BOJ eases monetary policy as Tokyo warns of zero growth

The central bank said it would pump more cash into Japan's financial system to support the faltering economy while the government admitted Wednesday it expects zero growth next fiscal

Analysts described the Bank of Japan's action as meaningless with huge amounts of cash already flooding the banking system and interest rates effectively at zero

They also said the government's target of zero economic growth in the year to March 2003 was

The Bank of Japan said the economy was

continuing to deteriorate. "Today's decision is intended to ensure that the financial markets continue to work in a stable manner and that economic recovery will be

effectively supported from the monetary side," the BoJ said in a statement. The BoJ policy board decided by majority vote to target current account reserves at the bank at around 10-15 trillion yen (78-117 billion dollars),

up from the current level of over six trillion yen.

India's tax authorities on Wednesday

froze the bank accounts of at least 10

foreign investors for breaching rules

KR Bhargava, director at India's tax enforcement directorate, told reporters

that the bank accounts of at least 10

foreign institutional investors had been

frozen for violation of the foreign

could be a few hundred thousand rupees

investors or cite which rules were vio-

(thousand dollars)," Bhargava said.

"Amounts involved are not heavy and

He refused to name the foreign

Meanwhile, tax authorities also froze

exchange regulation act.

rning foreign currency transactions.

It also said it would also increase long-term government bond purchases to 800 billion yen a month from 600 billion yen, which would also increase liquidity in the financial system.

of 10 foreign investors

share trades.

Pvt., a local Bombay stock brokerage

firm, and arrested its founder, Shankar

month by the country's central Reserve

Bank of India on overseas corporations

making fresh investments in Indian stock

buying or selling shares on the Indian

September recommended the ban after

investigations revealed that some Indian

brokers were using the loophole to

repatriate profits earned from illegal

The scandal caused India's bench-

stock exchanges." Bhargaya said.

"The ban doesn't stop investors from

India's stock market regulator in

The investigation follows a ban last

think the Bank of Japan has made a very important move... as it suggests it is shifting away from conventional policy," said State Minister for Economic and Fiscal Policy Heizo Takenaka.

The BoJ also said it would help commercial banks accept commercial paper and assetbacked securities from firms as collateral for loans in a bid to boost lending. No details were provided on the extent of risky assets the central bank would be willing to accept.

Analysts warned the move could help firms that should be allowed to fail.

Political pressure has mounted on the Bank of Japan to take further measures to restore growth to the economy, with consumer prices sliding for

26 straight months. But analysts said the bank's actions

Wednesday would not help the economy and showed it was prepared to bow to pressure Credit Suisse First Boston Yasushi Okada said the bank had previously said it had done

everything it could for the economy and he questioned why it had decided to act now. "(Either) they didn't believe what they were saying, or they have no idea what they should do." he said

"It shows in the long run, when push comes to shove, it's the BoJ that will blink first," said Ron Bevaggua, senior economist at Commerz

Underlining the bleak outlook for the world's second largest economy, the government Wednesday cut its GDP forecast for the year to March to a one percent contraction from minus 0.9 percent seen earlier and predicted zero growth for the following year.

"The nation's economy is continuing to deteriorate... while unemployment has reached unprecedented levels, deflation is developing," i said in a report.

Analysts said the negative impact on the economy in the short term of the government's planned structural reforms appeared not have been taken into account in the year to March 2003 forecast.

"Since Japan is set to carry out serious structural reforms next year, the target is too high." said Yoshihide Mukoyoshi, an analyst at Kokusai Securities Co. He is forecasting GDP will shrink 1.1 percent

sus is a fall of around 0.5 percent. Investors gave a muted reaction to the BoJ's action with the Nikkei-225 average of the Tokyo Stock Exchange nudging up 0.4 percent to end at

in the coming fiscal year and the market consen-

The dollar traded at 128.12-15 yen compared with 128.26-28 in Tokyo late Tuesday



An employee cleans a display window showing a fashion beauty for a foreign brand in Shanghai yesterday. After China entered WTO this month, more foreign goods will rush into the world's biggest market.

Japan's trade surplus

with Asia dives 80pc

India freezes bank accounts BOJ move meaningless, say analysts

mark stock index to plunge 15 percent in

ing," a senior tax official told the agency.

unaccounted transactions made by

Pendse who was sacked by his com-

pany along with four other senior officials

The seized documents pertained to

Maharashtra.

AFP, Tokyo

The Press Trust of India also Action by the Bank of Japan to reported that income tax officials carried further ease monetary policy as the out raids at 20 premises belonging to economy falters is meaningless with former managing director of Tata Finance Limited Dilip S Pendse and his the financial system already flooded with cash and interest rates effecassociates in the western state of tively at zero, analysts said.

"At least 18 bank lockers have been "Stupid. Perfectly stupid, sealed so far and documents, cash, Yasushi Okada, chief economist for foreign currency and iewellery seized in Credit Suisse First Boston (CSFB), the searches. The raids are still continu-

"The Bank of Japan has been saying it had done everything it can do, so today, why did they change the policy?

"There are only two possibilities, one is they didn't believe what they were saying, or they have no idea what they should do. There's noth-

ing else.' The BoJ board said after a twoday policy meeting Wednesday that it would boost liquidity in the financial system by raising the target level of funds in its current account to 10-15 trillion yen (78-117 billion dollars) from over six trillion yen.

tariffs on

cials said Thursday.

energy ministry said.

AFP, Seoul

Taiwan CD-R

South Korea's state trade panel has

proposed anti-dumping tariffs

against Taiwan's compact disc

recordable (CD-R) products, offi-

In a preliminary decision, the

National Trade Commission found

CD-Rs from Taiwan posed "material"

damage" to South Korean manufac-

turers, the commerce, industry and

tariffs of 51.7 percent, but the com-

mission will conduct a detailed

review in the next three months to

a petition with the commission,

claiming local manufacturers suf-

fered a sharp drop in their market

share and operating losses due to

Microsoft opens

.NET technology

Microsoft Corp. India Pvt Ltd.

announced Wednesday the open-

ing of its .NET technology centre in

India's IT capital Bangalore with an

unfront investment of 200 million

Microsoft's Asia region presi-

dent, Michael Rawding, said the

fourth centre of its kind in the Asia

Pacific region would help Indian

developers, independent software

vendors and system integrators

take advantage of XML (eXtensible

Markup Language) and Microsoft's

The technology centre

Microsoft's first in India, is targeting

50 home-grown XML solutions

within a year and will train 1,000

information technology profession-

als on next generation IT solutions in

India's prestigious Indian

Institute of Science's

Supercomputing Education and

Research Centre will help with the

"A large number of government

officials will also be trained at the

.NET technology centre," Rajiv

Kaul, managing director, of

training and education.

Microsoft's Indian arm said

rupees (4.2 million dollars).

.NET initiative.

centre in India

AFP, Bangalore, India

South Korea's SKC Co. has filed

determine a final rate, it said

cheap products from Taiwan

Taiwanese CD-Rs could face

US trade deficit widens ROK panel for anti-dumping 106.75 billion dollars while exports

groups Brunei,

Indonesia, Laos,

AFP, Tokyo

the ministry said.

percent, it said.

billion yen

ASEAN

Cambodia,

and Vietnam.

Japan's trade surplus with the rest

of Asia dived 79.9 percent in

November from a year earlier as

exports of high-technology products

shrank, the finance ministry said

The trade surplus with Asia fell

Exports dropped 13.9 percent to

1,547.7 billion yen chiefly because

shipments of semiconductors and

other electronics parts fell 24.8

With the Association of

Southeast Asian Nations (ASEAN),

Japan slipped into a deficit of 494

million yen against a surplus of 49.7

Malaysia, Myanmar, the

Philippines, Singapore, Thailand

Imports from the rest of Asia

for the 12th consecutive month to

42.5 billion yen (343 million dollars),

The US trade deficit widened a dramatic 54.76 percent in October, the government said Wednesday, but the result was heavily distorted terrorist-related insurance pay

The combined US deficit in trade of goods and services expanded to 29.43 billion dollars in October from 19.02 billion dollars in September, the Commerce Department said. It was the steepest change since

June 1993 The figures were skewed by the September 11 airborne onslaught, which flattened New York's World Trade Center, wrecked part of

Washington's Pentagon and killed thousands of people Immediately after the attacks, foreign insurers made big payouts, which were recorded as a cut in US imports of services. When the payouts ended. US services imports

snapped back to normal in October. As a result, the US surplus in services trade plunged 66.34 percent to 5.56 billion dollars in October. The goods-only deficit, meanwhile, narrowed 1.52 percent to 34.99 billion dollars.

Overall, imports of goods and services surged 11.43 percent to

edged up just 0.71 percent to 77.32

sank 5.1 percent to 1.505.2 billion

ven, with electronics parts imports

tumbling 40.1 percent against 8.8

contributing to the plunge in Japan's

surplus with Asia, Sanwa Research

Institute economist Koii Hiiragi said.

structural factor." arquing exports

fell faster than imports, partly

reflecting a move by some

Japanese companies to shift pro-

Mizuho Investors Securities, noted:

"Exports from Japan initially

increased when companies started

moving (part of their production) to

had entered a second phase,

(marked by a rise in imports from

these manufacturing bases)," he

November fell 16.3 percent to 498.3

Japan's overall trade surplus in

"But relations with the rest of Asia

Hiroshi Sakurai, economist at

duction to cheaper Asian countries.

Trade in microchips shrank

But he added it was "more of a

percent growth in clothes.

"Payments to and from foreign insurers, which enter the trade accounts as imports of services. has bers over the past two months," Wachovia Securities global economist Jay Bryson said.

Bryson said a comparison between the October and August figures gave a better sense of the underlying trend.

"By that metric there has been a noticeable decline in international trade since late summer, due largely to the synchronous slowdown in global economic activity," he said. Merrill Lynch economist Stan

Shipley agreed. "The deterioration completely

reflected September's reinsurance payments related to the September 11 attack." he said.

"Based on this data, we now believe third quarter GDP (gross domestic product) will be revised down to a 1.4 decline from the previously reported 1.1 percent

Performance-9

Wan Ning Hai

For the fourth quarter, real GDP should decline by about 1.0 percent Shipley said.

Japanese supermarket chain collapses

AFP, Tokyo

Japan's recession claimed another victim Wednesday when regional supermarket chain Kotobukiya Co. Ltd. filed for court protection from creditors to become the country's 14th listed company to go under this

Kotobukiya filed for corporate rehabilitation with the district court in Kumamoto on the southern Japan island of Kyushu, where it was based, a court spokesman

"We have been slow to reduce our size amid a slump in consumer spending," Kotobukiya president Kazunori Sudo told a news conference in Kumamoto.

He said that his group's liabilities totaled 295.9 billion yen (2.3 billion

The troubled firm, which operated about 130 stores, mainly in Kyushu, expanded rapidly in the 1970s and 1980s as the Japanese economy grew, said the Teikoku Databank bankruptcy information

However, the quick growth caused problems which led to the retail chain's chief creditor Nishi-

service.

Nippon Bank Ltd. appointing a new president to Kotobukiya in 1992, the credit research firm said.

Nishi-Nippon was forced to abandon its restructuring plan for Kotobukiya as the chain's finances continued to weaken due to increased competition, weak consumer spending and falling prices in

Kotobukiya had asked Nishi-Nippon to forgive some of its for debt and had asked employees to resign voluntarily to cut costs, said the bankruptcy agency.

The firm tried to rebuild itself by forming an alliance with riva Kyushu-based retailer SunLive Co but the alliance dissolved and Kotobukiya was forced to file for the court protection, Teikoku said.

The collapse of Kotobukiya brought the number of failure among Japan's listed companies to 14 so far this year, matching the record high in 1997. Banks have tightened lending t

risky companies as they seek to speed up the writing off of bad loans In September, supermarket Mycal Corp. became the year's biggest bankrupty with liabilities

totaling 1.38 trillion yen.

RM-3

Performance

Banglar Shourab

CURRENCY

Following is yesterday's foreign exchange rate statement by Standard Chartered Bank .									
Selling		Currency	Buying						
ΓT/OD	BC		TT Clea	TT Clean (ght Doc	0	D Transfer	
57.6500	57.6800	USD	56.500	56.5000		6.3314		56.2629	
52.2540	52.2812	EUR	50.279	4	5	0.1293		50.0684	
33.9788	84.0225	GBP	81.371	3	8	1.1284		81.0299	
29.9319	29.9475	AUD	28.402	6	2	8.3178		28.2834	
).4506	0.4508	JPY	0.436	3		0.4350		0.4345	
35.2707	35.2891	CHF	34.2528		3	34.1506		34.1091	
5.5279	5.5307	SEK	5.3408			5.3248		5.3184	
36.8135	36.8327	CAD	35.691	7	35.5852			35.5420	
7.3995	7.4033	HKD	7.237	9		7.2163		7.2076	
31.5545	31.5709	SGD	30.673	2	3	0.5816		30.5445	
15.8253	15.8335	AED	15.259	15.2595 15.2140			15.1955		
15.4936	15.5016	SAR	14.946	14.9463 14		4.9017		14.8836	
Jsance export bills									
	TTDoc	30 days	60 days	90	days	120 days		180 days	
JSD	56.3835	56.0356	55.5712	55	.0372	54.4567	7	53.1564	
EUR	50.1757	49.8661	49.4528	48.9776 48.4610)	47.3039		
200	04 0005	00 7005	00 0007	70	0040	70 4000	. –	70 5550	

The local foreign exchange market was active Thursday. Demand for dollar was steady. The call money rate gained momentum before the Eid ul Fitr. The overnigh borrowing rate at call was ranging between 17 to 19 per cent.

80.7025 | 80.0337 | 79.2646 | 78.4286 | 76.5559

In the international markets, yen hovered around its three-year low levels against US dollar uncomforted by the Bank of Japan's yet another negative assessment on Japanese economy. According to BOJ, major economic indicators like income, consumer confidence, production and exports are all set to decline further in the coming months, raising concern among traders that yen may topple beyond 130 levels. Yen's downward journey was escalated due to data showing Japan's trade surplus fell 16.3 per cent on year-to-year basis in November.

At hours on Thursday, pound traded at 1.4484/90 against dollar, Euro at 0.8999/01 and ven was at 128.06/12 per USD.

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SHIPPING

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Chittagong port								
Berth position and performance of vessels as on 20.12. 2001.								
Berth	Name of vessels	Cargo	L Port	Local	Date of	Lea-	Impo	
No			call	agent	arrival	ving	Disc	
J/1	Monthira Naree	GI(Y.MA)	Sing	USL	10/12	24/12	216	
J/2	Yong Jiang (Liner)	GI	Sing	BdShip	8/12	20/12	213	
J/3	Banglar Urmi	GI (Y.Ma)	Yang	Royal	8/12	22/12	77	
J/4	AVA	GI (Y.Ma)	Yang	BNSSHIP	12/12	23/12	81	
J/5	Asteriks	GI(Y.PE)	Sing	USL	11/12	24/12	252	
J/6	Ocean Reyana	GI(St.C)	Yang	Everett	19/12	20/12	102	
J/7	Fu Wen Shan)	GI	S.Hai	BdShip	10/12	24/12	165	
J/8	Sammi Frontier	C.Clink(Royal)	Keng	BSL	4/12	25/12	245	
J/9	Ruaha	Urea(Bag)	Sing		14/12	25/12	148	
J/10	Oriental Queen	C.Clink	Krab	RML	7/12	25/12		
J/11	X-Press Resolve	Cont	P.Kel	Rsl	14/12	20/12	13	
J/12	Kota Agung	Cont	Sing	Pil(BD)			325/4	
J/13	QC Lark	Cont	P.Kel	Qcsl	16/12			
	Boxer Capt Cook	Cont	P.Kel	Pssl	14/12	21/12	206	
	Banglar Robi	Repair	-	BSL	R/A	-		
CCJ	Togo Charm	C.Clink	Lank	Seacom	15/12	24/12		
GSJ	Boren Explorer		Kalu	KSA	12/12	24/12		
RM/6	Dai Long	MSD	Sing		17/12	20/12		
DOJ:	Banglar Shourabh	C.Oil	K.Dia	BSC	R/A	20/12		
DD:	Sonali	Repair	Yang			25/12		
RM/9	Banglar Kallol	Repair	Vabn	BSC	15/12	26/12		
C/Jetty	C/Jetty: Tug SBN-1 Ballast Sing OTBL 9/12 -							

Name of vessels	Date of	L Port	Local	Cargo	Loading
	arrival	call	agent		port
Artemis	20/12	P.Kel	Pssl	Cont	Sing
Silver Fish	23/12	Kant	BSL	C.Clink	
Weddell Sea	21/12	Tanj	Uniship	C.Clink	
New Concord	22/12	Sing	ASCL	Wheat(G)	
Ja Gang	21/12	-	Psal	Gtsp(P)	
Gihock	25/12	Sing	Rsl	Cont	Sing
Banga Biraj	22/12	P.Kel	Bdship	Cont	Sing
Marblue	22/12	-	Jaycee	C.Clink	
Pacific Emerald	23/12	Tara	Litmond	GI(Copra)	
Banga Lanka	24/12	P.Kel	Bdship	Cont	Sing
Crete	23/12	-	JF	For Scraping	
Kota Berjaya	23/12	Sing	Pil(Bd)	Cont	Sing
Sagaing	23/12	Yang	Everett	GI(St.C)	
Jaami	23/12	Col	Everbest	Cont	Col
Kuo Hsiung	24/12	-	Qcsl	Cont	Sing
Silver Wing	24/12	Sing	Ascl	Wheat(G)	_
Banga Bijoy	24/12	-	Baridhi	Cont	Col
QC Pintail	25/12	-	Qcsl	Cont	Sing
QC Honour	25/12	P.Kel	Qcsl	Cont	Sing
Banglar Shikha	25/12	Sing	Bsc	Cont	Sing
Banga Barta	26/12	Sing	Bdship	Cont	Sing
Rubin Hawk	26/12	-	Everett	GI	
X-Press Padma	29/12	-	Rsl	Cont	Sing
Kota Singa	1/1/02	-	Pil(BD)	Cont	Sing
Tanker due					

21/12 Belwan

Rainbow

TTL

Bitumin(RM/3)

Name of vessels	Cargo	L Port call	Local agent	Date of arrival
Vessels at outer anchor	age	Vali	ugent	univai
Vessels ready	•			
Nobleza (Roro/24)	Vehi	Sing	JF	17/12
Uni Wealth	Cont	P.Kel	RSL	18/12
Kota Naga	Cont	Sing	Pil(Bd)	18/12
Banglar Moni	Cont	Sing	BSC	19/12
QC Dignity	Cont	P.Kel	Qcsl	19/12
Banga Birol	Cont	-	Bdship	R/A(11/12)
Atlantic Spirit	GI	Sing	Asa	20/12
Hai Soon-Viii	B.Oil	Sing	Ambl	20/12
Vessels not ready				
Diana	C.Clink	Kant	NWSL	17/12
Dolisie	Wheat(G)	P.Said	Ascl	18/12
Banglar Mookh	Wheat(G)	-	Bsc	R/A(18/12)
Angelina The Great-N	GI(Y.Pe)	Sing	Rainbow	18/12
Horizon-A	Naptha	-	Ecsl	R/A(18/12)
Banga Bonik	Cont	P.Kel	Bdship	20/12
Vessels not entering				
Matrix	GTSP(P)	Tuni	SSST	21/11
Sentosa	C.Clink	Sing	Ancl	13/12
Gospic	MOP(P)	V.Patt	Litmond	13/12
Discoverer	C.Clink	Tanj	BSL	17/12
Argentina	C.Clink	Kosh	Asll	18/12
Sea Sky Line	GI	-	Seacom	R/A(16/12
Gour Sterne	Scraping	Sing	Ahz	11/12
Goreme	Scraping	Istan	Rkship	15/12
Jubilee	-	-	Rkship	R/A(16/12
Disa	lalla.	Tama	l itma a m d	` 2/44

d	Sea Sky	Line	GI	-	Seacom	R/A(16/12
	Gour Sterne		Scraping	Sing	Ahz	11/12
У	Goreme		Scraping	Istan	Rkship	15/12
al	Jubilee		-			R/A(16/12
P.	Pira		ldle	Idle Tamp		3/11
d	Moveme	ent of vessels for	21.12.2001 & 22.12.20	001		
е	Outgoin	ıg	Incomir		Shifting	
_	21.12.20	001				
a	J/2	Nobieza	QC Dignity	CCT-3	J/10	O.Queen J/2
0	J/12	K.Agung	Banga Birol	J/12		
e	CCT/3	BC Cook	Banglar Shourab Doj			
	RM-3	Haisoon-Viii	Performance	RM-3		
0	Doj	B.Jyoti				
0	22.12.2001					
s.	J/11	Banglar Moni	Banga Bonik			
3.	DDJ-2	Banglar Robi	Artemis	J/11		

The following are the shipping position and performance of vessels at Chittagong port as

per berthing sheet of CPA supplied by HRC Group, Dhaka.