Iran Borhan	R Phos	B ABB	Seacom	22/1
RM/5	Dai Hung	HSD	Sing	ECSL	25/1
RM/6	Olympic Pride	L Oil	P Said	ECSL	23/1
DD	Banglar Shourab	Repair	-	BSC	RA/8
DDJ/1	Banglar Kakoli	Repair	Mong	BSC	24/1
RM/8	Al Muztuba	Repair	PIPA	CLA	16/1
KAFCO(A)Hayal		Ammonia	PARA	MBL	27/1

Vessels due at outer anchorage

Name of Vessels	Date of Arrival	L Port Call	Local Agent	Cargo	Loading Port
Ocean-1	29/1	Yang	SMSL	GI (Log)	-
Shun An	1/2	Mong	RML	St C + P Mat	-
Piran	29/1	-	Seacoast	R Phos	-
La Express	28/1	P Kel	Scraping	-	-
Belinga	28/1	Yeman	OTBL	-	-