

Standard and Poor's downgrades Japan Tokyo pledges more efforts to fix economic problems

AFP, Tokyo

Japan will boost efforts to fix its economic problems, the government said Tuesday after Standard and Poor's cut its sovereign rating to the lowest among the world's richest nations.

But the move to lower Japan's long-term credit rating to AA-minus - the weakest of the Group of Seven (G7) rich countries -- from AA was too severe, officials said.

The downgrade, which one angry senior official attacked as unjustified, was widely expected and had little impact on financial markets.

Investors were now focused on a possible fresh cut by Moody's Investors Service -- which has led a series of Japan downgrades -- to single-A status, dealers said.

Moody's has warned it could further lower Japan's sovereign rating if the government fails to bring deflation under control.

State Minister for Economic and Fiscal Policy Heizo Takenaka said Tuesday the move by S and P should act as a spur for fresh gov-

ernment action.

"S and P pointed out risk factors which Japan's economy faces, therefore the message is that Japan should further promote structural reforms," Takenaka said.

Japan's debt rating is now on a par with countries such as Israel and the Czech Republic. The outlook for the rating remained negative, the agency said.

S and P said it had been hoping the Koizumi government would press for private-sector and governmental reform.

But those hopes were lowered by the administration's "falling popularity and the problems that have beset key ministers and aides," said Standard and Poor's Asian sovereign ratings team chief Takahira Ogawa.

The agency pointed to three key problems: the government deficit; an inadequate probe into banks' bad loans; and fading hopes Tokyo would trim health entitlements or liberalise protected sectors of the economy.

Japan must heed the warning

that banks had to make further efforts to dispose of bad loans, Finance Minister Masajuro Shiohara told a press briefing.

An inspection by Japan's Financial Services Agency into 13 major banks was too limited in scope, S and P said, adding the government must pump more public money into banks to support their efforts to write off bad loans.

But Tokyo still insists it sees no need for such action at the moment. Deputy Finance Minister for International Affairs Haruhiko Kuroda attacked the ratings agency, saying he could not understand the downgrade.

"The reason and criteria cited for the downgrade are unclear to me. As was shown in the case of Enron, the rating agencies actions are not reliable," he said.

But analysts warned further ratings cuts were likely as the government struggles with a growing budget deficit.

"It is an unsustainable situation, the long-term debt can only deteriorate further," said Jean-Pascal

Rolandez, head of Japanese equity research BNP Paribas.

Although the decision had no significant impact on financial markets, dealers said there were hopes Tokyo might be prodded into accelerating its reform drive.

"The government (may) move to hammer out fresh measures to deal with the bad debt problems and speed up structural reforms," said Ryohei Muramatsu, foreign exchange manager at Commerzbank.

Koizumi swept into office in April last year pledging a raft of reforms to restore economic health in Japan after a decade of drift. These included capping new government bond issues to rein in national debt, opening up protected areas of the economy and cleaning up the banking sector.

But nearly a year later little has changed and if anything Japan's slump has deepened, analysts said.

The Nikkei-225 average of the Tokyo Stock Exchange closed up 1.9 per cent at 11,346.66 points, while the dollar was quoted at 131.44 yen (0405 GMT), down from 131.97-132.01 yen in New York.



PHOTO: ALPHA AGRO

A memorandum of understanding between Alpha Agro Ltd and Bangladesh Agricultural Research Institute (BARI) was signed on Monday in the city. (From L) Dr M Nurul Alam, Executive Vice Chairman of BARC, Agha Ahmed Yusuf, Executive Vice Chairman of Alpha and Associate Companies, AR Mallik, Director-in-Charge of Alpha Agro Limited, Dr M Shahidul Islam, Director General of BARI, and Kafiluddin Mahmood, former advisor to caretaker government, are seen at the signing ceremony.



PHOTO: STAR

President of Chittagong Chamber of Commerce and Industry (CCCI) Farid Ahmed Chowdhury (right) shakes hands with representative of Netherlands Management Cooperation Programme (NMCP) Hans Wassink (middle) after signing a memorandum of understanding in Chittagong on Saturday. Under the agreement, NMCP will provide technical co-operation for CCCI-proposed Business Training Institute.



PHOTO: SCANCEMENT

Chen Lechang, Deputy Project Manager, and Liao Rong, Purchase Engineer of Major Bridge Engineering Bureau of P R of China, Christer Eriksson, Vice President-Marketing and Sales, and Engr Saumitra Mutsuddi, Corporate Sales Manager of ScanCement International Ltd, sign an agreement yesterday on the supply of ScanCement for the construction of the Pakshey Bridge.

ScanCement chosen for Pakshey Bridge Project

ScanCement has been chosen for Pakshey Bridge project, says a press release.

The cement will be used for the construction of the project.

An agreement to this effect was signed yesterday between Major Bridge Engineering Bureau (MBEB) of P.R. of China, General Contractor of Pakshey Bridge Construction project and ScanCement International Ltd.

Chen Lechang, Deputy Project Manager, & Liao Rong, Purchase Engineer of Major Bridge Engineering Bureau, and Christer Eriksson, Vice-President (Marketing & Sales) & Engr. Saumitra Mutsuddi, Corporate Sales Manager of ScanCement International Ltd, signed the agreement on behalf of their respective organisations yesterday.

CURRENCY

Following is yesterday's foreign exchange rate statement by Standard Chartered Bank.

Selling	BC	Currency	Buying		
			TT Clean	OD Sight/Doc	OD Transfer
58.5500	58.5800	USD	57.4000	57.2314	57.1629
52.0275	52.0542	EUR	50.0643	49.9172	49.8575
84.6692	84.7125	GBP	82.0303	81.7894	81.6915
31.5702	31.5863	AUD	30.0030	29.9149	29.8790
0.4471	0.4473	JPY	0.4334	0.4321	0.4316
35.2945	35.3126	CHF	34.2912	34.1905	34.1495
5.6966	5.6996	SEK	5.5055	5.4893	5.4827
37.0945	37.1135	CAD	35.9784	35.8728	35.8298
7.5141	7.5180	HKD	7.3519	7.3303	7.3215
32.0295	32.0460	SGD	31.1449	31.0534	31.0162
16.0724	16.0806	AED	15.5026	15.4571	15.4386
15.7354	15.7435	SAR	15.1852	15.1406	15.1225

Exchange rates of some currencies against US dollar

Indian Rupee	Pak Rupee	Lankan Rupee	Thai Baht	Nor Kroner	NZ Dollar	AUD
48.92	60.025	95.7	43.480	8.6630	0.4383	0.53095

The local interbank foreign exchange market was active Tuesday. Demand for dollar was steady. Demand for BDT for overnight borrowing at call was steady and the call rate ranged between 9 and 10 per cent for the day.

SHIPPING

Chittagong port

Berth position and performance of vessels as on 16.04.2002.

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Imprt discp
J/1	Nozomi(Liner)	GI(St C)	Sing	Everett	13/4	16/4	3263
J/2	Hala	Rice(P)	Kake	Litmond	1/4	21/4	600
J/3	Sea Pride	GI	Sing	Seacom	11/4	17/4	429
J/4	Safinaz	GI (Log)	Yang	Royal	5/4	17/4	436
J/5	Min Jiang(Liner)	GI	S Hai	Bdship	12/4	20/4	1314
J/6	Agios Fanourios	GL	Ykm	RML	8/4	17/4	-
J/7	Spring Ocean	GI (St C)	Chem	Everett	14/4	16/4	2782
J/8	Cahaya Star	GI (Log)	Hald	Uniship	11/4	17/4	964
J/10	Banglar Doot	Rice (P)	Yang	BSC	28/3	17/4	1334
J/11	Kuo Hsiung	Cont	P Kel	QCQL	13/4	17/4	179X
J/12	Kota Benjaya	Cont	Sing	Pil(BD)	14/4	18/4	411/27
J/13	Banglar Shikha	Cont	Sing	Pil(BD)	12/4	17/4	277X
CCT/1	Banglar Shikha	Cont	Sing	BSC	14/4	18/4	200/15
CCT/2	Xpress Resolve	Cont	P Kel	RSL	13/4	17/4	121X
CCT/3	Jaya Mars	Cont	Col	Everbest	14/4	17/4	319/10-
GSJ	Magda	Wheat(G)	K Dia	Lams	14/4	16/4	-
RM/4	Sea Stream	Cdso	Durb	Rainbow	12/4	18/4	-
RM/6	Eagle Aries	HSD	Sing	ECSL	12/4	17/4	-
DOJ	Banglar Jyoti	C Oil	K Dia	BSC	R/A	16/4	-
RM/10	Banglar Shourabh	Repair	K Dia	BSC	R/A	20/4	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Paragon Pescadores (48) 6/7	16/4	Cal	H&SL	GI (St C)	-
Mardios (Cont) 6/4	16/4	P Kel	RSL	Cont	Sing
QC Pintail(Cont)2/3	15/4	P Kel	QCQL	Cont	Sing
Pacific Governor	16/4	T Prk	BSL	C Clink(Scan)	-
Banga Borat (Cont)6/4	17/4	-	BdShip	Cont	Sing
Banglar Robi(Cont)1/4	18/4	-	BSC	Cont	Sing
Golden Gemini	17/4	Pord	Sunshine	(S Ash)	-
Orient Freedom(Cont)	18/4	-	PSSL	Cont	Sing
Nobleza(Roro)24/9/4	17/4	P Kel	JF	Vehi	-
Amanat Shah	17/4	Col	CLA	GI(S Ash)	-
Widmerere (Liner)	17/4	-	Everest	GI(St C)	-
Banga Birol	18/4	P kel	Bdship	Cont	Sing
Banga Barta(Cont)9/4	19/4	CBO	Baridhi	Cont	Col
Estrella Eterna(Roro)24/11/4	18/4	-	Everest	Vehi	-
White Lmine Oldendoref	19/4	Lang	BSL	C Clink/Gypsum	-
Kota Naga(Cont)9/4	19/4	Sing	Pil(BD)	Cont	Sing
Liberty Sea	20/4	Sing	Lams	Wheat(G)	-
Bana Bjoy(Cont)11/4	20/4	-	Baridhi	Cont	Col
Sea Riches	20/4	-	BSC	Cont	Sing
Sinhai(Cont)13/4	23/4	-	BSC	Cont	Mong
Banga Bonik(Cont)10/4	21/4	-	Bdship	Cont	Sing
Triumph Mumbai	22/4	Sing	RML	GI(P Equip)	-
QC Teal(Cont)10/4	22/4	P Kel	QCQL	Cont	-
QC Dignity(Cont)13/4	22/4	P Kel	QCQL	Cont	Sing
Perak(Cont)10/4	22/4	Sing	Pil(BD)	Cont	Sing
QC Honour(Cont)13/4	24/4	P Kel	QCQL	Cont	P Kel
Banga Biral (cont) 15/4	24/4	-	Bdship	Cont	Sing

Tanker due

Global Ceres	16/4	Yang	Seacom	Rbd. P.Oil
Amanada	17/4	P.Guda	MTCL	CPO

Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Dea Captain	-	-	Arafeen	R/A(28/11)
Orient Explorer	-	-	Arafeen	R/A(27/3)
Liberty Wave	Wheat(G)	P Land	Lams	10/4
Banglar Gourab	Wheat(G)	-	Lams	R/A(14/4)

Vessels at outer anchorage

Ready on:				
Yun Ling	GI(Y.Maize)	Sing	USL	11/4
Banglar Mamata	Wheat(G)	K.Dia	Lams	R/A(15/4)
Bagle Vela	SkolJP-1	Sing	MSTPL	15/4
Konlink (cont)	Cont	Sing	NOL	16/4

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

STOCK