

US ports reopen, but major cargo backlog looms

AFP, Los Angeles

US west coast ports reopened for the first time in 10 days Wednesday after the White House forced an end to a crippling shutdown that has cost the US and Asian economies billions of dollars.

But even as the first columns of trucks poured onto the quays of the 29 Pacific ports following the reopening hailed by exporters and shippers in Asia, experts warned that it could take months to clear the cargo backlog.

"As far as we know, all of our workers are at their posts and work is beginning normally," said Steve Stallone of the International Longshore and Warehouse Union, which represents 10,500 longshoremen.

Dockers began unloading perishable goods most at risk of spoiling after spending up to 10 days in trucks stranded outside ports shortly

after the dockyard gates were unlocked at 6:00 pm (0100 GMT Thursday), witnesses said.

Items such as fruit, fresh meat and other produce will be moved first as dockers work around the clock to try and clear the build-up of cargo left by the closure estimated to be costing the US economy up to two billion dollars a day.

The reluctant longshoremen must then begin unloading millions of tons of freight stranded on the more than 200 ships hovering off the Pacific coast after a federal judge Tuesday ordered the dockers back to work.

The reopening came just 24 hours after the San Francisco judge granted an injunction backing President George W. Bush's legal bid to break the economically-devastating trade gridlock.

Bush is the first US leader in 25 years to invoke his authority under the Taft-Hartley Act to intervene in a

labor dispute, citing the danger posed to the economy and national security.

The judge issued a temporary injunction ordering the ports reopened for an 80-day cooling off period during which both sides must re-launch stalled federally-mediated talks to end their bitter contract dispute.

All ports between the California city of San Diego and northwestern Seattle -- the nation's busiest that serve as the main trade gateway for Asia -- had been idled since shipping bosses locked out unionized workers on September 29.

But the reopening does not mean the crisis caused by the shutdown is over.

Analysts say the freight backlog could take anything from six to eight weeks to 100 days to clear fully, creating further delays ahead of the crucial Christmas shopping season.

"It's probably going to take prob-

ably a month, easily more, to get the logistical system moving smoothly again," warned economist Jack Kayser of the Los Angeles Economic Development Corporation.

And, despite the judge's warning that dockers must work at normal speed, union chiefs and workers -- furious at what they see as the unfair government intervention in the crisis -- say it is impossible to work at a normal pace.

"It's absolutely impossible to work to speed given the congested conditions in the ports at the moment and given the fact that we have to work safely and ensure the safety of our members," Stallone said.

The ports were shuttered when shipping bosses accused dockers of staging a go-slow over eliminating 300 union jobs with new technology.

ROK labour reform drive hits snag

AFP, Seoul

A push by South Korea to reduce working hours has again been caught up in a bitter dispute between management and corporate unions, government officials charged Thursday.

Spurred by the 1997 economic crisis, President Kim Dae-Jung has promoted the labor bill as part of his reform drive. His government in October 2000 reached a landmark accord with unions and corporations to shorten working hours but since then have been divided over how to implement it.

A bill finalized this week by economic officials that has been passed to the cabinet highlights a mandatory five-day work week

instead of the normal six-day week.

Even if the National Assembly approves the bill, however, the government has been pressured by corporate managers to postpone its implementation, while unions have threatened a general strike if it is not done immediately.

"There are concerns over labor unrest if we fail to introduce the new system at an early date," complained Labor Minister Bang Yong-Suk.

Even without its becoming law, banks have begun to follow the new labor rules and public officials have since March been allowed one Saturday off each month. The manufacturing and service sectors among others have yet to do so.

UN revises world economic growth figures down

AFP, United Nations

Citing a 50-per cent rise in oil prices since January as a factor, the United Nations forecast Wednesday that the world economy would grow this year by only 1.7 per cent.

It said the recovery from the sharp global downturn of 2001 had been slower than predicted and would not peak until the middle of 2003, with world economic growth next year reaching 2.9 per cent.

Revising estimates made in April, the UN's department of economic and social affairs said the countries of Latin America and the Caribbean would be hardest hit, their economies shrinking by 0.9 per cent this year instead of growing by a forecast 0.3 per cent.

Earlier estimates showed world gross domestic product growing by 1.8 per cent this year and 3.2 per cent next year.

The new figures were prepared

for the half-yearly meeting in Bologna, Italy, this month of LINK, a non-governmental, international research project which encompasses 78 country models. They will be incorporated into the UN's "World Economic Situation and Prospects 2003," due out in January.

"The sluggish pace of the global economic recovery has resulted from a confluence of competing driving forces," the department said in a 26-page report.

"The recent run-up in oil prices has become a constraining factor on economic buoyancy. Business and consumer confidence has in general also reversed its course."

Low energy prices and business confidence were among five elements which helped the world economy rebound from the shock of the terror attack on New York on September 11, 2001.

The three others -- monetary and fiscal policy stimuli, resilient con-

sumer spending and inventory restocking -- still favoured growth, the report said.

"On the other hand, the key dragging factors... tepid business capital spending, protracted consolidation in global information and communications technology, and deflated equity prices, have not improved at all," it said.

The past six months had also been marked by rising tensions over Iraq, corporate scandals in the United States and worsening fiscal predicaments in Latin America, coupled with "unusually large natural disasters such as floods and drought," it said.

These exacerbated the original weaknesses in the world economy and "almost aborted the tentative global economic recovery," it added.

The report forecast that "the economy of the United States will continue to lead the global recovery,

but with not much momentum," growing by 2.3 per cent this year and 3.2 per cent next.

Growth in the 15-nation European Union is now forecast at 1.1 per cent this year and 2.3 per cent next year, while Japan's economy will shrink by 0.7 per cent before growing by 0.9 per cent in 2003.

The largest drag on Latin America was the financial crisis in Argentina, where the economy is forecast to contract by 12 per cent this year, with a greater "spillover effect" on other countries than previously thought.

"The outlook for further recovery in world trade remains worrisome," the report said.

It forecast growth of 1.6 per cent in world exports this year, down from April's estimate of 2.2 per cent. The projection for next year is almost unchanged at 5.7 per cent.

CURRENCY

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

Selling	Currency	Buying
TT/OD	BC	TT Clean
58.6000	58.6300 USD	57.8200
58.6820	58.7121 EUR	56.4844
92.4415	92.4888 GBP	89.7945
32.7574	32.7742 AUD	31.1361
0.4784	0.4786 JPY	0.4645
39.8721	39.8925 CHF	38.8262
6.3174	6.3206 SEK	6.2185
36.8948	36.9137 CAD	35.9734
7.5206	7.5245 HKD	7.4056
32.8696	32.8865 SGD	32.1615
16.0834	16.0917 AED	15.6165
15.7506	15.7586 SAR	15.2963

Exchange rates of some currencies against US dollar
Indian rupee 48.324
Pak rupee 59.075
Lankan rupee 96.25
Thai baht 43.775
Nor kronner 7.3750
NZ dollar 0.4793
AUD 3.80

Local Interbank FX Trading:
The local interbank foreign exchange market was active Thursday. Demand for dollar remained high and BDT continued to end softer. BDT was quoted at 58.60/62 against the USD in the interbank market compared with 58.55/58 on Wednesday.

Local Money Market:
Demand for overnight borrowing at call remained high in the market. Demand for overnight borrowing at call was steady and call money rate eased slightly and was quoted at 6.85-7.00 per cent for the day.

International Market:
US dollar lost ground across the board on Wednesday. A sharp slide in Wall Street, unexpected gain in German industrial output and anxiety over the Middle East caused the dollar to fall by about 1 per cent against major currencies. It fell by 1.2 per cent against the euro and 1.3 per cent against the Swiss franc. German industrial output rose 1.8 per cent in August against an expectation of 0.2 per cent fall which helped the euro. But analysts expect the US currency to remain within recent ranges. It gained against yen in early Asian trade but remained range-bound. Fall in Japanese share prices took its toll on the yen as market is anxious about the banking sector's massive \$422 billion bad loans. Market is eagerly waiting for the Bank of Japan's report on bad-debt problem. Greenback stood near a five-week low versus the euro, with investors waiting ahead of a European Central Bank decision. Sterling remained steady and edged up against the euro on Thursday, as the dealers anticipated no change in British interest rates. At 1445 hours on Wednesday, euro was quoted at 0.9895/96, GBP at 1.5665/69, yen at 123.43/50 against the dollar.

This memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable. While all reasonable care has been taken in its preparation no responsibility or liability is accepted for errors of fact or any opinion expressed herein.

SHIPPING

Chittagong port
Berth position and performance of vessels as on 10.10.2002.

Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc.
J/1	Asian Splendor	GI	Kaoh	ASA	9/10	12/10	824
J/3	The Beneficent	TSP	Sing	Unique	4/10	13/10	2373
J/4	Rainbow Joy	GI	Sing	H&SL	8/10	11/10	2581
J/6	Selater Hope	GI	Sing	Everett	8/10	11/10	4555
J/7	Cameron	C Clink	Mala	PSAL	3/10	17/10	1840
J/9	Magda	L Stone	Krabi	Move	27/09	10/10	x
J/11	Qc Lark	Cont	P Kel	QCSL	6/10	10/10	315/315
J/12	Kota Cahaya	Cont	Sing	Pil (BD)	8/10	12/10	262/88
J/13	Banglar Mori	Cont	Sing	BSC	7/10	11/10	186/40
CCT/1	Boxer Capt Cook	Cont	P Kel	PSSL	8/10	12/10	250/10
CCT/2	Banga Borat	Cont	Sing	Bdship	6/10	11/10	69/69

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading	port
Leona (ILner)	10/10	Osakas	Prog	GI	-	-
Estralla Elena	10/10	Sing	Everett	Vehi	-	-
Banga Lanka (Cont) 25/9	11/10	Hal	Bandhi	Cont	Col	-
Ariadne	10/10	Indo	BSL	C Clink	-	-
Asian Harvester	8/10	Indo	VML	Demolition	-	-
Jasami (Cont) 6/10	11/10	CBO	Everbest	Cont	Col	Sing
Banga Bijoy	12/10	Sing	Bdship	Cont	Sing	-
Kota Singa (Cont) 28/9	13/10	Sing	Pil (BD)	Cont	Sing	-
Banglar Shikha	12/10	Sing	BSC	Cont	Sing	-
Adonis	13/10	Ind	CCNL	Sugar (P)	-	-
QC teal (Cont)	13/10	P Kel	QCSL	Cont	Sing	Govt
Eco Vigour	13/10	Aust	SSST	Wheat	-	-

Tanker due

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading	port
Fortune Hera	10/10	Sing	Rainbow	CPO	-	-
Ning Hua-410	11/10	Dumai	MTCL	CPO	-	-
Formosa nine	10/10	Sing	ECSL	SKO/JP-1	-	-
Dai Hung	11/10	Sing	ECSL	HSD	-	-
Eagle Arles	13/10	Sing	MSTPL	HSD/MS	-	-

Vessels at Kutubdia

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading	port
Dea Captain	-	-	Arafeen	R/A (18/8)	-	-
Danat Qatar	C Oil	Jebe	USS	9/10	-	-
Banglar Jyoti	C Oil	-	BSC	R/A	-	-

Vessels at outer anchorage Ready on

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading	port
Kuo Hsiung	Cont	P Kel	QSSL	9/10	-	-
Haneburg	Cont	Sing	Pil (BD)	9/10	-	-
Banga Barta	Cont	Col	Bandhi	9/10	-	-
Mardios	Cont	P Kel	RSL	9/10	-	-

Vessels awaiting instruction

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading	port
Banglar Shourabh	-	-	BSC	R/A (20/9)	-	-

Movement of vessels for 11.10.2002 & 12.10.2002

Outgoing	Incoming	Shifting
J/4 Rainbow Joy	CCT/2 B Barta	
J/6 S Hope	CCT/3 Mardios	
J/8 E Eterna	DOJ B Shourab	
J/13 B Moni	RM/6 Formosa Wine	
CCT/3 Xp Manaslu		
CC/2 B Norat		
DOJ B Jyoti		
K(U) A Ventur		
12/10/2002		
J/1 A Splendor	CCT/1 B Lanka	GSJ B Doot to RM/10
J/12 K Cahaya	J/12 Jaami	
CCT/1 B C Look	J/5 B Urmi	
RM/3 Fenghou	RM/4 Sea Splendor	
RM/4 Samotlor	RM/3 F Hira	
DOJ B Shourab	RM/5 Dai Hung	
	RM/8 Nine Hua	
	DOJ B Jyoti	

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

STOCK