

Japan PM, coalition leaders agree on tax cuts to spur economy

AFP, Tokyo

Japanese Prime Minister Junichiro Koizumi and his ruling coalition leaders agreed Monday to implement tax cuts aimed at spurring business and investment as part of a second anti-deflation package.

The tax cuts were designed to "revitalise the corporate sector and promote investment and corporate research and development," according to a statement signed by Koizumi along with New Komeito party leader Takenori Kanazaki and New Conservative Party head Takeshi Noda. Koizumi heads the ruling Liberal Democratic Party.

The highly-touted cuts would be

implemented in January next year by which time the three leaders would have hammered out details, said an official for the Cabinet Office.

The coalition leaders said they would also review corporate tax and present their findings as soon as possible.

Koizumi is expected to announce Japan's second anti-deflation package, which would comprise the tax cut and other economy-boosting measures, ahead of a Group of Eight summit in Canada on June 26-27.

But Akihiko Suzuki, an economist at UFJ Institute, was sceptical about whether tax cuts alone would be

enough to stimulate the world's second largest economy.

"While there are no details on the tax cuts, it is hard to see them as an economy booster," Suzuki said.

"If the government decided to take big, drastic tax cuts, we must worry about a scenario that we may have to depend on new bond issuances again to finance a budget," the economist said.

"If the tax cuts were small, we would see little impact," he said.

Japan's debt stands at around 130 per cent of gross domestic product -- the highest of all industrialised nations -- fueled by years of fiscal spending on pork barrel public

works projects in an attempt to revive the economy from a decade-long slump.

The Japanese parliament has enacted a budget for the year to March 2003 -- the country's tightest in four years -- in line with a vow by Koizumi to keep new government bond issues under 30 trillion yen (242 billion dollars).

Meanwhile, the premier and his coalition partners confirmed the government should act swiftly to tackle deflation, which has attacked corporate profits for almost three years and raised the value of debt in real terms.

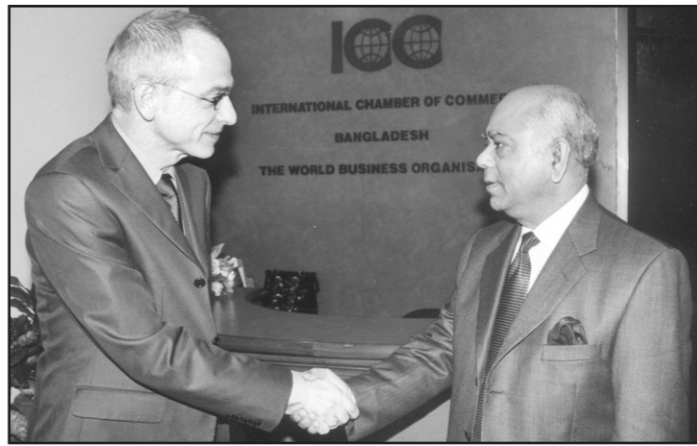


PHOTO: ICC
Mahbubur Rahman, president of International Chamber of Commerce (ICC) Bangladesh, greets Ambassador and Head of the Delegation of the European Commission in Bangladesh Esko Kentschynskyj when he called on the ICCB President at the ICC Secretariat in the city yesterday.

S'pore recovery questioned as key exports dive 6.8pc

AFP, Singapore

Singapore's key exports fell 6.8 per cent in May from a year earlier, government figures showed Monday, sharply reversing the 6.4 per cent growth in April and putting a question mark over the strength of the economic recovery.

The slump in non-oil domestic exports (NODX), regarded as the barometer of Singapore's trade performance, was attributed to all-round weakness in both the key electronics and non-electronics sectors.

The poorer showing in the May figures, which came in at 7.99 billion Singapore dollars (4.46 billion US), was also caused in part by the high base in May last year, government trade body International Enterprise Singapore (IES) said in a statement.

The result was worse than analysts' expectations and exposed the weakness in Singapore's crucial electronics sector which accounts for nearly half of overall manufacturing activity. Electronics exports shrank 11.2 per cent in May.

"The recovery of the electronics sector as a whole is still shaky," Standard and Poor's MMS economist Pamela Wong said.

But Wong maintained her full-year gross domestic product (GDP) growth estimate of four per cent, which is at the upper end of the government's target, with non-oil exports growing 7.5 per cent over the year.

She said the recovery in exports after last year's slump would be "slow, volatile".

"It won't be robust since the bottoming out trajectory is not that robust."

IDEA economist Paul Shymyck said the continued fall in electronics exports indicated that the recent upturn in the information technology (IT) sector was largely the result of a low base last year.

"We haven't seen much improvement in real terms," he said, adding that weak orders from the United States suggested an IT recovery was not imminent.

"The IT recovery story is not going to happen this year but in 2003. It's going to remain a drag on Singapore's GDP growth this year," said Shymyck, who forecast GDP growth of three per cent for 2002.



PHOTO: SCANCEMENT

Scancement International Ltd, a leading cement manufacturer, has awarded one of its distributors, Suma Enterprise, Banani, Dhaka, for best performance in the month of April 2002. The award was handed over to Shafiqul Islam of Suma Enterprise by General Manager of Sales and Marketing of the company K M Zahid Uddin at a function at its head office in the city recently. Assistant Vice President Ramakanta Bhattacharjee, Marketing Manager Shafayet Hossain and Assistant Manager MA Quaiyum were also present on the occasion.

EU envoy meets ICCB president

The new Ambassador and head of the delegation of the European Commission in Bangladesh Esko Kentschynskyj met Mahbubur Rahman, president of International Chamber of Commerce-Bangladesh (ICCB) at the ICC secretariat in the city yesterday, says a press release.

The EU Ambassador said education, economic and financial reforms in Bangladesh are the top most priority areas of EU in Bangladesh.

He also emphasised on the role of the business community in pursuing the government to speed up necessary reforms for a sustainable development of the country as well as enabling environment for business.

He underscored the need of necessary legal reforms including improvement in law and order situation as well as simplified visa procedure in order to create an enabling environment for FDI.

Referring to the trade and economic co-operation between Bangladesh and EU, ICCB President appreciated EU for providing market access of Bangladeshi products including apparels to EU. He also appreciated the grant of EBA (everything but arms) facilities to Bangladesh, adding that Bangladesh can not avail of this opportunity since there is a restriction of rules of origin.

Foreign investment in Taiwan doubles

AFP, Taipei

Foreign investment in Taiwan more than doubled in May from the previous month to 351.2 million US dollars, snapping declines over the first four months amid signs of an economic recovery, the Investment Commission said Monday.

The commission approved 1.28 billion US dollars worth of in-bound investment projects in the five months ending in May, down 40 per

cent year-on-year.

But in May alone the volume shot up 102 per cent compared with April.

"It is noteworthy if this was another sign of economic recovery," the commission said.

Taiwan Vice Prime Minister Lin Hsin-i has said positive April composite indicator data shows Taiwan's economy is starting a full-scale recovery.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank.

Selling		Currency	Buying		
TT/OD	BC		TT Clean	OD Sight/Doc	OD Transfer
58.5500	58.5800	USD	57.4000	57.2314	57.1629
55.8508	55.8795	EUR	53.7781	53.6201	53.5559
86.9643	87.0089	GBP	84.2919	84.0443	83.9437
33.3267	33.3437	AUD	31.7250	31.6318	31.5839
0.4737	0.4740	JPY	0.4587	0.4573	0.4568
37.6770	37.6963	CHF	36.5791	36.4717	36.4281
6.1098	6.1129	SEK	5.8914	5.8741	5.8671
38.0565	38.0760	CAD	36.9013	36.7929	36.7489
7.5139	7.5178	HKD	7.3525	7.3309	7.3221
32.8434	32.8603	SGD	31.9297	31.8359	31.7978
16.072	16.0806	AED	15.5026	15.4571	15.4386
15.7371	15.7452	SAR	15.1848	15.1402	15.1221

Exchange rates of some currencies against US dollar						
Indian Rupee	Pak Rupee	Lankan Rupee	Thai Baht	Nor Kroner	NZ Dollar	AUD
48.98	60.025	96.26	42.245	7.8682	0.4847	0.56095

The local interbank foreign exchange market was active on Monday. Demand for dollar was steady. Demand for BDT for overnight borrowing at call was steady and the call rate ranged between 14.0 and 15.0 per cent for the day.

The dollar was traded between a narrow range Monday. Although dollar lost its early gain in Monday because of wavy over US stock market and growing current deficit, it was countered by BOJ intervention threat and falling stock price of Japanese shares. Euro gained against yen and GBP.

SHIPPING

Chittagong port

Berth position and performance of vessels as on 17-6-2002							
Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disch
J/1	Banglar Kallol	GI (Log)	Yang	BSC	13/6	-	567
J/3	Orange Breeze (Roro/24)	Vehi	Sing	Everett	16/6	17/6	816
J/4	New Auspicious	WT/DP/RS	Sing	Litmond	28/5	18/6	1288
J/5	Fortune Australia	GI (DP)	Sing	Litmond	26/5	18/6	1365
J/6	Beluga Superstition	GI (PC)	Quat	Total	16/6	18/6	-
J/7	Clover Star (Liner)	GI (SI PA)	Osaka	Prog	9/6	17/6	1923
J/8	Feng Kang Shan (Liner)	GI	Busa	BD Ship	11/6	21/6	1271
J/9	Kyriakos-M	C Clink	Birin	SSA	5/6	22/6	2238
J/10	Jaami (Flag)	Cont	Col	Everbest	14/6	19/6	-
J/12	Kuo Hsiung	Cont	P Kel	QC SL	14/6	20/6	-
J/13	Banga Bijoy (Flag)	Cont	Hald	Baridhi	11/6	17/6	-
CCT/1	Kola Cahaya	Cont	Sing	Pil (BD)	13/6	19/6	-
CCT/2	Banga Biraj (Flag)	Cont	Sing	BD Ship	16/6	20/6	-
CCT/3	Xpress Manaslu	Cont	P Kel	RSL	15/6	19/6	-
RM/14	Shun Winner	Idle	Bela	Unique	20/5	17/6	-
RM/5	Bow Lancer	MS/HSD	Sing	ECSL	16/6	18/6	-
RM/6	Melody	SKO/JP-1	Sing	MSTPL	14/6	17/6	-
DD	Banglar Mamata	Repair	-	BSC	R/A	20/6	-
RM/8	Banglar Gourab	C Clink	Krabi	OWSL	22/5	6/6	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Sagaing (48) 1/6	17/6	Cal	Everett	GI (SI C)	22 Unit
Fenes	17/6	Karim	OTBL	For Demolition	-
Jubilee	17/6	Yang	Rkship	GI (Log)	-
Oriental Queen	18/6	Sing	Unique	C Clink	-
Paragon Pescadores	22/6	Hanjin	Everett	GI (SI C)	-
Rubin Eagle	19/6	Yang	H&SL	GI (HR, Coil)	-
Khalada	18/6	-	AMBL	Sugar (BSFIC)	-
B Shikha (Cont) 13/6	20/6	Sing	BSC	Cont	L/Sing
QC Pintail (Cont) 4/6	20/6	P Kel	QC SL	Cont	MGL
K Berjaya (Cont) 8/6	19/6	Sing	Pil (BD)	Cont	L/Sing
Phumy (Cont) 8/6	19/6	-	PSSL	Cont	L/Sing
Kenglung	21/6	-	Everett	GI (SI C)	-
QC Teal (Cont) 10/6	20/6	P Kel	QC SL	Cont	Sing
Togo Charm	20/6	-	OLM	C Clink	-
Hala	20/6	Dili	Sunshine	GI (De Cargo)	-
Asimont (Cont) 10/6	20/6	-	Seabone	Cont	L/Sing
B Barata (Cont) 12/6	22/6	Hai	Baridhi	Cont	L/Cat
Oriental Glory	20/6	-	Oil	GI (HR Coil)	-
Xpress Resolve (Cont) 12/6	21/6	-	Everbest	Cont	CL/Col
Jurong Bauhinia (Cont) 15/6	21/6	-	NOL	Cont	L/Sing
K Naga (Cont) 8/6	22/6	Sing	Pil (BD)	Cont	L/Sing
Orient Patriot (Cont) 13/6	23/6	-	PSSL	Cont	L/Sing
QC Honour (Cont) 12/6	24/6	P Kel	QC SL	Cont	L/Sing
K Singa (Cont) 15/6	24/6	Sing	Pil (BD)	Cont	L/Sing
Win Song	25/6	B Abb	Rkship	GI (Bitumen)	-
B Lanka (Cont) 9/6	26/6	-	BD Ship	Cont	L/Sing
Alana Princess	18/6	Krabi	BSL	C Clink/Gyp	-

Tanker due

Gaz Millennium	19/6	Para	MBL W/Ld Ammonia (K/A)
Suzanne	18/6	Indo	ECSL C Soda (RM/4)

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Mardios (Cont)	Cont	P Kel	RSL	16/6
QC Lark (Cont)	Cont	P Kel	QC SL	16/6
Banglar Moni (Cont)	Cont	Sing	BSC	17/6
Banglar Shourab	C Oil	K Dia	BSC	R/A

Vessels not ready

AVA	Rice(P)/GI	Yang	BNSSHIP	4/6
Isaac Light	C Clink	Hond	PSAL	11/6
Edip Karahasan	RS/WT	Adel	Rainbow	11/6
Handy Humanity	R Seed	Sing	USL	14/6
Amalfi	C Clink	Lumos	SSA	17/6

Movement of vessels for 18.6.2002

Outgoing	Incoming	Shifting
J/1 Sagaing	Suzanne	RM-14

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

STOCK