Argentina to pay one third of debt servicing in 2002

Argentina will meet about one third of its 11 billion dollar public debt servicing obligations this year a leading lawmaker told AFP Wednesday.

Jorge Matzkin, who heads the Budget Committee of the House of Deputies, said that even though the government declared a moratorium on the 141 billion dollar debt, it intends to meet some of its commitments to multilateral

agencies and other creditors. A total of 11 billion dollars are due this year, but the government budget, due to be finalized in coming weeks, will include a debt payments "that

will not exceed four billion dollars," he said. Argentina will ask foreign creditors to "lower the debt, grant a period of grace and lower the interest rates." Matzkin said.

He also said Argentina will find it difficult to

local creditors a seven per cent rate on a total of 51 billion dollars in debt

Matzkin, a key architect of President Eduardo Duhalde's anti-crisis plan, said the government was working on a balanced budget, but would not seek the "zero deficit" Eduardo de la Rua had planned before he stepped down as president on

The International Monetary Fund has made it clear a balanced budget is a key condition for any further funds for Argentina, which is seeking more than 15 billion dollars in financial aid.

Matzkin insisted there would be no spending cuts in the social sector, but that administration costs would be slashed.

The deputy said he expected economic growth to fall two per cent year, with inflation reaching between 9 to 11 per cent, from minus

He stressed this should be positive for Argentina if devaluation of the peso does not greatly exceed the government's expectations.

The government Sunday announced a dual currency system and said it expected the free market to value the peso at about the same dollar rate of 1.40 fixed by the government for certain

Asked at what level the central bank may intervene, the lawmaker said that selling dollars would become attractive any time the free market rate exceeds that set by the government.

Matzkin played a key role in drafting both the legislation that set the peso at par with the dollar in 1991, and the law that ended the system on

Pak privatisation process back on track: Minister

Pakistan said Tuesday its privatisation programme, stalled since the September 11 suicide plane attacks, was back on track and would not be hit by the current military standoff with nuclear rival

Privatisation Minister Altaf Saleem said the government had restarted its \$3 billion programme which was halted as Pakistan was sucked into the political maelstrom following the attacks on the United States and the war in neighbouring

"We have established contacts with all the interested investors and they have reconfirmed their participation in the privatisation process," Saleem told Reuters in a telephone interview from Islamabad.

Saleem said the sales of state assets originally planned for October-December 2001 were now being rescheduled for the first four months of calendar 2002.

He said that unlike after September 11, when investors requested the programme be put on hold, there had been no such requests from bidders after the escalation of tension with India and a military buildup by the arch foes.

tion of a foundation course for the probationary officers of the bank held at Agrani Bank Training Institute on Sunday. ASM Imdadul Haque, Managing Director of the bank, is also seen in the picture.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank OD Sight Doc 58.5800 57.4000 57.2314 57.1661 50.9253 81.8638 0.4445 0.4303 0.4291 CHF 34.4641 34.3629 34.3237 SEK 5.4921 5.4698 35.7432 35.6382 35.5976

Usance bills

The local interbank foreign exchange market was active. Demand for dollar was high. Demand for

BDT for overnight borrowing at call was high and the call rate ranged between 9.5 and 10.5 per cent. In the international market, yen became stronger as Japanese officials, including Finance Minister Masajuro Shiokawa, surprised the market by showing concern over yen's recent swift decline. The comments jolted the market as it was growing used to official remarks condoning the decline of the yen. As the market is pessimistic about Japan's economy it is uncertain whether yen would gain much further. The yen has lost nearly 10 per cent against the dollar and the euro in the last to months or Japan's poor economic prospects. Yen was also affected by Japanese government's overt approval of a weaker currency to fight deflation and boost the economy

At 1400 hrs on Thursday, euro traded at 0.8919/23 against dollar, pound sterling at 1.4407/12 and

SHIPPING

Sing Kara

Sing Busa Sing Sing P.kel P.kel

K.Dia

Name of vessels

Pacific Emerald

An Lu Jiang Xiang Jiang (Liner)

Chang Ping Jurong Balsa Qc Honour

X-Press Padma

Banglar Mookh

Tug Junulee Dua

Vessels due at outer anchorage

Tug Sbm-1

Eltanin

Cosmic Challenger (72) GI (St.C)

Angelina the Great-N GI(Y.Ma)

GI(Ma/Log)

GI(Cop/Log)

Urea(BCIC)

Cont Cont

continue

Ballast

Ballast

Local Date of

arrival

R/A

R/A

9/12

13/1

15/1

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Everett

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BSC

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en traded at 132.25/32 against US dollar This memorandum is issued by Standard Chartered Bank and is based on or derived from nformation generally available to the public from sources believed to be reliable

M Ahsanul Hague, Chairman of Agrani Bank, speaks at the inaugural func-

ECB allots \$35.6 b in addl liquidity for cash demand

AFP, Frankfurt

The European Central Bank awarded Thursday 40 billion euros (35.6 billion dollars) in additional liquidity to commercial euro-zone banks to meet high demand arising from the launch of euro banknotes

In a so-called "quick" one-day refinancing operation, the ECB allotted a total 40 billion euros in top-up liquidity, it said in a state-

The ECB set a minimum bid rate of 3.25 per cent the short "refi", but actually awarded the funds at a lowest rate of 3.28 per cent a weighted average rate of 3.28 per

In view of the high demand, about 63 banks placed bids for a total 59 377 billion euros in extra cash at rates of 3.25-3.33 per cent, the ECB said

The ECB had already conducted a similar quick three-day refinancing operation last Friday in which it awarded 25 billion euros in additional liquidity

At that time, an ECB spokesman had explained that the quick tender was necessary to meet increased liquidity needs as the new euro banknotes were going out faster than the old national currencies were coming in.

In concrete terms, the additional liquidity does not actually reduce the queues that have formed in high-street banks all around the 12nation euro zone as the region's 304 million citizens rush to get their

hands on the new notes. The refinancing operations are simply a way for commercial banks to settle their accounts with the central bank.

Commercial banks normally buy their notes and coins directly from the central bank, with the corresponding amount simply debited from a sort of current account they hold with the central bank.

But in the so-called front-loading process, during which the ECB distributed the new euro cash to banks and firms in the months before the official launch, the amount of euros notes and coins made available to the commercial banks was not debited from their accounts until after January 1.

That means that this week the commercial banks have effectively

run up a debt with the ECB. Ideally, the banks should be able to close that gap with stocks of the old national currencies that customers were paying in.

But people were withdrawing euros more quickly than they were paying in their stocks of the old currency, so the banks were having to make up the shortfall by borrowing additional liqudity from the

Afghan leader commits to free market economy

Afghanistan's interim leader, Hamid Karzai, Wednesday committed his interim administration to respecting a free market economy and freedom of speech and the press.

In his first televised address to the nation since being sworn in to office on December 22, Karzai said his administration "supports a free

"Social and economic progress in our country is dependent on a free market economy and private sector development," he told Afghan Television "The government will lessen its

and private sector initiative.' Karzai said the Afghan constitution "guarantees freedom of speech and of the press, and also political

interference in economic affairs.

This will pave the way for freedom

"The people will be allowed to take part in a free press. I agree with the constitution and I respect it.' Freedom of economy and

speech, he cautioned however, was limited by "national interest". He did not elaborate. Karzai, whose administration

will run Afghanistan for six months, said the greatest threat to peace and security in the country was the number of guns on the streets. "The rule of the gun is the great-

est obstacle to everlasting peace and security in our country," he said. He said he had given instructions to his security chiefs that armed factions should be incorporated into a national army as soon as possible.

This army, he added, "can meet any threats to the national security of our country's independence and

territorial independence A government official told AFP

earlier Wednesday that Interior Minister Yunus Qanooni had ordered the Afghan military to guit Kabul within three days and leave security duties in the capital to Afghan police and an international peacekeeping force

Karzai highlighted reining in inflation as one of his administration's economic priorities.

Another would be to stabilise the printing of money in the country. Currently two banknotes are in circulation -- one in the north and another in the remainder of the

"As an active member of the United Nations, the interim administration is faithful to all international laws and norms." Karzai said



Deen Mohammad, Chairman of The City Bank Limited, opens the new premises of the bank's Zinzira branch on Saturday. Vice-Chairman of the bank Aziz-Al-Kaiser, Directors Azizul Haque Chowdhury and Saleh Ahmed Chowdhury, Managing Director Abbas Uddin Ahmed, Deputy Managing Director AHM Nazmul Quadir, Consultant Habibur Rahman and Executive Vice President M Shafiqul Alam are also seen in the picture.

China, Japan to set up body to avoid trade disputes

Officials from China and Japan have held talks in Beijing about setting up a consultative body to help avoid future trade disputes over farm products, state media said Thursday.

The two countries agreed to establish the panel last month as part of an agreement to end a trade row over Chinese exports of farm products to Japan, the China Daily reported.

"The mechanism is a general one, and any subjects that interest both sides could be covered. including market demand and

ing," said Zhang Kening, an official with China's foreign trade ministry.

Despite this week's talks in Beijing, it could be months or years before the consultation mechanism is actually in place, the China

"It takes time to persuade Japan to give up its chronic high protection of the agriculture industry and become more open to farm imports," said Zhang. "It can take

China and Japan pulled back from the brink of a damaging trade war last month, agreeing to a lastditch deal to end an eight-month

restrictions were due to be extended.

The sides agreed Japan would not renew contentious import quotas on three Chinese agricultural products, with Beijing in return abolishing retaliatory measures on

Japanese goods. The row began in April when Japan imposed 200-day import restrictions on spring onions, shiitake mushrooms and rushes used to make traditional Japanese tatami mats, products mostly imported from China

Enron shoots to top in just 16 yrs before crashing

AFP, New York

The bankrupt energy group Enron, now the target of a US Justice Department probe, soared from obscure origins to become the leading US energy broker in just 16 years, enjoying annual sales of 101

Created from the merger in July 1985 of gas pipeline operators Houston Natural Gas and InterNorth, Enron quickly broad-

ened the scope of its operations. In 1986 its stated objective was to be the number-one natural gas network in North America. Nine vears later, capitalizing on liberalized energy markets in the United States and Britain, it set its sights on becoming the world's most

powerful energy company. Sales surged from a mere 13.3

dollars in 2000. By the end of 2001, however, the company was foundering under 13 billion dollars in balance-sheet debt. It owed billions more in loans, credit line repayments and payments on energy contracts

Enron's application for Chapter 11 bankruptcy protection on December 2 marked the largest US business failure in history.

The company sustained a further blow this week when US officials announced the Justice Department's criminal division would oversee an investigation to determine if Enron executives committed fraud before the company went belly-up

also has a political dimension.

The story of Enron's collapse While the corporation has

poured millions of dollars into both Republican and Democratic political campaigns, it is especially close to Texas Republicans and, therefore. former Texas governor and current US President George W. Enron chairman and chief

executive officer Kenneth Lay is reported to have raised at least 100,000 dollars for Bush during the 2000 presidential campaign.

Vice President Dick Cheney acknowledged having six meetings with Enron executives last year as part of consultations on energy

But the White House has brushed off suggestions of impropriety and says it is as interested as anybody else in getting to the bottom of Enron's dealings

	arrival	call	agent	•	Port
Jat Na Mu	10/1	- Call	PSAL	Urea (BCIC)	M. Jetty
Power	10/1	-		C.Clink (Diamond)	IVI. Jetty
Oriental Queen	10/1	Thai	RML		
Jin Chena	10/1	Busa	Bdship	GI	_
Virginia	10/1	Sing	Prog	GI(St.Paper)	
Jaami (cont) 2/1	11/1	Col	Everbest	Cont	L/Col
Maersk Constellation	11/	Jaci	Lams	Wheat(G)Bag	L/001
Kuo Hsiung(Cont)31/12	11/1	P.Ke	QCSL	Cont	L/Sing
K.Berjaya(Cont)31/12	11/1	Sing	Pil(BD)	Cont	L/Sing
Joy World 29/12	12/1	Jaka	SSLL	GI(St.C)	L/Silly
,	11/1	Jaka		For Scraping	
Puppy F Ocean Blue(Roro/24)8/1		Cina	Rkship		
	12/1	Sing	Everett	Vehi	-
San Mateo(Roro/24)23/12	12/1	Sing	JF	Vehi	-
San Pablo(Roro/24)23/12	12/1	P.Kel	JF	Vehi	
Sentosa	12/1	Kosh	ANCL	C.Clink (Oemex)	
Gihock(Cont)31/12	12/1	Sing	RSL	Cont	L/Sing
Leona	12/1	Sing	Prog	GI(St.Paper)	
Blue Lady	12/1	Tanj		C.Clink(Royal/Nat)	
B.Shikha(Cont)3/1	13/1	Sing	BSC	Cont	L/Sing
B.Bijoy(Cont5/1	13/1	Cbo	Baridhi	Cont	L/Col
Triumph Mumbai	13/1	Sing	RML	GI(P.Equip)	
Amazon	14/1	Bont	Uniship	Urea(Bcic)M.J	
Boxer Cl.Cook(Cont)6/1	14/1	-	PSSL	Cont	L/Sing
Puma(24)8/1	14/1	Bcmb	Everett	Spl.Cargo	
Xpress Resolve(Cont)5/1	15/1	Hald	Everbest	Cont	L/Col
State of Nagaland(E/L)6/1	15/1	-	SSL	E/L	L/And dundee
QC Teal(Cont)3/1	16/1	-	QCSL	Cont	-
Qc Pintail(Cont)3/1	16/1		QCSL	Cont	L/Sing
K.Agung(Cont)7/1	16/1	Sing	Pil(BD)	Cont	L/Sing
B.Barta (Cont)7/1	16/1	ollig	Bdship	Cont	L/Sing
B.Lanka(Cont)5/1	16/1		Bdship	Cont	L/Sing
B.Bonika(Cont)9/1	17/1	-	Baridhi	Cont	L/Sing
Qc Lark(Cont)8/1	18/1	-	QCSL	Cont	L/Sing
Uni Wealth(Cont)8/1	18/1	-	RSL	L/P.Kek	Col
Uni Wealth(Cont)8/1	18/1		RSL	L/P.Kek	L/P.Kel
Uni Wealth(Cont)8/1	18/1		RSL	Cont	L/Sing
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Tanker due					
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	12/1	Ollig	Rainbow		
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Chembulk Trader	20/1	-	Bdship	CDSO	(RM/4)
Vessels at Kutubdia					
Name of vessels	Cargo	Las	st Port	Local	Date of
			call	agent	arrival
Vessels at Kutubdia/outs	ide port lin	it:		•	
Doorl of Pohoroin			Kooh	Uniohin	7/1

C.Clink Unique R/A(10/1) Banglar Jyoti Vessels not ready: Salt/S.Ash Bedi Pavonis Urea(Bcic) Litmond Makmur Petkasai Tsp(P) Sing Unique 9/1 Vessels awaiting instruction Banglar Gourab Ballast Mong BSC Vessels not entering Urea(BCIC 30/12 26/12 Mop(P) Athens of the North C.Clink Unique Nano Srishti Ryujin Maru Rsship Scraping Ocean Hope Scraping Matrix SSST 21/11 Cement Accord

The above are shipping position and performance of vessels at Chittagong Port as per berthing sheet

of CPA supplied by HRC Group, Dhaka