

US, Asia brace for rising impact of ports closure

AFP, Los Angeles

The economic impact of a trade-paralysing US port gridlock will double to nearly two billion dollars a day this week, causing a snowballing crisis for the US and Asian economies, experts warn.

While the week-old shutdown of all 29 ports on the United States' west coast has been robbing the US economy around one billion dollars a day, that cost will skyrocket to around 2.4 billion a day within two weeks, a top economist said.

"After 10 days of shutdown, the financial impact to the US economy starts to approach 1.9 billion per day as the escalating impacts of the closure begins to take hold," said economist John Martin.

"After 20 days, that impact will rise to 2.4 billion dollars every day as the problem is compounded by growing backlogs and spiralling costs in a huge range of areas," Martin said from his base in Pennsylvania.

Martin is the president of economic consulting firm Martin Associates, which produced a report on the likely consequences of a ports closure for the Pacific Maritime Association, the industry group that indefinitely locked 10,500 unionised

dock workers out of its ports on September 29.

That report estimated the initial daily economic loss of a closure to run at around a billion dollars a day, but Martin now says his predictions were conservative and that far more damage is being wrought.

"The inventory costs rise with each passing day and you are looking at some pretty significant lost sales, especially now that we are looking to the critical Christmas season."

Compounding the lost sales caused by stranded container cargo piling up as more than 150 ships hover off the west coast hoping for a break in the contract dispute that sparked the lockout, are a host of other charges.

Some retailers have begun to run out of imported stock, while the biggest vehicle plant in the western half of the United States was forced to shut down its California operations overnight Wednesday after it ran out of parts.

In addition, transport costs are skyrocketing, with international air freight now costing as much as 10 times the price of sea freight, while US haulers and railways are being forced to charge more expensive

one-way rates for freight as no cargo is heading towards the west coast.

Martin said the cost of the dispute would jump dramatically after 10 days as that's when many shipping contracts will be automatically voided if the goods have not been delivered to increasingly desperate retailers.

"And each day that the stoppage grows longer, the cost of just clearing the terminals of the backlog even when the ports do reopen becomes more problematic and costly," he said, predicting possible delivery delays of up to 100 days.

But as the crisis bites deeper into the fragile US economy amid early fears of a new recession sparked by the stoppage and jitters over a possible war with Iraq, Asian countries that depend heavily on the US market for their export goods are becoming increasingly vulnerable.

"I am really starting to become concerned that there is a very serious risk of a major backwards impact over the Asian economies cause by this shutdown," Martin said.

Many Asian nations are highly leveraged and the impact of a paralysis to their US exports ahead of the Christmas consumer season could be devastating.

"If you miss that window of oppor-

tunity, the impact of the financial backlash could be extremely significant."

Robert Parry, head of the Federal reserve bank of San Francisco, agreed that the daily cost to the US economy would soon hit the billion-dollar-mark and warned of economic damage.

"If shipments in and out of ports here are interrupted much longer, the drag on the economy could be significant," he told investors last week.

Sarah Fitzgerald, a trade policy analyst at the Heritage Foundation in Washington, warned that the crisis could also cause political and diplomatic ructions with Asian trading nations such as China, South Korea and Japan.

"The US record on global trade has been poor this year and there are several ongoing disputes," she said.

"I worry that the economic damage that this is causing to Asian economies will prompt and angry reaction from some countries that will say 'why can't you control your ports and brand the closure as a protectionist play.'"



PHOTO: RANGS-TOSHIBA

Rangs-Toshiba opened its 57th showroom at Mirpur Section-11 on Monday. Altaf Hossain, general manager (Dealer & Telecom) of Rangs-Toshiba, opened the showroom. General Managers Lt. Col. Moklesur Rahman (Rtd) and Nurul Qader Chowdhury, executives of Rangs Toshiba, local businessmen and managers from different commercial banks were also present on the occasion.



PHOTO: OLYMPIC INDUSTRIES

A week-long training programme on sales promotion for field supervisors and sales representatives of Olympic Industries Ltd was inaugurated in the city Tuesday. Picture shows Managing Director Mobarak Ali, high officials of the company and some trainees at the inaugural function.



PHOTO: INTERSPEED

Global Beverage Company Ltd, a sister concern of Youth Group, on Thursday launched three new drinks of Virgin brand at a function in the city. The programme was presided over by Youth Group Chairman Abul Quasem Haider. Among others, Global Beverage Managing Director Feroz Alam and Managing Director of Virgin Drinks Asia Pacific David Howell were also present on the occasion.

IMF wants ECB to lower rates

AFP, Berlin

Horst Koehler, managing director of the International Monetary Fund (IMF), has said in an interview to be published on Sunday that the European Central Bank (ECB) should rapidly lower rates so as to stimulate growth.

In remarks to be published by the weekly newspaper, Welt am Sonntag, Koehler said he felt that Wim Duisenberg, the Dutch president of the ECB, and his colleagues at the helm of Europe's central banks would be able to make such a decision more easily once they saw that structural reforms favouring productivity and growth had been brought in more rapidly.

SHIPPING

Chittagong port

Berth position and performance of vessels as on 06.10.2002.

Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/7	AA Venture	GI	Yang	CLA	2/10	7/10	1185
J/8	QC Dignity	Cont	P Kel	QC SL	4/10	7/10	268
J/9	Magda	L Stone	Krabi	Move	27/9	10/10	1003
J/11	Xpress Resolve	Cont	Col	Everbest	3/10	8/10	49096
J/12	Eagle Strength	Cont	Sing	Nol	2/10	8/10	49076
J/13	Banglar Robi	Cont	Sing	BSC	3/10	8/10	228/124
CCT/1	Banga Birol	Cont	Hald	Baridhi	1/10	6/10	131/131
CCT/2	QC Honour	Cont	P Kel	QC SL	3/09	6/10	24/18
CCT/3	Banga Bonik	Cont	P Kel	Bdship	1/10	6/10	76/119
RM/14	Pacific Emerald	Idle	Sing	Alisess	24/7	10/10	-
CCJ	Hanel Sun	C Clink	Tarj	BSL	29/9	6/10	-
RM/6	Jaladoot	HSD	Sing	EC SL	3/10	7/10	-
DD	Banglar Doot	Repair	Mong	BSC	20/9	10/10	-
DD/J/2	Dredger Gemini	-	Chand	Kama	-	-	-
RM/8	Samjin Sun	CPO	P Kel	Seacom	2/10	6/10	-
RM/9	Banglar Maya	Idle	Ind	BSC	23/9	10/10	-
RM/10	Banglar Jyoti	Repair	-	BSC	R/A	6/10	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Banga Borat (Cont) 24/9	6/10	Sing	Bdship	Cont	Sing
Alpha Venture	7/10	-	Oil	-	-
Asian Harvester	6/10	Indo	VML	Demolition	-
Han Star	6/10	Mala	VML	Demolition	-
Banglar Moni (Cont)	7/10	Sing	BSC	Cont	Mol
Boxer Capt Cook (Cont) 26/9	8/10	-	PSSL	Cont	Sing
Pearl of Jeddah	7/10	Krabi	Litmond	C Clink	-
Rainbow Joy	8/10	Sing	H&SL	GI (St C)	-
Kota Cahaya (Cont) 28/9	8/10	Sing	Pil (BD)	Cont	Sing
Xpress Manaslu (Cont) 28/9	8/10	P Kel	RSL	Cont	Sing
Banga Lanka (Cont) 25/9	8/10	Hal	Baridhi	Cont	Col
Kuo Hsiung (Cont) 28/9	8/10	P Kel	QC SL	Cont	Sing
Seleter Hope	8/10	Sing	Everett	GI	-
Banga Barta (Cont) 29/9	9/10	Col	Baridhi	Cont	Col
Leona (Liner)	9/10	-	Prog	GI	-
Haneburg	9/10	Sing	Pil (BD)	Cont	Sing
Adonis	10/10	Ind	CCNL	Sugar (P)	-
Mardios (Cont) 28/9	10/10	P Kel	RSL	Cont	Sing
Establia Eterna	10/10	-	Everett	Vehi	-
Banga Bijoy	11/10	-	Bdship	Cont	Sing
Kota Singa (Cont) 28/9	12/10	Sing	Pil (BD)	Cont	Sing
Qc Teal (Cont)	12/10	P Kel	QC SL	Cont	Sing
Jaya Mars (Cont) 2/10	12/10	Sing	RSL	Cont	Sing
Banga Biraj (Cont) 3/10	14/10	-	Bdship	Cont	Sing
Orient Freedom (Cont) 5/10	14/10	-	PSSL	Cont	Sing
Kota Berjaya (Cont) 5/10	16/10	Sing	Pil (BD)	Cont	Sing

Tanker due

Name of Vessels	Cargo	Last Port call	Local agent	Date of arrival
Samotlor	6/10	Sing	Rainbow	CDSO
Gaz Master	6/10	Para	MBL	W/LD
Petrol Lmax	7/10	Sing	Rainbow	CPO
Danat Qatar	9/10	Jebe	USS	Cbude
Fengzhou	9/10	Sing	Pol	Cpol

Name of Vessels	Cargo	Last Port call	Local agent	Date of arrival
Dea Captain	-	-	Arafeen	R/A (18/8)

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

CURRENCY

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

Selling	Currency	Buying		
		TT/Clean	OD Sight Doc	OD Transfer
58.5800	58.6100 USD	57.8050	57.6364	57.5679
58.1659	58.2528 EUR	55.8871	55.7037	55.6271
92.5479	92.5899 GBP	89.7827	89.5162	89.4616
32.8479	32.8725 AUD	30.8724	30.7800	30.6998
0.4784	0.4785 JPY	0.4645	0.4643	0.4633
39.5764	39.6009 CHF	38.4569	38.3624	38.2779
6.3689	6.3740 SEK	6.1694	6.1518	6.1358
36.9659	36.9904 CAD	36.0823	35.9887	35.9055
7.5179	7.5192 HKD	7.4066	7.3889	7.3715
32.993	33.0144 SGD	32.2747	32.2309	32.1162
16.0779	16.0955 AED	15.6023	15.5804	15.5619
15.7453	15.7637 SAR	15.2977	15.2610	15.2428

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	AUD
48.33	59.075	96.25	43.52	7.4408	0.4787	3.8000

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