

US ports closure cripples car plants

AFP, Los Angeles

A key US vehicle factory Thursday became the first victim of a devastating shutdown of US west coast ports, as negotiators launched a new bid to end the crippling trade gridlock.

The first major economic casualty of the five-day-old closure of the biggest US dockyards sparked by a bitter labour dispute emerged just as the stoppage began to cause serious international trade chaos, notably in Asia.

The only major US vehicle plant west of the Mississippi River halted production of passenger cars and trucks on Thursday after being starved of critical spare parts from Japan that were stranded in padlocked dockyards.

"We have suspended production," Michael Damer, spokesman for the New United Motor Manufacturing plant in the California city of Fremont told AFP as the ports shutdown continued to cost the US economy a billion dollars a day.

The 18-year-old plant is a joint venture between US carmaker General Motors and Japanese vehicle giant Toyota and turns out around 1,500 vehicles a day and employs 5,500 people.

The plant was trying to arrange for crucial car parts to be freighted in by air from Japan to allow a resumption of car production, Damer said, adding that all vehicle making would be frozen until early next week at the soonest.

Truck production will however be suspended until paralysed western ports reopen when a lockout of unionised longshoremen by shipping bosses over a contract dispute is finally resolved.

"The financial impact of this is very serious," Damer said. "You can imagine the cost of flying the equivalent of eight shipping containers by air each day. We are busy calculating the losses."

Workers at the factory -- which assembles Toyota Corolla and Tacoma and Pontiac Vibe cars -- were given the option of taking their holidays, unpaid leave or else helping clean the plant and count inventory.

Other US vehicle factories dependent on imported parts were

also in danger of shutting up shop as their parts inventories rely on precision planning and just-in-time deliveries.

The ports closure began Sunday when the industry bosses locked out longshoremen who they accused of staging an illegal go-slow strike over a contract dispute.

But as fears grew that the stoppage would drag on dealing a devastating blow to the fragile economies of the United States and its Asian trading partners China, South Korea and Japan, a glimmer of hope of ending the standoff emerged.

Feuding shipping line bosses and longshoremen held talks along with a US government mediator in San Francisco for the first time in three days in a bid to broker a deal that

would reopen dockyards.

"We have agreed to talks under federal mediation today specifically on the issue of the implementation of new technology in the ports," said Jeremy Prillwitz of the International Longshoremen's and Warehousemen's Union.

Industry representatives were meeting today for talks with the ILWU Thursday cautiously optimistic that a deal that would end the shipping line-imposed lockout of longshoremen could be closer.

"Certainly the fact that we are meeting today for talks with the ILWU and the federal mediator is a good sign and positive step forward," said industry spokesman Steve Sugarman. "Let's see how the talks go."

DCCI training course ends

The 2-day training course on "effective managerial skills" organised by DCCI Business Institute (DBI) concluded in the city on Wednesday, says a press release.

DCCI Director M A Momen distributed certificates among the participants.

A total of 23 participants from different business organisations attended the training course and evaluated the course positively.

Speaking on the occasion Momen stated that the functional knowledge about the appropriate strategies of management skills is a prerequisite to sustain under the present competitive world adding that the course on "effective Managerial Skills" will help participants to achieve this skill.

GTZ-BAS Project Manager Md Emdadul Haque also spoke at the function.

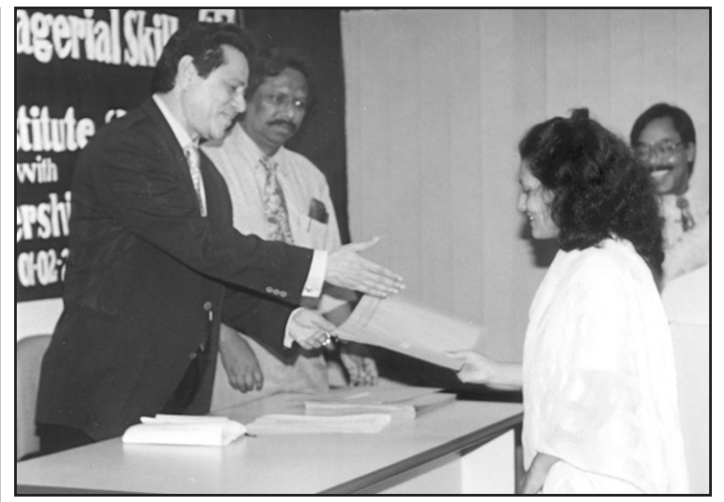


PHOTO: DCCI
Director of the Dhaka Chamber of Commerce & Industry (DCCI) M A Momen distributes certificates among the participants of a training course on 'effective managerial skills' held at DCCI Business Institute in the city on Wednesday.

Goldman IPOs-investment banking link found

AFP, Washington

A congressional panel released documents highlighting Goldman Sachs' allocation of lucrative initial public offerings (IPOs) to favored executives, an example of what a lawmaker called "corrupt practices."

The House Financial Service Committee documents released late Wednesday showed that the Wall Street banking group gave the shares of the hot IPOs to execu-

tives at firms for which Goldman Sachs was doing investment banking.

"Preferred investors quickly sold their shares, taking profits sometimes even on the first day of trading," the committee said in a statement, adding that "as a result, small investors gaining access later in the process were more likely to be left with losses in companies that, in many cases, never recovered."

Other bank documents obtained

by the committee show "the award of IPO shares connected to investment banking business, use of research to hype companies that were investment banking clients, and the possibly illegal underpricing of IPO shares."

The documents were the latest revelation of questionable tactics by Wall Street firms during the go-go 1990s, when coveted new stock offerings were purportedly doled out amid apparent conflicts of interest.

Japan won't kick start economy with public works projects

AFP, Tokyo

The government will not cave into pressure to kick start the economy with public works projects, Japanese Prime Minister Junichiro Koizumi said Friday.

The government signalled this week it would speed up the write-off of the massive bad loans held by banks but this is expected to hurt the already weak economy in the short term as some distressed companies are allowed to go under.

Koizumi, asked about calls within his ruling Liberal Democratic Party for a supplementary budget to ease the economic pain, said the days of pump-priming with public works spending were over.

"Using taxpayers' money and new bond issuance to spend on public works projects is a thing of the past," he told reporters.

"It's becoming a habit of theirs," he said of the calls.

Economic and fiscal policy minister Heizo Takenaka, who also took over as Financial Affairs

Minister Monday, said "we have no plan to compile an extra budget immediately".

But the government would compile a supplementary budget if it expected a massive impact from the ongoing structural reforms, he added.

Finance Minister Masajuro Shiokawa said the government would do its best to maintain its pledge to limit new bond issuances to 30 trillion yen (246 billion dollars) in the year to March.

S'pore eyeing India's construction market

AFP, Singapore

Singapore is aiming for a slice of India's rapidly expanding construction market, estimated to be worth 63 billion dollars as of last year, the government said Friday.

A high-powered business delegation led by Minister of State for the Ministry of National Development Vivian Balakrishnan will travel to India from October 6-12 to look for investment and joint venture opportunities for Singaporean firms.

The delegation, which will travel to the states of Maharashtra, Andhra Pradesh and Tamil Nadu, is backed by the government trade body International Enterprise Singapore (IES) and the Building and Construction Authority.

"Based on IE Singapore's preliminary findings, the Indian construction industry, made up of industrial, residential and commercial segments, was worth 63 billion US dollars in 2001, up from 39 billion US dollars in 1997," an IES statement said.

India has become one of Singapore's top five destinations for the export of construction services over the past three years, and the tiny city-state ranks as India's fourth largest foreign investor.

"There is tremendous potential for collaboration between Singapore and India players in the

construction industry," the statement said.

It cited the abundance of resources and lower costs in India, and Singapore's expertise in design, project management, engineering consultancy work and facility management.

India and Southeast Asia, where Singapore is located, have recently been aiming to increase economic ties.

Association of Southeast Asian Nations (ASEAN) economic ministers held a "landmark meeting" with their Indian counterpart, Murasoli Maran, last month in Brunei and agreed on a long-term goal to establish a free trade and investment area.

As part of the efforts to cement bilateral ties, India is hosting a business summit with ASEAN later this month to be held in New Delhi and the southern Indian high-tech city of Hyderabad.

ASEAN heads of states and governments will also meet with their Indian counterpart during a summit in Cambodia next month.

ASEAN groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

NetIQ appoints consultant in Bangladesh



As a press release.

NetIQ Corporation is engaged in providing e-commerce, network security, data security, and risk management solutions to its clients through its global operations network.

Earlier, Asif had worked in the Web Applications Division of India's premier IT company Infosys Technologies Ltd.

US jobless claims up

AFP, Washington

Initial claims for regular state unemployment benefits rose 5,000 to a seasonally adjusted 417,000 for the week ended September 28 from the previous week, the US Labor Department said Thursday.

The rise in jobless claims was larger than anticipated, with Wall Street economists having projected that claims would rise by 4,000.

WEEKLY CURRENCY ROUNDUP

September 28 October 3, 2002

Local FX Market

Demand for dollar remained high throughout the week and BDT continued to get weaker. BDT was quoted at 58.49/50 in the beginning of the week. It rose to its highest point at 58.50/55. Import of petroleum products by BPC and increased demand for edible oil before Ramadan weakened the Bangladeshi currency. Slight increase in remittance slightly eased the pressure by the end of the week.

Money Market:

Bangladesh Bank borrowed 8,875 mio BDT from the Treasury bill auction held on Sunday. Weighted average yield of 91-Day bills jumped to from 6.40 percent from 6.95 percent this week.

Demand for BDT for overnight borrowing was moderate throughout the week. The call money rate remained steady and ranged between 6.75-7.10 percent throughout the week. Bangladesh Bank accepted REPO bids for 950 mio taka on 30th September.

International FX Market:

Yen powered to a one-week high against the dollar in the beginning of the week on new hopes that Japan will get cracking on reforms to fix its banking sector after the announcement that pro-reform Economics Minister Takenaka would take over from Yanagisawa. The market is now eager to see concrete details of how the government proposes to clean up the banking system, burdened with at least 52 trillion yen of bad debts. The yen also strengthened due the demand from Japanese exporters who needed funds to settle accounts for the end of the fiscal half-year and weakness of Wall Street. The Euro moved in tight ranges throughout the day.

Dollar showed a mixed performance in the middle of the week. It fell initially but gained across the board later. Initial fall in Wall Street and nervousness ahead of manufacturing report contributed to the fall of dollar. NASDAQ fell to its lowest since September 1996. But a surprise rally by stocks in Wall Street, easing of US tensions with Iraq regained the strength of the greenback. Dow Jones Industrial Average jumped 4.57 percent and NASDAQ Composite Index rose by 3.56 percent. Iraq agreed on Tuesday to let UN arms inspectors' back possibly in a fortnight, which eased the pessimism in the market. Sterling eased off the previous session's two month high. It was also off marginally against the euro at 62.81 pence.

The yen was on the defensive in Asia on the weekend on growing pessimism about the Japanese economy and a slump in Nikkei shares. But the market is also careful about selling yen too strongly because there are uncertainties about the dollar due to bearish Wall Street stocks and worries over the tensions between the United States and Iraq. The dollar came under pressure against the European currencies. The Institute of Supply Management's non-manufacturing index is due at 1400 GMT on Thursday, where the forecast shows a slight improvement in September.

At 1500 hours on Thursday, Euro was quoted at 0.9878/84, GBP at 1.5691/96, Yen at 122.78/81 against the dollar. --Standard Chartered Bank

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