

Biggest default in history Argentina halts debt payments

AFP, Buenos Aires

Adolfo Rodriguez Saa took power Sunday as Argentina's new president and immediately halted payments on the nation's 132-billion-dollar public debt.

"It was the biggest default in history. The Argentine state will suspend the payment of its foreign debt," he told Congress.

Lawmakers erupted, cheering, "Argentina, Argentina."

But the country was not repudiating the debt, Rodriguez Saa said.

Money saved from the stalled debt payments would be used to create jobs and provide social support, he said.

"The social emergency is the biggest problem in Argentina. We will create one million new jobs. We will implement a food plan," the president told Congress.

He vowed to support the one-to-one peg between the dollar and peso, start a new currency, create one million jobs, and slash spending on bureaucracy by curbing salaries and cutting waste.

Rodriguez Saa, a savvy, 54-year-old provincial governor, was elected as interim president until new elections set for March 3, when Argentines will choose a leader to run the country until 2003.

He later assumed power at a ceremony in the presidential palace, the Casa Rosada, accepting the sash and rod of office.

Outside the palace, a group of about 20 protesters shouted "Traitors" at the politicians.

Rodriguez Saa swore in a cabinet slashed from 10 ministers to just three. The team includes Treasury, Finance and Revenue Secretary Rodolfo Frigeni.

After being voted in by Congress, he outlined a dramatic plan to recover from the economic implosion that sparked a bloody, popular revolt, which killed 29 people according to latest reports.

Burned-out shells of shops and shattered windows remained as evidence of the public fury.

The riots swept aside the former government of Fernando de la Rúa just two years into his four-year term. The winner of the March elections will complete that term.

Latin America's third-biggest economy, in its 43rd month of recession, now has an unemployment rate of 18.3 percent. One-third of the country's 18 million people officially live in poverty.

"I am so sad," said Alicia Caeiro, 61-year-old owner of a small corner store in the financial centre of the city.

"They are saying we are the edge of the cliff," she said, pointing at a small television set showing the political drama unfolding.

"So what are we supposed to think?" Rodriguez Saa refused to contemplate a devaluation of the peso's peg to the dollar.

"It would be very easy to set up a devaluation but it would mean a loss of purchasing power for workers," he said.

But the president said he would outline plans next week for a "third currency" — in addition to the dollar and peso, which are both legal currencies here.

He gave no further details.

In an interview with the daily Pagina/12 last week, he set out a scheme to issue 10 billion dollars worth of a new quasi-currency, the Argentino, to replace bonds circulating in the country.

To cut down on spending on the bureaucracy, Rodriguez Saa announced he would impose a ceiling on government employees' pay of 3,000 pesos (dollars) — the size of the presidential salary.

He also froze the holidays of all members of the national bureaucracy and announced plans to sell the cars assigned to senior government officials along with the presidential air fleet.

In Washington, President George W. Bush said Friday that Argentina should adopt IMF-demanded austerity measures to protect creditors and restore stability and growth.

The financial crisis deepened this month when the International Monetary Fund delayed a crucial disbursement of 1.264 billion dollars until the government imposed deep spending cuts and tax hikes.

A senior Peronist party source, speaking on condition of anonymity, said the government planned to send former interim economy minister Oscar Lamberto to Washington to hold talks with the IMF.

Rodriguez Saa's firm hand as governor of the interior province of San Luis is credited with delivering sound finances, a rarity in this heavily indebted nation.

He was first elected governor at the age of 36 in the first gubernatorial elections following the fall of Argentina's brutal military regime in 1983.

He has since been re-elected four times.

Married with five children, the president is still remembered for a sex scandal in 1993 when he was discovered in a love motel with a woman and two men.

Rodriguez Saa said he was the victim of a kidnapping and blackmail plot.

Main points of Argentine President's rescue plan

AFP, Buenos Aires

The following is a list of the main points of new Argentine President Adolfo Rodriguez Saa's plan to rescue the country's shattered economy.

- Suspension of payments on the country's 132-billion-dollar public debt, instead using the funds to create one million jobs.

- Creation of the Argentino, a new quasi-currency, in a bid to avoid either devaluation of the peso or the dollarization of the economy. Both the peso and dollar are legal tender in Argentina, and are linked at one-to-one parity.

- Ceiling on government employees' pay of 3,000 pesos (dollars) a month — the size of the presidential salary and half of what he previously earned.

- Sale of government cars and of the presidential plane.

- Freezing of vacations of all members of the national bureaucracy.



Tapán Chowdhury, Acting President of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), delivers inaugural speech at a four-day training course on "Effective Customer Relationship Management" organised by the chamber under its management development programme on Sunday at the MCCI Conference Hall.

CURRENCY

Following is yesterday's foreign exchange rate statement by Citibank N.A. Bangladesh Rates against Taka

Selling	Currency	Buying
TT/OD	BC	TT Clean
57.6500	57.6800	56.4500
51.8084	51.8583	49.1567
83.3043	83.3643	80.7235
0.4481	0.4484	0.4280
35.2880	35.3064	34.0163

Indicative foreign exchange rates against Taka	Market Commentary
Selling	Interbank dollar/taka market was active on Monday.
+1.2038	However taka gained little bit against the greenback, in view of improved liquidity. The rate ranged between taka 57.53 and 57.54. Interbank call rate eased and ranged between 11 per cent and 12 per cent.
0.9555	In the international market, major currency trading volume was low due to upcoming Christmas and year end holidays. The major currencies traded within a narrow range. At 1545 hours local time, Euro/USD, GBP/USD and USD/JPY rates were 1.4424/29, 0.8890/95 and 129.35/40 respectively.
31.3266	The information provided above is derived from reliable public information sources. Citibank N.A., Dhaka does not represent any warranty for accuracy of this information.
-15.1336	
-15.3329	
-16.6556	
-29.2790	
-1.3089	

SHIPPING

Chittagong Port

Berth position and performance of vessels as on 24.12.2001

Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Date of arrival	Lea-ving	Import Disch
J/1	Monthira Naree	GI(YMA)	Sing	USL	10/12	-	1997
J/2	Oriental Queen	C Clink(Contif)	Krab	RML	7/12	25/12	3010
J/4	Dolisie	Wheat(G)	P Said	ASCL	18/12	29/12	3219
J/5	Asteriks	GI(Y. PE)	Sing	USL	11/12	-	1893
J/6	Banglar Urmii(Flag)	GI(YMA)	Mang	Royal	8/12	27/12	1707
J/7	Fu Wen Shan(Liner)	GI	S Hai	Bdship	10/12	25/12	1826
J/8	Sammii Fontier	C Clink(Royal)	Keng	BSL	4/12	-	1124
J/9	Rurha	Urea(Bag)	Sing	Litmond	14/12	28/12	711
J/10	Ava	GI(YMA)	Yang	BNSSHIP	12/12	27/12	-
J/11	Banga Bonik(Flag)	Cont	P Kel	Bdship	20/12	25/12	76/x
J/12	Banglar Moni(Flag)	Cont	Sing	BSC	19/12	24/12	-
J/13	Artemis	Cont	P Kel	PSSL	20/12	26/12	124/20
CCT/1	Kota Naga	Cont	Sing	Pil(BD)	18/12	24/12	-
CCT/3	QC Dignity	Cont	P Kel	QCCL	19/12	24/12	-
CCJ	Togo Charm	C Clink	Lank	Seacom	15/12	30/12	-
GSL	Boren Explorer	Wheat(G)	Kali	KSA	12/12	-	-
RM/3	Wan Ning Hai	Bitumen	Sing	TTL	23/12	25/12	-
DOJ	Banglar Shourabh	C Oil	K dia	BSC	R/A	25/12	-
DD	Sonali	Repair	Mang	Angelic	31/10	28/12	-
RM/9	Banglar Kallol	Repair	Vabn	BSC	15/12	28/12	-
C/Jetty	Tug SBM-1	Ballast	Sing	OTBL	9/12	-	-
	(Tolung Tug Jubilee Dua)	Ballast	Sing	OTBL	9/12	-	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading Port
Jaami(Cont)	24/12	Col	Everbest	Cont	L/Col
Sagaling	28/12	Yang	Everett	GI(St.C)	-
Kota Berjaya (Cont)	25/12	Sing	Pil(BD)	Cont	L/Sing
Kuo Hsiung(Cont)	25/12	P. Kel	QCCL	Cont	L/Sing
J.Balsam (Cont)	25/12	Sing	NOL	Cont	L/Sing
Silver Wing	25/12	Sing	ASCL	Wheat(G)	8700 Clg
Rak Won	25/12	Zhan	Uniship	GTSP(P)	-
Asean Energy	25/12	-	Rainbow	GI(WI.Cement)	-
B Lanka (Cont)	27/12	P.Kel	Bdship	Cont	-
B.Bijoy (Cont)	27/12	CBO	Baridhi	Cont	K/Col
Florealis	29/12	Basu	Uniship	Urea (BCIC)	-
GI Hook (Cont)	26/12	Sing	RSL	Cont	L/Sing
Gangga Nagara	28/12	Sing	Multitrot	GI(St.Pipe)	-
B Barta (Cont)	27/12	Sing	Bdship	Cont	L/Sing
AGNT	26/12	-	SSA	Gypsum(Scan)	-
QC Pintail (Cont)	27/12	P.Kel	QCCL	Cont	L/Sing
B.Shikha (Cont)	27/12	Sing	BSC	Cont	L/Sing
Rubin Hawk	28/12	Sing	Everett	GI	-
IRO	28/12	Kosh	Joyoe	C.Clink (East/S.Cir	-
Sun Dance	28/12	-	Everett	GI(St.C)	-
Xpress Padma (Cont)	29/12	-	RSL	Cont	L/Sing
Xpress Resolve(Cont)	29/12	-	Everbest	Cont	L/Col
K.Singa (Cont)	30/12	Sing	Pil(BD)	Cont	L/Sing
QC Real (Cont)	31/12	-	QCCL	Cont	-
Boxer C.Dook(Cont)	31/12	-	PSSL	Cont	L/Sing
K.Angung(Cont)	11/2001	Sing	Pil(BD)	Cont	L/Sing
QC Lark (Cont)	11/2001	-	QCCL	Cont	L/P.Kel
J.Mars (Cont)	4/1	-	RSL	Cont	L/Sing
San Pablo(Roro/24)	12/1	-	JF	VEHI	-
San Mateo (Roro/24f)	12/1	-	JF	Vehi	-

Tanker due	Date	Port	Agent	Cargo
AL Fios	24/12	Sing	MSTPL	HSD(RM/DOJ)
Koo Yong	27/12	Sing	MSTPL	HSD/MS(RM/)
Suzanne	28/12	Saudi	ECSL	Lube Oil (RM/)

Vessels at Kutubdia	Cargo	Last Port call	Local agent	Date of arrival
Name of vessels				

Vessels at Piter Amcprage	Cargo	Last Port call	Local agent	Date of arrival
Name of vessels				

Vessel Ready	Cargo	Last Port call	Local agent	Date of arrival
Banga Birol(Cont)	Cont	-	Bdship	R/A(11/12)
Diana	C Clink	Kant	NWSL	17/12
Banglar Mookh	Wheat(G)	-	BSC	R/A(18/12)
Pacific Emerald	Copra/Log	Kara	Lithond	23/12
Banga Biraj (Cont)	Cont	P.Kel	Bdship	23/12
QC Honour (Cont)	Cont	P.Kel	QCCL	23/12
Horizon-A	Napha	-	ECSL	R/A(18/12)

Vessels not ready	Cargo	Last Port call	Local agent	Date of arrival
Atlantic Spint	GI	Sing	ASA	20/12
JA Gang	GTSP(P)	Sing	PSAL	22/12
Angelina The Great-N	GI(Y.PE)	Sing	Rainbow	18/12
New Concord	Wheat(G)	Sing	ASCL	22/12
Bangla Robi	Wheat(G)	-	BSC	R/A(11/12)

Vessels awaiting instruction	Cargo	Last Port call	Local agent	Date of arrival
Banglar Jyoti	-	-	BSC	R/A(23/12)

Vessels not entering	Cargo	Last Port call	Local agent	Date of arrival
Matrix	GTSP(P)	Tuni	SSST	21/11
Gospic	Mop(P)	V Patt	Litmond	13/12
Discoverer	C Clink	Tanj	BSL	17/12

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



Mohammad Younus, Chairman of Executive Committee of Islami Bank Bangladesh Limited, addresses the inaugural function of Kawran Bazar Branch of the bank yesterday.

IBBL opens 120th branch at Kawran Bazar

The 120th branch of Islami Bank Bangladesh Limited (IBBL) was inaugurated at Kawran Bazar in the city yesterday, says a press release.

Mohammad Younus, Chairman, Executive Committee of the bank, was present in the function as the chief guest. Presided over by Nasiruddin Ahmed, Deputy Executive President, Operations Wing, the function was addressed, among others, by ATM Saleh, Senior Vice President & Head of Dhaka South Zone, Kabir Hossain, Assistant Vice President of Kawran Bazar Branch, and Mohammad Golam Sobhan, Secretary of the Institute of Chartered Accounts of Bangladesh.

Highlighting the progress and success of Islami Bank Bangladesh Limited speakers at the function said the entrepreneurs and employees of the bank would be more sincere to enrich the services of Islamic banking system to common people.

Argentina must dollarise economy: US analyst

AFP, Washington

To emerge from financial collapse, Argentina should dollarize its economy and abandon the peso to help restore confidence, US economists said Sunday amid a shift in leadership in Buenos Aires.

Steve Hanke, a Johns Hopkins University economist who advised former Argentine president Carlos Menem and other governments, said he sees little hope for maintaining parallel currencies in Argentina following its default. "The people of Argentina don't trust the politicians, and that's why I'm proposing we get rid of the Argentine money and use the US dollar," Hanke told AFP Sunday.

Hanke, who said he is advising Menem and other Peronist "modernizers" in Argentina who may be part of a future government, said he believed Argentina could emerge from its crisis in the same manner as Ecuador, which eliminated the sucre after its debt default in 1999.

In Ecuador, Hanke said, "interest rates have gone way down" and that "it'll be the fastest growing economy in all of Latin America."

David DeRosa, a former hedge fund trader who now teaches at the Yale School of Management, agreed that dollarization is the only way to help end the financial mess and avoid a return to hyperinflation. "They are not in a position to have their own currency anymore," DeRosa said. "There is no financial law and order ... if the peso were floating, it would drop precipitously."

DeRosa warned that any attempt to introduce a new parallel currency — as new President Adolfo Rodriguez Saa indicated in his initial statement Sunday — could lead to further woes for Argentina.

"This is the same hat trick that the province of Buenos Aires did," DeRosa said, referring to provincial bank notes being circulated by the province.