

Global economic recovery firmly underway: IMF

REUTERS, Washington

The head of the International Monetary Fund (IMF) said Tuesday that the global economic recovery was firmly underway, but that stock markets will remain volatile in the coming weeks and months.

Speaking in an interview with Reuters, IMF Managing Director Horst Koehler said it would be premature to assume that the recent decline of the US dollar would continue, saying that economic growth prospects in the United States remain better than those in Europe.

"We think that the recovery is underway, it is particularly underway in the US and it will gain strength in the second half of this year," Koehler said, noting there remain, "Question

marks about the strength and durability of this recovery."

Koehler declined to say whether the IMF has changed its forecast for global growth of 2.8 per cent for this year and 4.0 per cent next year. He said, however, "If there is a tendency toward reviewing our forecasts then there would be more of a tendency to review it upwards."

While the global economic outlook has improved, Koehler said political uncertainties, notably heightened tensions in the Middle East and the possibility of war between India and Pakistan, have "intensified."

With US stocks falling heavily -- the Dow Jones Industrial Average is down almost 7 per cent in the past 13 weeks and the technology-laden Nasdaq index off almost 13 per cent

-- Koehler said investors should expect choppy times ahead.

"We have to look for some time in the coming weeks and months for volatility in stock markets but we should not be too concerned that this is a kind of steady downward spiral," the IMF chief said.

He said that despite mixed news on corporate earnings, there remained reason for "strong ... optimism" about US prospects, based on lasting gains in productivity and future gains from technological advances.

And while the US dollar hit nearly 16-month lows against the euro on Tuesday on mounting tensions in the Middle East and fears of a war between India and Pakistan, he said it was, "Absolutely premature already to put the dollar in the corner

of a steadily declining currency."

"The dollar weakened, but I don't think that we should assume this is a permanent process continuing, this weakness," he said. "It could also recover in the next weeks, this depends a lot on the growth prospects here, which in my view are still better than the growth prospects for Europe and it also depends on political developments all over the world that we cannot predict."

Koehler suggested that the solution to the US current account deficit was for the United States to boost its savings and for, "The Europeans and the Japanese do more to promote their growth because if growth in Europe and Japan is stronger, then the US can get out of this current account deficit via stronger exports."

Taiwan, HK reach 'consensus' on aviation deal

AFP, Taipei

Taiwan and Hong Kong have reached a "consensus" to solve a sensitive sovereignty issue in an aviation agreement between the two sides, it was reported Tuesday.

After the first two rounds of negotiations, the two parties reached an initial consensus on the number of flights, the content of the agreement to be signed, and who will sign on behalf of the two sides, the China Times said.

"The sole disputable point is if Taiwan's director of the Civil Aeronautics Administration (CAA) would also be able to put his signature on the agreement," an aviation source was quoted by the paper as saying.

"However, it is understood Taiwan may back down on the front after Hong Kong negotiations agreed that the pact would model on the aviation pact Taiwan struck with

Macau," the source said.

Under the new pact the Taipei Airlines Association would sign on behalf of Taiwan while the Hong Kong side would be represented by Cathay Pacific Airways and Dragon Airlines.

The existing pact was signed by the two air carriers and Taiwan's China Airlines and EVA Airways. Transportation minister Lin Ling-san told parliament in April a new air pact would be signed before a second six month extension of the old accord expires at the end of June.

The third round of talks are due to be held in Taipei on Friday.

No CAA officials were able to confirm the report.

Taiwan's mainland policy decision-making body Mainland Affairs Council had previously demanded the new pact be signed on a government-to-government basis. But the proposal had been rejected by Beijing, which considers Taiwan part of its territory.

Airlines to stay deep in red this yr, global aviation chief warns

AFP, Shanghai

Airlines will stay deep in the red this year as they try to ward off the economic downturn and the after-shocks of September 11, the head of a global industry association warned Monday.

The good news is the losses may only be half as large as last year's, according to Pierre Jeannot, head of the International Air Transport Association, which represents 280 airlines around the world.

"This year, 2002, the best we can hope for would be to cut last year's losses in half," Jeannot said at the association's annual general meeting, which is held this year in Shanghai.

Airlines saw a disastrous year in 2001, losing a collective 12 billion dollars on international operations, almost equaling the profit they had made over the previous four years combined, he said.

The terrorist attacks on the United States on September 11 and the ensuing downturn in air traffic was part of the reason behind the big losses, he said.

"The events of September 11 could not be predicted, and they dramatically accelerated the economic recession which was under

way, leaving us all drowning in red ink," he said.

But even prior to the attacks, airlines had done too little to prepare for a downturn, prioritizing market growth above sustained profitability, he said.

"In retrospect, and looking at the deteriorating situation even before September 11, we would be forced to conclude that this industry was ill-prepared to successfully weather even a fairly mild, regular economic cycle," he said.



PHOTO: AFP

Vice Minister for Civil Aviation Administration of China (CAAC) Bao Peide delivers speech at the International Air Transport Association's (IATA) 58th Annual General Meeting and World Air Transport Summit in Shanghai on Tuesday.

Russia sees 'difficult' WTO accession talks with China

AFP, Moscow

Russia is likely to have "difficult" talks with China on accession terms to the World Trade Organisation, a Russian economic development ministry official told the PRIME-TASS news agency on Wednesday.

The official said China, which recently gained WTO membership, had put forward "tough" conditions for Russia's accession to the global trade regulation body, including opening the Russian labour market to foreign workers, lowering import duties and cancelling export duties, the agency reported.

Russia believes such demands exceed the standard accession terms applied to other countries seeking WTO membership.

Bilateral talks between Russian and Chinese officials started Wednesday in Beijing.

China joined the WTO last December.

CURRENCY

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

Sell	Currency		Buy		
	TT/OD	BC	TT Clean	OD Sight Doc	OD Transfer
58.5500	58.5800	USD	57.4000	57.2314	57.1629
55.5815	55.6100	EUR	53.5485	53.3912	53.3273
85.8929	85.9369	GBP	83.2587	83.0141	82.9148
34.0644	34.0818	AUD	32.4482	32.3529	32.3142
0.4749	0.4751	JPY	0.4598	0.4584	0.4579
37.6624	37.6817	CHF	36.5628	36.4554	36.4118
6.0894	6.0926	SEK	5.8769	5.8597	5.8527
38.4237	38.4434	CAD	37.2534	37.1440	37.0995
7.5141	7.5180	HKD	7.3533	7.3317	7.3229
32.8914	32.9083	SGD	31.9759	31.8820	31.8439
16.0724	16.0806	AED	15.5026	15.4571	15.4386
15.7376	15.7456	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
49.045	60.075	96.215	42.370	7.9222	0.4904	0.57355

The local interbank foreign exchange market was active Wednesday. Demand for dollar was steady. Demand for BDT for overnight borrowing at call was steady and the call rate ranged between 14.5 and 16.5 per cent for the day.

In the international market, dollar amid fears of intervention by Japanese monetary authorities. Japanese authorities repeatedly intervened in the market last week to cap the export-crippling rise in yen.

At 1630 hrs, euro traded at 0.9385/93 against dollar, pound sterling at 1.4583/85 and yen traded at 124.34/37 against US dollar

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SHIPPING

Chittagong port

Berth position and performance of vessels as on 05-6-2002.

Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Imprt disc
J/1	Ocean Pride	GI(Log)	Yang	PSAL	31/5	9/6	949
J/2	Shun Winner	C Clink	Bela	Unique	20/5	9/6	1292
J/4	New Auspicious	WT/DP/RS	Sing	Litmond	28/5	15/6	778
J/5	Rainbow Spring	GI(Log)	Yang	CCNL	2/6	7/6	1302
J/6	Fortune Australia	GI(DP)	Sing	Litmond	26/5	10/6	727
J/8	Summer	C Clink	Krabi	NWSL	1/6	10/6	1627
J/9	Banglar Maya	GI (S Ash)	P Band	BSC	24/5	7/6	870
J/10	Ra Nam	Sugar	Sing	CCNL	2/6	8/6	1447
J/11	QC Lark	Cont	P Kel	QCSL	30/5	6/6	290/29
J/12	Kota Berjaya	Cont	Sing	Pil (BD)	1/6	8/6	-
J/13	Banga Biraj	Cont	P Kel	BD Ship	30/5	5/6	-
CCT/1	Banglar Shikha	Cont	Sing	BSC	4/6	8/6	299/34
CCT/2	Asimont	Cont	P Kel	Seabome	2/6	7/6	173/18
CCT/3	Mardios	Cont	P Kel	RSL	31/5	6/6	-
RM/15	Banglar Robi	Repair	Sing	BSC	18/5	6/6	-
CCJ	Maritime Peace	C Clink	Tarj	BSL	28/5	7/6	-
GSJ	Banglar Gourab	C Clink	Krabi	OWSL	22/5	8/6	-
TSP	Patachara Naree	Phos	Aqaba	Litmond	14/5	6/6	-
RM/3	Vanessa	CPO	Butt	USL	5/6	7/6	-
DD	Banglar Mamata	Repair	-	BSC	R/A	10/6	-
RM/9	Banglar Jyoti	Repair	-	BSC	R/A	6/6	-
RM/10	Banglar Shourabh	Repair	-	BSC	R/A	7/6	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading por
Triumph Chittagong	5/6	Yang	RML	GI(R Log)	Sing
Kyriakos-M	5/6	Birin	SSA	C. Clink (Shaht)	-
Xpress Resolve (Cont)22/5	6/6	Sing	RSL	RSL	Sing
Sagang(48)1/6	12/6	-	Everett	GI(ST C)	-
Bangla Barta (Cont)16/5	6/6	Sing	BDSHIP	Cont	Col
Jaya Mars (Cont) 28/5	6/6	Para	Everbest	Cont	Col
Weddell Sea	6/6	Tanj	UML	C. Clink	-
Hermes (Liner) 30/5	7/6	Yang	H&SL	GI (Hr. Coil)	-
Asian Wind	7/6	Yang	H&SL	GI (Sl. Prod)	-
QC Honour (Cont)23/5	7/6	P Kel	QCSL	Cont	Sing
Orient Freedom (Cont) 28/5	7/6	-	PSSL	Cont	Sing
Kota Singa (Cont) 23/5	8/6	Sing	Pil (Bd)	Cont	Sing
Banga Bijoy (Cont) 30/5	8/6	-	Baridhi	Cont	Col
Banga Bonik (Cont) 30/5	8/6	-	Bdship	Cont	Sing
Banglar Kallol	8/6	Yang	BSC	GI (Log)	-
Banga, Biroi (Cont)27/5	9/6	P Kel	Bdship	Cont	Sing
QC Dignity (Cont)30/5	9/6	P Kel	QCSL	Cont	Sing
Clover Star (Liner)	9/6	-	Prog	GI	-
Feng Kang Shan (Liner)	12/6	-	Bdship	GI	-
Kota.Cahaya (Cont) 2/6	12/6	Sing	Pil(BD)	Cont	Sing
Xpress Manaslu (Cont) 4/6	14/6	-	RSL	Cont	Sing
Kuo Hsiung (Cont) 4/6	14/6	Sing	QCSL	Cont	Sing
Qc Pintail (Cont)4/6	14/6	Sing	Qcsl	Cont	Sing
Win Song	15/6	B. Abb	Rkship	Bitumeen	-
Paragon Pescadores (Liner)	16/6	-	Everett	GI(SL.C)	-

Tanker due

Danat Qatar	6/6	Rast	USS	C Oil
Jaladoot	6/6	Mima	ECSL	HSD

Vessels at Kutubdia

Name of Vessel	Cargo	Last Port Call	Local Agent	Date of Arrival
Dea Captain	-	-	Arafeen	R/A(28/)

Vessels at outer anchorage

Ready on	Cargo	Local Agent	Date of Arrival
Banga Lanka (Cont)	Cont	Col	Baridhi 2/6
Orient Patriot (Cont)	Cont	P Kel	PSSL 2/6
Kota Naga (Cont)	Cont	Sing	Pil(BD) 5/6
Jurong Bauhinia (Cont)	Cont	Sing	Nol 5/6

Vessels not ready

Ava	Rice(PJ)GI	Yang	BNSSHIP	4/6
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Vessels not entering

Pearl Of Baharain	C Clink	Sing	Uniship	21/5
Alty-II	C Clink	Sing	OLM	27/5

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

STOCK