

Global economy may fall back to recession: WB

REUTERS, Washington

There is a "significant risk" that the recovering global economy could slip back into recession, further frustrating efforts to improve conditions for the world's poorest people, a World Bank report found.

Flagging consumer confidence, weak stock markets, concerns over Japan's banking system, worries about debt problems in Latin America and uncertainties over a potential US war with Iraq and the impact on oil prices are all contributing to a gloomy economic outlook, the bank said.

"The global rebound might quickly lose momentum and there is a significant risk that the world could slip back into recession," the bank's 2003 assessment of global economic prospects finds.

The bank is predicting the world economy will squeeze out just 1.7 per cent of gross domestic product

growth this year, a slight increase from 1.1 per cent in 2001.

The world economy may pick up speed next year, rising to 2.5 per cent, but that is still far below potential and there are risks it could be knocked off course.

"The recovery has been much more hesitant and uneven than we had expected," said the bank's chief economist, Nicholas Stern.

Rich countries are expected to continue to have sluggish growth. The United States will lead the way, expanding 2.3 per cent this year and climbing to 2.6 per cent in 2003. Japan will not grow at all in 2002 and will be able to muster only 0.8 per cent growth next year.

The 12-nation euro area will not fare much better, expanding only 0.8 per cent, climbing to 1.8 per cent in 2003.

Economies may steam ahead in some developing countries, but in most of them this growth will be too

low to generate a marked reduction in poverty.

The most rapid regional expansion by far will be in East Asia and the Pacific, with growth seen roaring ahead 6.3 per cent this year.

Dogged by financial crises in several countries and the deep recession in Argentina, Latin America comes in bottom of the pile, the only region to post a contraction of 1.1 per cent in 2002, the worst contraction in two decades.

Most regions are making progress towards meeting the United Nation's Millennium Development Goals to cut poverty in half by the year 2015.

But the 2.5 per cent growth expected in Sub-Saharan Africa this year, falls far short of the 5 per cent growth the bank estimates is needed to get the many impoverished countries in the region on track to meeting the goals.

Such disappointing growth

numbers do not bode well for the world's poor. The bank warned the slowing economy may detract from progress in trade talks that began in Doha last year with an eye to helping developing countries.

The next round of discussion will take place at a world trade summit in Mexico next September.

"It would be unfortunate indeed if a myopic focus on short-term issues permitted protectionist forces to stifle progress in removing trade barriers," said Uri Dadush, director of the bank's international trade department.

Developing countries in general face external barriers to their trade in manufactured goods that are twice that of rich countries, the bank said.

Fresh Chilean tomatoes exported to the United States have a tariff of 2.2 per cent, but if they are turned into ketchup or salsa, the tariff is nearly 12 per cent.

Standard & Poor's ups Pak sovereign rating

AFP, Islamabad

The Standard and Poor's rating agency on Thursday boosted Pakistan's long-term foreign currency sovereign credit rating to B from B-, citing improved liquidity positions and successful debt negotiations.

Pakistan's long-term local currency sovereign credit rating was also raised, to BB- from B+, the agency said, adding that the outlook for both long-term ratings was stable.

"The upgrades reflect Pakistan's improved external liquidity position, which in turn stemmed from the government's successful debt negotiation under the aegis of the Paris Club," Standard and Poor's sovereign analyst, Chih Wai Liew, said in a statement.

Paris Club debt relief has

enabled the government to reschedule 12.5 billion dollars of bilateral debt this year without incurring comparable treatment for commercial creditors, the statement said.

"The crackdown by the State Bank of Pakistan on unlicensed moneychangers combined with the confidence emanating from its prudent monetary policy, has helped Pakistan amass 6.5 billion dollars of international reserves, allowed real interest rates to fall, and strengthened the rupee," Liew added.

Achievements in structural reform also underpinned the upgrade.

Wide-ranging reforms included trade liberalization, energy sector deregulation, privatization of public enterprises, banking sector restructuring, and tax reforms, helped the economy grow 4.4 per cent in 2002.

CURRENCY

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

TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
59.2000	59.2500	USD	58.3000	58.1288	58.0592
60.4314	60.4824	EUR	58.0843	57.9137	57.8444
93.9504	94.0298	GBP	91.0938	90.8262	90.7175
33.8150	33.8436	AUD	32.1058	32.0115	31.9732
0.4853	0.4857	JPY	0.4693	0.4679	0.467
40.7742	40.8086	CHF	39.6302	39.5138	39.4665
6.5814	6.5870	SEK	6.46548	6.4466	6.4389
38.2750	38.3074	CAD	37.2262	37.1169	36.0725
7.5982	7.6046	HKD	7.4678	7.4459	7.4370
33.7399	33.7684	SGD	32.9379	32.8411	32.8018
16.2499	16.2631	AED	15.7444	15.6982	15.6794
15.9118	15.9253	SAR	15.4229	15.3776	15.3592

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	AUD
48.13	58.375	96.705	43.365	7.2909	0.5024	3.80

Local Interbank FX Trading:

The local interbank foreign exchange market was active on Thursday. Dollar ended unchanged as the demand for the greenback matched the supply. At the close, the dollar was quoted unchanged from Wednesday at 58.95/59.20 against taka.

Local Money Market:

Demand for overnight borrowing was moderate. Call money rate remained almost unchanged from Wednesday and ranged between 11.50 and 12.00 per cent Thursday.

International Market

The dollar traded in a narrow range on Wednesday euro dipped slightly after Standard & Poor's warned that Germany's top-notch triple-

A rating could be at risk. On Thursday dollar inched lower against the yen and euro undermined by nervousness ahead of key US consumer and labour data and also data from Japan. US retail sales and weekly jobless claim data is due later in the day and Japan's tankan business sentiment survey set for Friday. Dollar had fallen to a one-month low against the euro and lost around one-third of a per cent against the yen. Sterling took a hit against the yen. Sterling took a hit against the stronger euro and was half-a-per cent lower but remained steady against the dollar.

At 1545 hours on Thursday, euro was quoted at 1.0140/43, GBP at 1.579/97 and yen at 122.93/96 against the dollar.

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Malaysia eyes free trade with Japan

AFP, Tokyo

Malaysian Prime Minister Mahathir Mohamad said Thursday his country hoped to seal its first bilateral free trade agreement (FTA) with Japan, a Japanese official said.

Mahathir made the remark at a meeting with Economy, Trade and Industry Minister Takeo Hiranuma.

The veteran prime minister, who has pledged to resign next October, said he would like to propose an FTA early next year, according to the Japanese official.

Mahathir noted careful consideration was needed of sensitive areas such as farm products, but said he hoped the two nations would reach an accord swiftly, the official said.

Hiranuma was quoted as saying Japan "will make efforts" to reach a pact.

Bilateral trade last year stood at 99 billion ringgit (26 billion dollars). Japan is Malaysia's second most important trading partner after the United States.

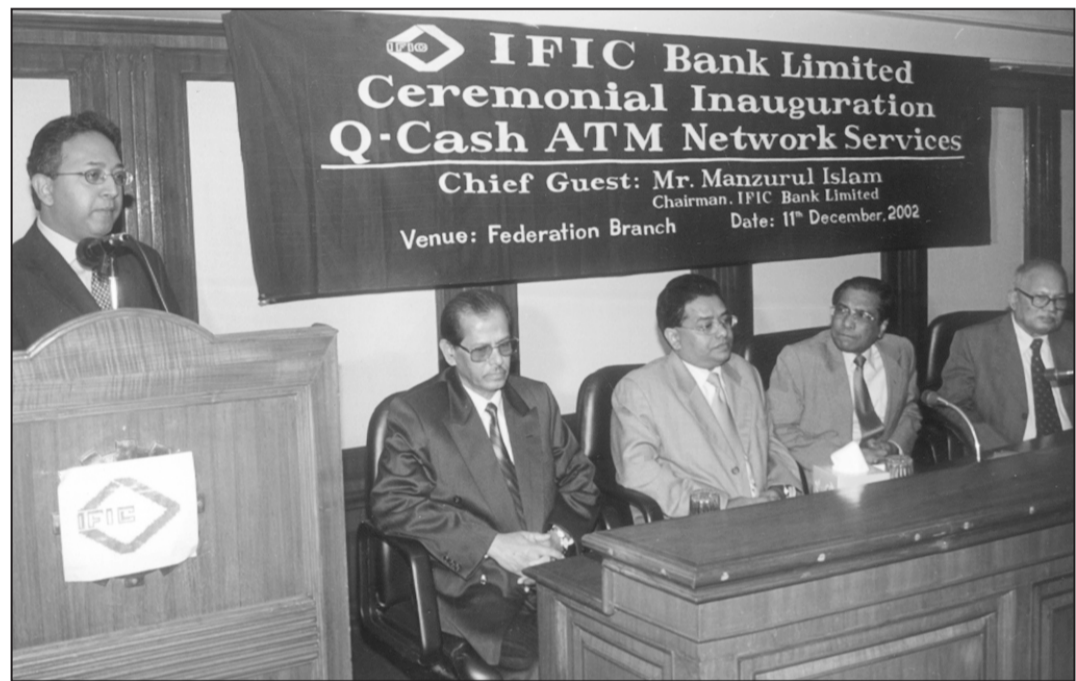


PHOTO: IFIC BANK

Manzurul Islam, chairman of IFIC Bank Limited, addresses the inaugural function of the bank's Q-Cash ATM Network Services on Wednesday at Federation Branch in the city. Maj. Gen. (Rtd) Dr AR Khan, director, Ataul Haq, managing director of the bank, Kutubuddin Ahmed, chairman of Information Technology Consultants Ltd, and KM Badruddoza, senior executive vice-president, are also seen in the picture.

SHIPPING

Chittagong port

Berth position and performance of vessels as on 12.12.2002

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/1	Banglar Doot	GI	Yang	Royal	20/11	15/12	1099
J/2	FCC Glory	GTSP	Ning	Move	3/12	12/12	976
J/3	Amalfi	C Clink	Lumut	OLM	8/12	22/12	2750
J/4	Kwan Mo Bong	GTSP	Zhan	Unique	3/12	14/12	2657
J/5	Changer	GI	Sing	MSA	18/11	12/12	607
J/6	Morning Star	GI	Bush	Prog	2/12	13/12	2310
J/7	Chopol-2	Sugar	Kaki	SSTL	22/11	14/12	1155
J/8	Cleveland	Wheat	Vish	MSL	2/12	15/12	1258
J/9	JC Tasman	GI	P Kel	RML	8/12	14/12	297
J/10	Taraman Bibi	Sugar	Mumb	Mutual	23/11	21/12	1132
J/11	Boxer Capt Cook	Cont	P Kel	PSSL	8/12	14/12	235/300
J/12	Jami	Cont	Col	Everbest	7/12	13/12	133/x
J/13	QC Lark	Cont	P Kel	QCSL	5/12	12/12	440
CCT/2	Banga Borak	Cont	Col	Baridhi	8/12	14/12	193/95

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading Port
Banga Barta	12/12	Hal	Bharidhi	Cont	Chendri
Banga Borti	12/12	Sing	BDSHP	Cont	Sing
Banga Bijoy	13/12	COL	Baridhi	Cont	Col
Xpress Manasu	12/12	P Kel	RSL	Cont	Sing
Pearl Of Aljman	13/12	Hamr	Seacom	R Phos	-
Midway-II	12/12	Kant	Litmond	C Clink	-
Gui Jiang	12/12	Visha	Mutual	Wheat	-
Teknik Glora	11/12	Sing	OTBL	-	-
Histria Moon	12/12	-	RSSHIP	-	-
Kota Cahaya	16/12	Sing	Pi(BD)	Cont	Sing
Banga Borat	13/12	P Kel	Bdship	Cont	Sing
Hermes-II	13/12	Krabi	BSL	Stone+GYP	-

Tanker due

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading Port
Bumik	12/12	Bint	USL	Oil	-
Asia Lion	12/12	Sing	ECSL	SKO	-
Hanjiang	14/12	Sing	BDSHP	ASPHALT	-
Shakti Doot	14/12	Hald	ECSL	Naph	-

Vessels at Kutubdia

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading Port
Dea Captain	-	-	Arateen	USS	R/A
Hassbat Qatar	C Oil	Jebe	USS	USS	10/12
Banglar Jyoti	C Oil	-	BSC	BSC	R/A

Vessels at outer anchorage Ready on

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading Port
Tarpon Santiago	Sugar	Sant	Litmond	24/11	-
Pathain	GI	Yang	MTA	2/12	-
Kota Naga	Cont	Sing	Pi(BD)	9/12	-
Banglar Moni	Cont	Sing	BSC	9/12	-
Norgata Pride	Vehi	Kap	MMI	9/12	-
Banga Birol	Cont	Sing	Bdship	10/12	-
Banglar Gourab	Sugar	Col	Seacom	10/12	-
Lyong gun Bong	GTSP	Sing	Unique	11/12	-
Belicia	GPO	Pada	Seacom	12/12	-

Movement of vessels for 14.12.2002

Date	Outgoing	Incoming	Shifting
13.12.2002	J/4 KM Bong J/6 M Star J/10 T Bibi J/12 Jaami RM/4 Vitoria DOJ B Jyoti	J/10 Xp Manasu NB Norgate Pride DOJ B Shourab RM/6 Duke	J/13 B Birol to J/12 B Doot to J/6
14.12.2002	J/7 Chopol-L J/9 JC Tasman J/5 Changer J/13 QC Pintail CCT/3 Hanenburg DOJ B Shourab	J/7 Norgate Pride K Naga B Moni B Birol Palthein Belicia Bumik DOJ B Jyoti	J/1 B Doot to

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

STOCK