

Concerns about freezing of assets Saudi investors withdraw billions of dollars from US

AFF, London

Saudi investors have withdrawn tens of billions of dollars from the United States because of concerns their assets might be frozen, the Financial Times reported Wednesday.

According to Youssef Ibrahim, a senior fellow at the US-based Council on Foreign Relations, Saudis have pulled out at least 200 billion dollars (204 billion euros) from the United States in recent months, the paper said.

Ibrahim said the withdrawal had been fuelled by calls from some hardliners in the United States for a freezing of assets held by investors from oil-rich Saudi Arabia.

He said the outflows could pick up in response to the legal action launched last week in the United

States against three members of the Saudi royal family, Sudan and several Gulf banks and charities by relatives of the victims of the September 11 atrocities.

The suit accuses them of covertly financing the al-Qaeda network and seeks 1,000 to 3,000 billion dollars in punitive damages for each of the 14 counts from 99 organizations or individuals.

It also seeks 100 trillion dollars in damages from Sudan.

According to the report, investors are believed to be shifting funds out of US private equity, stocks, bonds and real estate into European accounts.

But it added that some bankers in London said the largest established Saudi investors did not yet appear to

be shifting money out of the United States.

It quoted one unnamed banker as saying: "I'm sceptical about a mass exodus."

"But there was a lot of Saudi money with American banks that was not diversified, now they (the Saudis) are spreading their wings."

"Perhaps 30 per cent to 50 per cent of the money that was with US banks is seeking diversification."

Other experts also poured cold water over the thrust of the report.

"I would be sceptical, certainly of the figures, though I can see it emerging as a possible trend," said Simon Williams, a senior economist at the Economist Intelligence Unit specialising in the Middle East.

"I would be surprised if it was

anything like the kind of scale that's been suggested by the FT," he told AFP.

"That's not to say it's not necessarily happening or that there isn't a significant trend of anti-US feeling in Saudi, but at the moment the data certainly isn't convincing," Williams added.

Currency dealers were also sceptical.

"We are far from convinced," said Citibank economist Steve Englander.

"The (reported) numbers is huge, almost half of the US current account deficit."

"The dollar wouldn't be at 0.98 (per euro) if it had happened," he added.

Qwest sells yellow pages business

AFF, Denver, Colorado

Embattled telecoms group Qwest Communications, struggling to lighten a heavy debt burden, announced Tuesday it had struck a deal to sell its yellow pages business for 7.05 billion dollars to a newly formed consortium.

Qwest shares shot up 31.70 per cent on the news.

The group said its directories publishing business QwestDex would be sold to a new entity formed by two private equity firms: The Carlyle Group, and Welsh, Carson, Anderson and Stowe.

Qwest is on a selling spree as it seeks to slash a mountain of short- and long-term debts amounting to more than 25 billion dollars, revealed in company accounts this month.

"As we promised, we are moving aggressively to take the necessary steps to ensure the long-term success of the company and our ability to continue to provide world-class

services to our customers," Qwest chairman and chief executive Richard Notebaert said in a statement.

"The sale of QwestDex is a significant part of our plan to delever and strengthen our balance sheet and will allow us to focus on maximizing the profitability of our core operations."

Investors welcomed the deal.

Qwest shares shot up 71 cents, or 31.70 per cent, to close at 2.95 dollars.

The entire QwestDex publishing business would be sold in two steps, the group said.

In the first stage, operations in Colorado, Iowa, Minnesota, Nebraska, New Mexico, North Dakota and South Dakota would be sold this year for 2.75 billion dollars.

In the second stage, operations in Arizona, Idaho, Montana, Oregon, Utah, Washington and Wyoming would be sold for 4.30 billion dollars, to be completed next year.

SHIPPING

Chittagong port

Berth position and performance of vessels as on 21.8.2002.

Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/1	Asteriks	Gl(peas)	Vanc	Mutual	6/8	28/8	1686
J/3	Amrtajaya-1	Rice(P)	Kaki	ASA	14/8	24/8	1325
J/4	Bi Ryu Gang	Rice(P)	Kaki	Litmond	14/8	27/8	1071
J/5	Qc Dignity	Cont	P Kel	QCSSL	19/8	22/8	214/11
J/6	Banglar Doot	Sugar	Tuti	BSC	28/7	23/8	1881
J/7	Diamond star(liner)	Gl(STC)	Sing	Everbest	17/8	17/8	2686
J/8	Al Muzluba	Rice(P)	Kaki	Cia	8/8	21/8	27
J/9	Aj Sushama	C.Clink	Indo	MWSL	14/8	25/8	1393
J/10	Gu Yuanhai	C.Clink	Mund	SSA	8/8	25/8	2130
J/11	Kota Cahaya	Cont	Sing	Pil(BD)	18/8	24/8	236/28
J/12	Phumy	Cont	PKel	PSSL	17/8	23/8	243/62
J/13	Orient Free Dom	Cont	P Kel	PSSL	14/8	22/8	230/37
CCT/1	Jaami	Cont	Col	Everbest	18/8	21/8	271/32
CCT/2	Banglar Robi	Cont	Sing	BSC	13/8	21/8	144/34
CCT/3	Banga Biraj	Cont	Sing	BDSHIP	19/8	23/8	218/24
RM/14	Pacific Emerald	Gl(Copra)	Sing	Alseas	24/7	-	-
RM/6	Daihung	Sk(JP-1)	Anyek	MSTPL	17/8	26/8	-
Doj	Banglar Shourabh	C Oil	K Dia	BSC	R/A	21/8	-
DDJ/1	Dea Captain	-	K Dia	Arafes	R/A	-	-
RM/9	Banglar Kallol	Repair	Yang	BSC	13/6	24/8	-
SM/10	Dredger Gemini	-	Chand	Kama	-	-	-
Kafo(A)	Gaz Millennium	Ammonia	Mari	MBL	20/8	21/8	-
BB	Pailhai Jun No.2	Balast	Taiw	Transglobal	6/7	-	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Xpress Manaslau(Cont)/10/8	21/8	PKel	RSL	Cont	Sing
QC Lark (cont)/10/8	21/8	P Kel	QCSSL	Cont	P Kel
Kota Singa(Cont)/10/8	21/8	Sing	Pil(BD)	Cont	Sing
Amalfi	21/8	-	NFT	C.Clink	-
Golden Daisy	22/8	-	Rainbow	Wheat(P)	-
Walter	22/8	Sing	OTBL	-	-
Kuo Hing No.808	22/8	Sing	OTBL	-	-
Banga Lanka (Cont)/5/8	23/8	Hald	Baridhi	Cont	Col
Banglar Moni (cont) 6/8	23/8	sing	BSC	Cont	Sing
A.A. Venture	23/8	Yang	Cia	GI	-
Shun An (Liner)	23/8	PKel	RML	GI	-
Gangga Nagra	23/8	-	Rainbow	GI (St.Coil)	-
Dia-P	23/8	Krabi	Litmond	C.Clink	-
Paragon Pescadores(Liner)	23/8	Yang	H&S	GI(Hr.Coil)	-
Xpress Resolve(Cont)/17/8	24/8	-	Everbest	Cont	Col
Jaya Mars (cont) 11/8	23/8	Sing	RSL	Cont	Sing
Banga Bijoy(Cont)/10/8	23/8	-	Bdship	Cont	Sing
Lin Cheng(Liner)	24/8	S.Hai	Bdship	GI	-
Mardios (Cosent)/14/8	26/8	P Kel	RSL	Cont	L/Sing
Cc Teal(Cont)/11/8	24/8	PKel	QCSSL	Cont	-
Tug Ocean North	24/8	Sing	NFT	Barge	Labroy-16C
Barge Labroy-160	24/8	Sing	NFT	Empty (W/7D)	-
Express Progress	24/8	-	PSL	Mop(p)	-
Shun Cheng (Liner)	25/8	Yang	Everett	GI(St.C)	-
Banga Bonik(Cont)/17/8	26/8	P Kel	Bdship	Cont	Sing
Win Grand(Liner)	26/8	-	Everett	GI(stc)	-
Consistence(Cont)/17/8	26/8	-	PSSL	Cont	Sing
Banga Birel(Cont)/11/8	27/8	-	Baridhi	Cont	Col
Asimont (Con) 18/8	27/8	-	Seaborns	Cont	Sing
Banglar Shikha (Cont) 19/8	27/8	Sing	PSC	Cont	Sing
Pac Princes	22/8	Vanc	Litmond	GI(y Peas)	-
Kuo Hsiung (ont)/18/8	28/8	P Kel	QC Cont	Coln	Sing
Banga Barta (Cont) 18/8	30/8	-	Baridhi	Cont	Col
Banga Borat(Cont)/20/8	30/8	-	Bdship	Cont	L Sing
Kota Berjaya(Cont)/20/8	31/8	Sing	Pil(BD)	Copnt	L Sing

Vessels at Kutubdia

Argosea	Crude Oil	Rast	Union	13/8
Banglar Shourabh	C. Oil	-	BSC	RJA(20/8)

Vessels at outer anchorage: Ready on:

Pacific Rearald(48)	GI(protl)	Sing	ASA	19/8
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The above are shipping position and performance of vessels at Chittagong Port as per berthing sheet of CPA supplied by HRC Family, Dhaka.

US trade gap widens in first half of '02

REUTERS, Washington

The US trade deficit narrowed slightly in June but mushroomed 8.1 per cent over the first six months of the year to a record \$206.01 billion, the government said Tuesday.

Sung Won Sohn, chief economist at Wells Fargo in Minneapolis, said the trade gap appeared on track to beat the annual record of \$378.68 billion set in 2000.

"I think we will continue to be hurt by ballooning red ink. The good news, hopefully, is that the dollar has begun to depreciate, making American goods more competitive," he said.

The Commerce Department said the June trade gap totaled \$37.16 billion second only to the record of \$37.85 billion set in May. The number was in line with market expectations.

In the first half of the year, US exports of goods and services fell 8.9 per cent to \$ 476.36 billion, compared with \$522.77 billion in the same period in 2001.

However, the monthly numbers

offered more upbeat news as exports continued a rise from last December's low of \$77.48 billion. The June tally to \$82.02 billion was up 1.3 per cent from May in a sign of stronger world economic growth and the drop in the value of the dollar, analysts said.

The long-standing and huge trade deficit is a drag on the US economy because every dollar spent on imports supports overseas production at the expense of domestic output.

The dollar has dropped 7 per cent since February against other major currencies, giving US exporters a boost by making American products cheaper overseas.

"After the second-worst year in the past half-century, my expectation is that export recovery underway in the first half of 2002 will continue in the second half," said Jerry Jasinoski, president of the National Association of Manufacturers.

Over the first six months of the year, US imports totaled \$682.36 billion, down 4.3 per cent from the same period last year.

Imports rose to \$119.18 billion in June from a low of \$104.76 billion last December. Some analysts believe the climb came from trading partners rushing in product to avoid a possible West Coast dock strike.

Dock workers and port operators returned to the bargaining table last week hoping to jump-start contract talks covering longshoremen on the docks that handle half of US trade.

The surge in imports may mean the government's estimate that the economy grew at an annual pace of 1.1 per cent in the second quarter was distorted, one economist said.

"You really shouldn't look at the second quarter as being as severe as it was initially reported," said Greg Mount, deputy chief economist at Banc One in Chicago, adding that actual growth may have been two to three times that rate.

"If you believe the economy is entering a slower phase, or is at risk for a double-dip (recession), the last thing you would expect to see is our imports increasing (in the second quarter over the first) the fastest they have since 1984," he said.

Taiwan proposes to privatise 4 major banks

REUTERS, Taipei

Taiwan's top economic planning agency recommended to the Cabinet yesterday a plan to privatise four major state-owned banks to increase efficiency.

The Council of Economic Planning and Development wants to privatise unlisted Bank of Taiwan, Taiwan Cooperative Bank, Land Bank of Taiwan and Central Trust of China, Lin Chang-hua, a deputy council director told Reuters.

The first three banks on the list are the island's top three commercial banks by assets, and the four together accounted for more than 20 per cent of domestic market share in terms of both deposits and loan approvals.

"We hope the Ministry of Finance can draft a privatisation schedule for the four banks after a review by the cabinet's financial reform task force," he said. "But all these proposals need further approval by the cabinet."

CURRENCY

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

TT/OD	Sell		Buy		
	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
58.5500	58.5800	USD	57.8050	57.6352	57.5662
58.4915	58.5214	EUR	55.9841	55.8197	55.7529
90.8881	90.7346	GBP	87.7711	87.5133	87.4086
32.5304	32.5470	AUD	31.1627	31.0711	31.0340
0.4991	0.4993	JPY	0.4863	0.4849	0.4843
39.6117	39.6320	CHF	38.3500	38.2374	38.1916
6.3055	6.3088	SEK	6.1231	6.1051	6.0978
37.6189	37.6381	CAD	36.7272	36.6194	36.5755
7.5140	7.5179	HKD	7.4035	7.3817	7.3729
33.6127	33.6299	SGD	32.9017	32.8051	32.7658
16.0724	16.0806	AED	15.6120	15.5661	15.5475
15.7371	15.7452	SAR	15.2919	15.2470	15.2288

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	AUD
48.54	59.525	96.265	42.080	7.4920	0.4715	0.54735

The local interbank foreign exchange market was active Wednesday. Demand for dollar was steady. BDT weakened against the USD and was quoted at 58.26/58.30.

Demand for BDT for overnight borrowing was steady. Call money rate got steady and was traded at 5.00-7.00 per cent for the day.

In the international market, dollar was on the back-foot against the major currencies. It fell by nearly 1 per cent against the yen and half a per cent against the euro. The rise of dollar by better than expected trade data was offset by fall in Wall Street which worried the investors about the outlook of US economy and dollar suffered the dip in confidence. Sterling got stronger against the dollar but weakened against the euro.

At 1600 hours, euro traded at 0.9809/12 against dollar, pound sterling at 1.5282/87 and yen traded at 118.13/18 against US dollar.

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STOCK