

## Argentina to launch new currency in Jan

### Bid to spark life into economy

AFP, Buenos Aires

Argentina will launch a third currency, the Argentino, in January to spark life into the crisis-torn economy, the government said Monday.

The currency would circulate alongside the dollar and peso, but it would not be convertible.

The Argentino is to pay government salaries, pensions, debts and buy state supplies "when it is ready, and we hope that will be in the first days of January," Sports Secretary Daniel Scioli said.

President Adolfo Rodriguez Saa, who took power after widespread riots toppled the previous administration, decided to call it the Argentino, said Scioli, speaking after a cabinet meeting.

Argentina's new Treasury Secretary Rodolfo Frigeri confirmed plans for the new quasi-currency earlier in the day.

"It involves keeping the one-to-one (peg between the peso and the dollar) but escaping a bit from convertibility," he said. The new

quasi-currency is expected to be in the form of a bond.

Argentina's "currency board" system requires that each peso in circulation is backed by the equivalent in foreign reserves, and can thus be converted at one-for-one for the dollar.

But the peg has come under severe criticism for raising the price of Argentine exports, choking off a key source of income.

In any case, the former government had already chipped away at convertibility.

Early this month, President Fernando de la Rúa imposed strict rules banning Argentines from withdrawing more than 1,000 pesos (1,000 dollars) a month in cash or carrying more than 10,000 dollars abroad.

The move left Argentines seething, igniting a tinderbox of resentment and anguish at the humbling of Latin America's third-largest economy. In nationwide protests and looting last week, 30 people died.

## Financial markets calm despite Argentine debt default

AFP, Washington

Financial markets and analysts reacted calmly Monday to Argentina's default, the biggest in history, having concluded that the crisis is likely to remain confined to Argentina.

Unlike the Russian debt default in 1998, which roiled financial markets around the world and even prompted a cut in US interest rates, the Argentine default has been seen as coming for some time and has not spread to other emerging markets.

Markets that were open Monday were calm, with stocks higher in London, Australia and Hong Kong, while Wall Street opened modestly higher. In Thailand, an important emerging market, stocks rose 1.8 per cent.

Matthew Higgins, a global economist for Merrill Lynch, said that one reason for the lack of "contagion" is that major financial institutions after the Russian crisis "took a much more careful

approach towards risk management practices especially in regard to exposure to Third World debt."

Higgins noted that the Russian default on its debt -- even though it was only about one-seventh the value of Argentina's 132 billion dollars -- "was a very searing experience for these institutions," and prompted big investment houses to limit their exposure to similar risks.

As the Argentine crisis unfolded, neighboring Brazil was most likely to feel the impact, but it has been unscathed so far, Higgins noted, with its currency, the real, holding up.

"What is interesting is that if you look at the Brazilian real over the last three to four months it has been strengthening against the dollar," the economist said.

"And it is when the prospect of an Argentine default has become increasingly likely that Brazil was looking increasingly sound."

Foreign trade is not a big part of Argentina's

economy, and it is one of the few big emerging markets that have maintained a fixed exchange rate, so the danger of a currency crisis is limited.

Still, some analysts say risks remain with billions of dollars of Argentine bonds still circulated in the markets. Many of these are still being traded, although at a deep discount to their original value.

"The formal declaration of default will trigger a wave of multibillion-dollar derivative transactions across Wall Street," said Walter Molano of BCP Securities.

This will "bring enormous stress on the international financial community, just as it was reeling from the collapse of Enron," said Molano.

"The fallout from these events will generate huge reverberations across the financial community. In the end, the Argentine collapse will leave a nasty hangover for everyone involved."



A picture taken on Monday in London shows four cans of Carling beer. Belgian brewing giant Interbrew has sold Carling Brewers to US beer group Adolph Coors in a \$1.73 b deal on the day. Interbrew, which owns Stella Artois, acquired Carling last year when it agreed to buy the brewing interests of UK group Bass, now called Six Continents. Coors, most famous for its eponymous lager, was founded in 1873 and is one of the largest brewing companies in the US.

PHOTO: AFP

## Philippine miners struggle amid industry woes

AFP, Manila

The Philippine mining industry, once a pillar of the economy, is struggling once more as it weathers an avalanche of bad breaks that have brought it close to collapse, industry leaders say.

The industry has been buffeted by low metal prices and is under continuous assault from environmental groups and leftist organizations even as bureaucratic requirements weigh mining companies down further.

Large deposits of gold, copper, chromium and nickel continue to attract interest with local mining companies eagerly seeking out foreign prospectors to inject much-needed capital for exploration.

A law passed in 1995 allowing foreign investors to own a majority stake in mining ventures here brought in applications from about 50 foreign firms.

But a challenge was filed against the law and the suit continues to linger in the courts. Most of the discouraged foreign companies have since turned to South America and Africa where they are more welcome, industry leaders say.

"If they resolve the challenge to the constitutionality of the mining (liberalization) act which has been in the Supreme Court for about five years now ... I'm sure the foreign investors will make a comeback here," said Artemio Disini, president of the Chamber of Mines of the Philippines.

Left-wing groups say the law violates a constitutional provision restricting exploitation of natural resources to Filipinos while environmentalists decry possible damage to the countryside.

Foreign capital is crucial to sus-

tain the battered industry and to open promising new mines. Of the 13 major mining companies that once operated in the Philippines, only two of them -- Lepanto and Philex -- are still engaged in large-scale mining.

The industry now generates only 1.7 per cent of total exports, down from 21 per cent in the 1980s, according to government figures.

Mining, which previously accounted for 3.2 per cent of the gross domestic product, saw its contribution fall to 1.1 per cent from 1996 to 2000, government figures show.

Horacio Ramos, head of the Mines and Geosciences Bureau, says the Philippines could produce 10 new "world class mines" in the next decade with potential sales of four billion dollars annually given the right investment conditions.

Mining officials say the opposition to the industry comes from leftist groups who oppose foreign investment as well as from environmental groups who allegedly ignore technological advances that minimize damage caused by mining activities.

They wryly observe that many of these local environmentalists enjoy subsidies from developed countries which have healthy mining industries of their own.

Socio-economic Planning Secretary Dante Canlas says the government sees mining as playing a crucial role in helping develop the more backward areas.

"Mining provides jobs in the countryside, particularly in poverty-stricken areas since most if not all existing or potential mining areas are located in these regions," Canlas observed.

## Japan finance minister calls yen fall a natural fluctuation

AFP, Tokyo

Finance Minister Masajuro Shiokawa shrugged off the Japanese yen's fall past a three-year high against the dollar Tuesday as a natural fluctuation.

"A sharp fall in the yen against the dollar will cause some problems on the economic front... (but) the forex rate should move naturally. I can accept the yen's natural fluctuation," Shiokawa said after the dollar surged above the 130-yen level for the first time since October 1998.

Asked what he believed was an appropriate level for the yen, the

finance minister told reporters: "Given that when the dollar was a 124-125 yen I said the yen was a little bit strong, you can probably guess."

"Given the current Japanese economic situation, a little further weakening of the yen (from 125 yen) is appropriate, isn't it?"

Japan's economy is in the doldrums, with the jobless rate at a record high 5.4 per cent in October, consumer prices sliding for 26 straight months and a zero growth outlook for fiscal 2002, following an expected one per cent contraction in the year to next March.

Despite Shiokawa's comments, Japan's Economy, Trade and Industry Minister Takeo Hiranuma expressed anxiety about the yen's steep slide.

"For the dollar to suddenly break the 130-yen level is terrible," he said at a post-cabinet meeting press conference.

"It's desirable that the yen does not weaken further."

The dollar traded at 130.91-95 yen at 2:00 pm (0500 GMT), against 129.92-96 yen in New York late Monday. Markets in Tokyo were closed Monday due to a public holiday.



AFP PHOTO

Money dealers are busy for trading under an electric price board which quoted "130.00 yen" against US dollar at a Tokyo foreign exchange market yesterday. The dollar touched a more than three-year high against the yen for Tokyo trading on Christmas Day, streaking past the 130-yen point as Japanese officials continued to talk down the currency, analysts said.

## Japan's national wealth shrinks

AFP, Tokyo

Japan's national wealth shrank for the third straight year in 2000 due mainly to falling land prices, down 16 per cent compared to a decade ago, the Cabinet Office said in a report Tuesday.

"National wealth, or net assets, stood at 2,973.7 trillion yen (22.9 trillion dollars) at the end of 2000, down 0.6 per cent from the end of 1999, due mainly to falling prices of land assets," it said.

"Land assets continued to decline since 1990 and came to 1,534.7 trillion yen at the end of 2000, and equity assets turned down to 414.5 trillion yen," it said.

Land assets fell from 1,611.4 trillion yen at the end of 1999 and stocks assets from 502.8 trillion yen. Net external assets surged 57.0 per cent to 133.0 trillion yen, by contrast.

Japan's national wealth has now suffered a drop of 581 trillion yen or 16 per cent from the end of 1990 when Japan's "bubble" economy driven by speculation in land and stocks collapsed.

## Canada economy grows slightly in October

AFP, Ottawa

Canada's economy expanded by 0.3 per cent in October, Statistics Canada reported Monday, but said the economy remains fragile despite the return to a positive trend.

Gross domestic product fell 0.8 per cent in September.

"Although economic activity recovered somewhat in October ... the underlying weakness in the economy persisted," the agency said in a statement.

The events of September 11 hit the transportation, accommodation and several other industries hard, the agency noted.

Retail sales recovered strongly, providing the single largest push to the economy in October. A partial rebound in the travel-related industries also contributed.

Lower interest rates impelled higher residential construction and housing resales, which in turn boosted activity for real estate agents.

Manufacturing output rose slightly, as producers of paper products, motor vehicles and chemicals boosted production. The mining industry saw less oil and gas exploration activity.

Canada's GDP contracted by 0.2 per cent in the third quarter, marking the first quarterly drop since 1992.

## IDB to give Palestinians \$24m aid

AFP, Jeddah

The Islamic Development Bank (IDB) signed agreements Monday to provide the Palestinian Authority with 24 million dollars in grants and loans for essential services, a statement said.

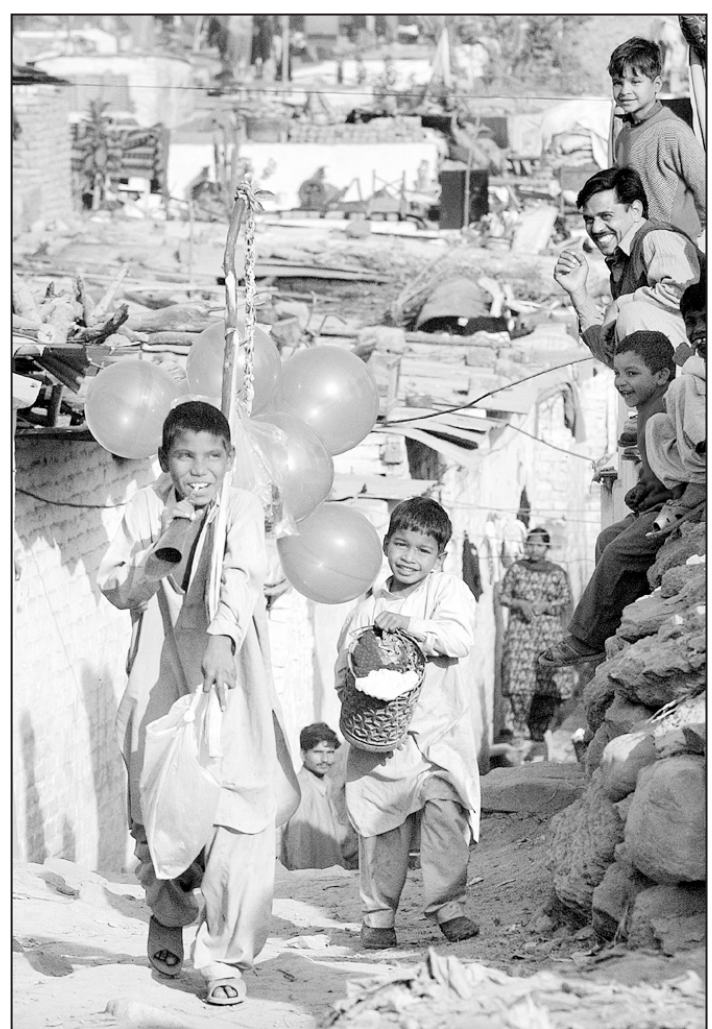
Ten million dollars were provided as grants, including eight million from the Jerusalem Intifadah Fund, which was set up along with the Al-Aqsa Fund by Arab states in 2000 to back the Palestinian uprising.

The remaining 14 million dollars are soft loans for up to 25 years with five-year grace periods, the IDB statement added.

The aid was for development projects, the health ministry and electricity and water projects, as well as Palestinian industry and exports.

The IDB said that so far, 444 million dollars have been paid to the Palestinian Authority by the two Funds.

Arab states pledged a total of one billion dollars to the two funds during their October summit last year, but the sums committed so far have reached 693 million dollars.



A child selling balloons for Christmas blows his horn as he moves through a village in a slum area predominately occupied by Christians in Islamabad on Monday. Christmas for these poor children will be bleak with almost nothing expected in the way of gifts.

PHOTO: AFP

## 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(Contlo)	Krab	RML	7/12	25/12	3010
J/4	Dolise	Wheat(G)	P Said	ASCL	18/12	29/12	3219
J/5	Asteriks	GI(Y PE)	Sing	USL	11/12	-	1893
J/6	Banglar Urm(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	Sanmi 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	PI(BD)	18/12	24/12	-
CCT/3	QC Dignity	Cont	P Kel	QC SL	19/12	24/12	-
CCJ	Togo Charm	C Clink	Lank	Seacom	15/12	30/12	-
GSJ	Boren Explorer	Wheat(G)	Kalu	KSA	12/12	-	-
RM/3	Wan Ning Hai	Bitumeen	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	-	-
	(Tolug Tug Jubilee Dug)	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	-
Sagaing	28/12	Yang	Everett	GI(StC)	-	-
Kota Berjaya (Cont)	25/12	Sing	PI(BD)	Cont	L/Sing	-
Kuo Hsiung(Cont)	25/12	P Kel	QC SL	Cont	L/Sing	-
I.Balsam (Cont)	25/12	Sing	NOL	Cont	L/Sing	-
Silver Wing	25/12	Sing	ASCL	Wheat(G)	8700 Ctg	-
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	Bandhi	Cont	K/Col	-
Floralis	29/12	Basu	Uniship	Urea (BCIC)	-	-
GI Hook (Cont)	26/12	Sing	RSL	Cont	L/Sing	-
Gangga Nagara	28/12	Sing	Multirtort	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	QC SL	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(StC)	-	-
Xpress Padma (Cont)	29/12	-	RSL	Cont	L/Sing	-
Xpress Resolve(Cont)	29/12	-	Everbest	Cont	L/Col	-
K.Singa (Cont)	30/12	Sing	PI(BD)	Cont	L/Sing	-
QC Real (Cont)	31/12	-	QC SL	Cont	-	-
Boxer C.Dook(Cont)	31/12	-	PSSL	Cont	L/Sing	-
K.Agung(Cont)	11/2001	Sing	PI(BD)	Cont	L/Sing	-
QC Lark (Cont)	11/2001	-	QC SL	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

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

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

Vessell Ready	Cargo	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	QC SL 23/12
Horizon-A	Naptha	-	ECSL R/A(18/12)

### Vessels not ready

Atlantic Spirit	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

Banglar Jyoti	-	-	BSC	R/A(23/12)
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### Vessels not entering

Matrix	GTSP(P)	Tuni	SSST	21/11
Gospic	Mop(P)	V Patt	Litmond	13/12
Discoverer	C Clink	Tanj	BSL	17/12
Argentina	C Clink	Kosh	ASLL	18/12
Silver Fish	C Clink	Kant	BSL	21/12
Weddell Sea	C Clink	Tanj	Uniship	22/12
Marblue	C.Clink	Cila	Jaycee	22/12
Sea Sky Line	GI	-	Seacom	R/A(16/12)
Goreme	Scraping	Istan	Rkship	15/12
Jubilee	-			