

Boeing-Airbus race for Indian orders heats up

AFP, New Delhi

The race between Boeing and Airbus to clinch a deal with state-run Indian Airlines and Air India for a total of 60 planes has heated up with the cabinet set to make a final decision soon.

Civil aviation ministry officials said the deal could swing either way, even though Indian Airlines' board has already approved the acquisition of 43 aircraft from European consortium Airbus.

Air India's board has decided to buy 17 medium capacity long-range aircraft, but has only shortlisted Boeing B 737-200 extended range and Airbus A 340-300 aircraft.

"The decision for purchase of the aircraft for both the airlines is absolutely open. Things will very much depend on what the cabinet has to say on the proposals," a top civil aviation ministry official said.

He said that even though Indian Airlines' board had decided in favour of Airbus, its decision was "only a recommendation to the govern-

ment."

A European industry official told AFP the stakes were so high that a reversal of the Indian Airlines board's decision at the last moment could even damage the European Union's relations with India.

On the other hand, ministry sources said US officials were keenly pursuing both proposals with the Indian government. US aircraft maker Boeing has also not given up on a deal with Indian Airlines.

"As regards Indian Airlines, we are basically saying that we are willing to do business with Indian Airlines, should they want to do so," said Dinesh Keskar, senior vice president of sales, Boeing commercial airplanes.

He added that Boeing would be concentrating on a deal with Air India.

Aviation industry officials said the big stakes involved in the deal could result in Boeing landing the Air India order while Airbus bagged the Indian Airlines proposal.

Ministry officials said either way a

decision was likely to be taken soon.

Both Air India and Indian Airlines urgently need to revamp their ageing fleets to stave off growing competition.

Indian Airlines and subsidiary Alliance Air, which mainly operates domestic flights, has a fleet of about 50 aircraft of which about half are an ageing mix of Boeing 737-200s and Airbus A-300s.

The airline's last aircraft purchase was in 1989, of 18 Airbus A-320s. With 20,000 employees, it has one of the highest employee-to-aircraft ratios in the industry.

Air India has a fleet of 23 aircraft. The last time the airline purchased aircraft was in 1993 when it bought six Boeing 747-400 aircraft.

Indian Airlines had planned to expand its fleet after New Delhi decided in 2000 to sell a 26-per cent stake in the airline to a partner and 25 per cent to employees, the public and financial institutions.

The idea was abandoned after bidders were either rejected or pulled out.

Argentina won't pay WB debt without IMF bailout

AFP, Buenos Aires

President Eduardo Duhalde on Saturday made good on his threat to withhold multilateral loan repayments without an IMF bailout as Argentina missed a World Bank deadline.

"It's a difficult situation," Duhalde said on local radio, as Argentina defaulted on a 726-million-dollar payment due to the World Bank.

"We do not like not paying our debts but we are in a quandary: If we do not pay, we default on our debt, and if we do pay we will drain our reserves," he added.

According to the government, paying the debt on deadline would exhaust central bank reserves by May 2003.

"Argentina wants to pay but needs more time," he said.

Argentina's government on Friday said it would default on the World Bank payment due by Saturday.

The missed payments disqualify the country from further World Bank loan disbursements.

Lehman Brothers bank said that, while the default could lead to a negative knee-jerk reaction in the market for Argentina's currency, the peso, the government is in a good position to keep the local currency stable.

Finance Minister Roberto Lavagna on Saturday said the IMF was showing some reluctance to conclude 11-month-old talks that would extend the payment deadline to the end of 2003.

"There is an obvious sluggishness on behalf of the IMF," Lavagna

told local radio, but acknowledged that the organization's doubts were fueled by domestic decisions.

Earlier this week, electricity and gas rate hikes demanded by the IMF and announced by Duhalde were suspended by an Argentine court.

Lavagna confirmed that an IMF negotiating team would be arriving in Buenos Aires on Monday.

Minister of Foreign Affairs Carlos Ruckauf said that Argentina would try to reschedule its debt with the Inter-American Development Bank independently of the IMF.

"So far the World Bank has declined to negotiate outside the IMF," he said.

"We hope the Inter-American Development Bank will accept it because we intend to pay our debts," he said.

Coke puts cap on company forecasts

AFP, Atlanta, Georgia

The Coca-Cola Co. abruptly announced Friday it would stop giving forecasts of its company results, forcing investors to focus instead on the real thing.

"In the future, the company will no longer provide any quarterly or annual earnings per share guidance," the group said in a statement.

"Further, the company will not update its outlook for full year earnings per share expectations for 2003 as the year progresses," it added.

"In the future, the company will continue to provide investors with perspective on its value drivers, its strategic initiatives and those factors critical to understanding its business and operating environment."

Several US companies, including Enron Corp. and WorldCom Inc., have been tarnished by accounting scandals blamed partly on executives trying to meet their earnings forecasts.

Punishments have been stiffened and top company executives are now forced to swear to the accuracy of their results.

But Coke's decision to simply stop giving forecasts was an unexpected departure from usual practice.

CURRENCY

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

Selling	Currency	Buying
TT/OD	BC	TT Clean
59.2000	59.2500	USD 58.3000
61.4055	61.4924	EUR 58.9558
94.9571	94.9991	GBP 91.9632
34.2650	34.2896	AUD 32.1928
0.4947	0.4949	JPY 0.4792
41.3209	41.3454	CHF 40.0562
6.6967	6.7018	SEK 6.4704
38.1345	38.1591	CAD 37.1435
7.5991	7.6004	HKD 7.4708
34.077	34.0984	SGD 33.2652
16.2498	16.2674	AED 15.7343
15.9116	15.9300	SAR 15.4282
		NZ dollar 15.3915
		AUD 15.3733

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	AUD
48.15	58.325	96.55	43.245	7.1736	0.514	3.8000

Local Interbank FX Trading:

The local interbank foreign exchange market was subdued on Saturday. Demand for dollar was moderate and the greenback ended unchanged from yesterday at 59.10/20 against the taka.

Local Money Market: Demand for overnight borrowing was moderate. Call money rate continued to ease and ranged between 9.00-10.00 per cent compared with 10.00 to 12.00 per cent previously.

International Market: International market was closed on Sunday. The dollar managed to keep away from near three-

year low against the euro and three-week lows against the yen on Friday. But the greenback is likely to come under renewed pressure again this week as analysts commented that the sentiment has shifted away from the dollar. Dollar regained some footing against the euro when University of Michigan report showed better-than-expected result and regained from its session low of \$1.0259. Against the Japanese currency, the dollar-hit session lows of 120.33 yen, but regained ground later to steady at around 120.75 yen.

At the closing of New York on Friday, euro was quoted at 1.0233/38, GBP at 1.5892/98 and yen at 120.47/53 against the dollar.

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SHIPPING

Chittagong port

Berth position and performance of vessels as on 15.12.2002.

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/1	Ins Rajput	Visit	Visac	MMI	14/12	17/12	-
J/2	Ins Kirch	Visit	Visac	MMI	14/12	17/12	-
J/3	Dai Hong Dan	Gl	Dall	Move	9/12	17/12	1151
J/4	Amalfi	C Clink	Lumut	OLM	8/12	18/12	2910
J/5	Lyong Gun Bong	GTSP	Sing	Unique	11/12	19/12	x
J/6	Pathein	Gl	Yang	MTA	2/12	19/12	974
J/7	Banglar Doet	Gl	Yang	Royal	20/11	16/12	707
J/8	Banglar Mookh	Gl	Pipa	BSC	15/12	23/12	-
J/9	Samsun Apollo	Gl	Tand	USL	8/12	17/12	2101
J/10	Banga Bjoy	Cont	Col	Baridh	12/12	17/12	93x
J/11	Taraman Bibi	Sugar	Mumb	Mutual	23/11	21/12	386
J/12	Boxer Capt Cook	Cont	P Kel	PSSL	8/12	15/12	-
	Banga Birol	Cont	Sing	Bdship	10/12	16/12	93x

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
QC Pintal	17/12	MDL	QCSSL	Cont	Sing
Kota Singa	15/12	Sing	Pil (BD)	Cont	Sing
Orient Freedom	15/12	P Kel	PSSL	Cont	Sing
Eagle Strength	15/12	Sing	NOL	Cont	Sing
Diana-2	15/12	Taiw	SSA	C Clink	-
Teknik Glora	15/12	Sing	OTBL	-	-
AFT Section Maxita	15/12	Sing	OTBL	-	-
Tug Tion Woon Ocean-10	15/12	Sing	OTBL	S Maxita	-
Kota Cahaya	16/12	Sing	Pil (BD)	Cont	Sing
A She Kyae	16/12	Sing	Everett	Gl	-
Keishun	16/12	Sing	Everett	Vehi	-

Tanker due

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Hassbat Qatar	C Oil	Jebe	USS	10/12
Banglar Shourabh	C Oil	-	BSC	R/A

Vessels at outer anchorage

Ready on	Cargo	Last Port call	Local agent	Date of arrival
Tarpon Santiago	Sugar	Sant	Lilmond	24/11
Banga Bortli	Cont	P Kel	Bdship	12/12
Xpress Manaslu	Cont	P Kel	RSL	13/12
Banga Borat	Cont	P Kel	Bdship	13/12

Vessels not entering

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Sanlit	Salt	Kand	OWSL	27/11
Assets Victory	Potash	Viza	TOSL	29/11
Argentina	C Clink	Kohsi	ASLL	6/12
Arosa	GTSP	Turni	SSST	6/12
Makmur Perkasa	C Clink	Pada	Uniship	7/12

Movement of vessels for 16.12.2002 & 17.12.2002

	Outgoing	Incoming	Shifting
16.12.2002			
J/8	S Apolo	CCT/3	Xp Manaslu
J/11	BC Cook	J/11	B Bortli
DOJ	B Jyoti		
17.12.2002			
J/1	Ins Rajput	J/1	Keishun
	Ins Kirch	J/9	Novorossiysk
J/2	Dai Hong Dan	J/2	Gui Jiang
J/9	B Bjoy	DOJ	B Jyoti
RM/15	Ra Nam		

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

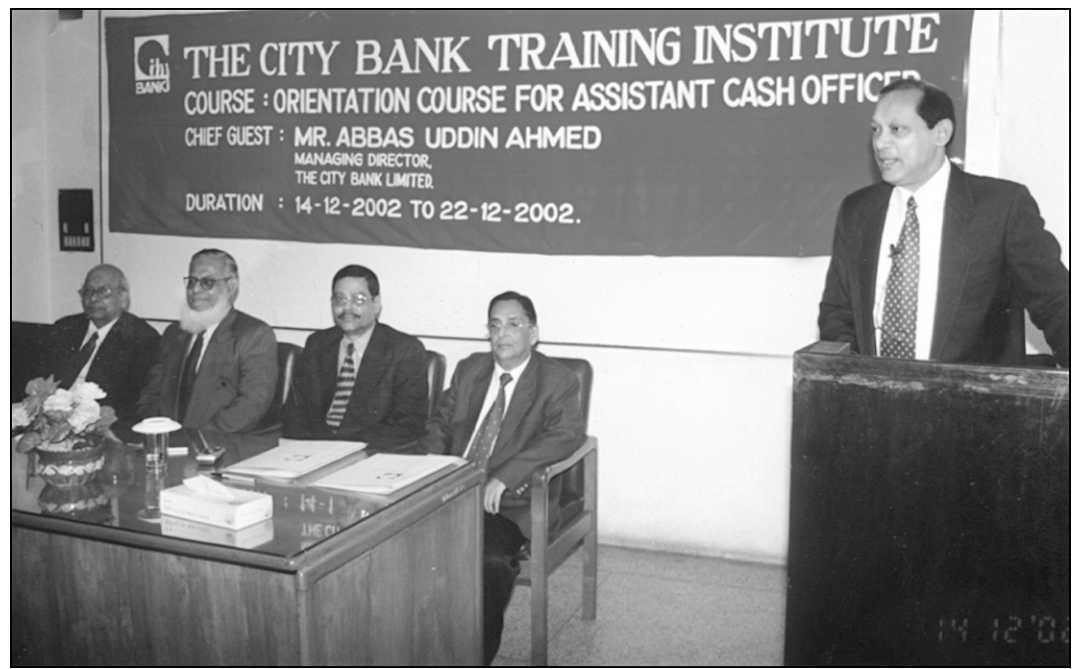


PHOTO: CITY BANK

Abbas Uddin Ahmed, managing director of The City Bank Limited speaks as chief guest at the orientation course for assistant cash officer of the bank held at the bank's training institute in the city on Saturday. A H M Nazmul Quadir, deputy managing director of the bank, and executives are also seen in the picture.

STOCK