

S'pore-EFTA pact comes into force today

AFP, Singapore

A free trade pact between Singapore and the European Free Trade Association (EFTA) states of Switzerland, Liechtenstein, Norway and Iceland will come into effect Wednesday, the trade ministry here said.

"The EFTA-Singapore Free Trade Agreement (ESFTA) will enter into force tomorrow, 1 January 2003. All Parties have completed the necessary ratification processes," the ministry said in a statement Tuesday.

Atlas BD okays 75pc dividend, 2:1 bonus share

Atlas Bangladesh Ltd has declared a 75 per cent dividend and 2:1 bonus share for its shareholders, says a press release.

These were declared at the 18th annual general meeting of the company, a subsidiary of Bangladesh Steel & Engineering Corporation, held at Tongi on Thursday.

The meeting was presided over by MN Nabi, Chairman of Bangladesh Steel and Engineering Corporation and chairman of the Board of Directors of the company. Managing Director Md Fazlul Bari welcomed the shareholders and explained the activities of the company.

The company earned a pre-tax profit of Tk 9.28 crore during financial year of 2001-2002.

GCC nations launch customs union today

AFP, Riyadh

Gulf Arab states are confident the launch of their customs union on Wednesday will be smooth despite the fact that a number of technical issues remain outstanding, a top Gulf official said Tuesday.

"We are confident and determined and have the political will to implement the customs union," said Mohammed al-Mazruwi, assistant undersecretary for economic affairs of the Gulf Cooperation Council (GCC).

"I don't believe that problems will hinder the progress of the union... It is a great challenge and we must overcome any obstacles," Mazruwi told AFP in an interview.

Leaders of the oil-rich GCC

states ended a two-day annual summit in Doha December 22 by announcing that the long-awaited customs union would be launched as scheduled on January 1.

"Under the union, the member states will become a single customs zone in which customs duties, charges and measures hindering inter-trade will be removed," stated a special declaration.

Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates will implement a five-per cent duty on foreign imports, and movement of goods between them should be free.

But the six member states have agreed to delay the implementation of certain parts of the union for up to three years, Mazruwi said.

In the initial stages, the union will not apply to scores of national products enjoying customs protection. Each member state has submitted a list of products to be excluded from the union, he said.

The GCC states have agreed to share customs revenues temporarily on the basis of the final destination of imports, but are engaged in further discussions to reach a permanent formula, Mazruwi pointed out.

The Gulf states have also reached a temporary solution for anti-dumping measures and are looking to resolve conflicting interests among agents of similar products in various member states.

Oil falls as OPEC pledges to tame rising prices

AFP, New York

Oil prices closed Monday down from their highest levels in 2002 after OPEC announced that it would bring down prices if they continued to climb.

In New York, the price of benchmark light, sweet crude for February delivery dropped 1.35 dollars to 31.37 dollars after having climbed 22 cents on Friday to close at 32.72.

On December 1, 2000, the price of a barrel of crude reached 34.15 dollars.

After a strike in Venezuela and the threat of war with Iraq caused oil prices to spike last week, prices reacted positively to Saudi oil minister Ali al-Nuaimi's announcement.

He said Saturday in Cairo that the OPEC cartel could trigger its mechanism to keep crude within its 22 to 28 dollar band should the world price continue to rise.

If oil prices stay above 28 dollars per barrel for more than 20 working days, OPEC automatically raises production to bring down the price.

The four-week strike in

Venezuela and US troop deployments in the Gulf region are the major factors driving up the price of oil.

Venezuelan strike leaders Monday pledged to pursue their protest until President Hugo Chavez steps down or calls snap elections.

The government said daily crude production amounted to 600,000 to 700,000 barrels a day, but the opposition put the figure at 150,000, down from about three million barrels a day in November.

Yearly Currency Roundup-2002

Local Foreign Exchange Market:

Looking through the rear view mirror, the year 2002 was undoubtedly eventful for the local foreign exchange market. Increased volatility, policy changes and talk of floating exchange rate system characterised the local foreign exchange market this year.

The talk of possible shift to floating exchange rate regime from the current managed float sparked a lot of enthusiasm among forex dealers. The initial plan was to introduce the floating exchange rate system by mid November with a target forex reserve of USD 2 billion. However, it was deferred as the regulators feel that market needs more time to prepare for the floating exchange rate system.

Downfall in both import and export was another trend in FY 02. Lower input requirements, containment impact of regulatory duties and mandatory margins are cited as the major reasons for drop in import. Decline in export was experienced mainly due to the global slowdown following terrorist attacks in USA on 9/11. Current account balance swung to USD 0.24 billion surplus in FY 02 from a deficit in FY 01 signifying the relentless effort to facilitate remittances from abroad and speeding up delivery to beneficiaries. Rise in worker remittance was able to slightly offset the dip in foreign aid.

US Dollar retained the crown of the "most traded currency" for cross border transactions; while euro gained momentum among importers for payment of capital machinery and as denomination of export proceed for some RMG manufacturers.

In the beginning of the year, central bank readjusted taka by 90 paisa or 1.58% and raised the band of BDT 57.40-58.40 from BDT 56.50-57.50 with an aim to boost the country's export. During 2002 Indian and Pak rupee appreciated by 0.3% and 2.4% respectively while Lankan rupee depreciated by 4.12%. To give further impetus to exporters, authorised dealers increased the USD buying rate by 40 paisa in mid-July.

Volatility was the undertone in interbank dollar-taka trading throughout the year. Dollar-taka traded in the range of 58.05 to 58.80 till October. Dollar crisis in early November pushed the rate to 61.25 taka per Dollar. The USD rate subsequently eased to BDT 58.95 by the year end through central bank initiatives.

Bangladesh Bank initiated a significant change in forward cover contracts through f.e. circular no. 26. The circular instructed the authorised dealers to match forward sale with corresponding forward purchases from exporters and other inward remittances. However, forward purchase from exporters was very limited due to the nature of the export bills and its settlement. As a result, authorised dealers were also unable to meet the importers' demand for forward cover to hedge exchange risk.

Local Money Market:

Introduction of Repo, upward shifts in the t-bill yield curve and volatility in overnight interest rate were the major events in the money market.

In the first quarter, overnight interest rate of taka shot up to a record high of 30-35% temporarily due to change in the Cash Reserve Requirements (CRR) policy and pre-Eid withdrawal pressure. However the average overnight rate for the year settled at around 9%.

On July 1, 02, Bangladesh Bank introduced Repurchase Agreement, commonly known as Repo, an effective money market instrument for collateralised short-term borrowing and lending through sale/purchase of securities. Initially Repo has been allowed only for 28-D t-bill with the central bank. Standard Chartered Bank was the pioneer in striking the first Repo deal with Bangladesh Bank.

The term money market experienced activity mainly in the 3-month tenor, where the rate ranged between 7.50-11.00%.

Weekly auctions of 28 D, 91 D, 182 D, 364 D, 2 Y & 5 Y government treasury bills continued to be a major instrument in money market. Demand for 28 D t-bill was highest followed by the 5 Y t-bill.

The t-bill yield curve observed an upward shift in the later half of the year. From July 02-Dec 02, where weighted average yield increased by around 2-3% for the t-bills of different tenor.

-- Standard Chartered Bank

SHIPPING

Chittagong port Berth position and performance of vessels as on 31.12.2002

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/1	Ellanin	Sugar(P)	Mumb	Mutual	23/12	8/1	404
J/2	Ocean Pride	Gl	Yang	PSAL	20/12	7/1	1534
J/3	Agios Fanouris	Tsp(P)	Zhan	Mve	30/12	5/1	770
J/4	Mardios	Cont	P.Kel	Rsl	28/12	1/1	240
J/5	Feng Shun Shan	Gl	Osaka	Bdship	25/12	1/1	2455
J/6	A.A.Venture	Rice(P)	Kaki	Cla	20/12	2/1	712
J/7	Pinya	G(YMa)	Yang	Mta	24/12	4/1	808
J/8	Giem	C.Clink	Lumut	Olm	20/12	7/1	1009
J/9	Under Dredging & Feeder Filling 2 EF	23/12/02					
J/10	Dolly	Gl(YPe)	Pira	Mutual	19/12	8/1	1978
J/11	Xpress Resolve	Cont	Col	Everbest	27/12	31/12	235
J/12	Banga Bjoy	Cont	Col	Baridhi	27/12	31/12	114/156
J/13	Banglar Moni	Cont	Sing	Bsc	27/12	31/12	
129/161/200							
CC/1	QC Teal	Cont	Sing	Qcsl	25/12	31/12	
239/342/300							
CC/12	Kola Naga	Cont	Sing	Oid(BD)	26/12	31/12	

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading Port
Youg Jiang(Liner)	31/12	Mank	Bdship	Gl(Spl.Cargo)	
Myeik	31/12	Yang	Mta	Maize	100
Altair SS	31/12	Qing	Unique	Tsp(Bag)MG	
Estrella Eterna(Roro/24)26/12	4/01	Sing	Everest	Shi(10 Pkgs)	
Tai An Cheng	1/1	Tampa	Litmond	Gisp(Bulk)(P)	
Kola Cahaha(Cont)22/12	1/1	Sing	Pil(BD)	Cont	L/Sing
Sultan	1/1	Indo	Otbl	For Demolition	
Bonga Borli(Cont)21/12	2/1	P.Ksl	Bdship	Cont	L/Sing
Orient Freedom(Cont)22/12	2/1	P.Kesl	Pssl	Cont	L/Sing
Floriana	2/1	Para	Litmond	HR Col(P)	
Banga Bonik (Cont)24/12	2/1	Col	Baridhi	Cont	L/Col
Kola Singa(Cont)21/12	2/1	Sing	Pil(BD)	Cont	L/Mong
Peace	3/1	Sing	oBLFOR	dEMOLITION	
Amanat Shah	3/1	Mumb	Cl	Sugar(P)	
Jaani (Cont)29/12	3/1	-	Everest	Cont	L/Col
Qc Honour (Cont)23/12	3/1	P.Kel	Qcsl	Cont	L/Sing
Qc Pintal (Cont)28/12	4/1	P.Kel	Qcsl	Cont	L/Sing
Asimont(Cont)26/12	4/1	P.Kel	Seabome	Cont	L/Col
Hansburg(Cont)26/12	5/1	Sing	Pil(BD)	Cont	L/Sing
Aft Section Maxita	5/1	Sing	Otbl	For Demolition	

Tanker Due

Gaz Master	31/12	Sing	Mbl	W/Ld
Ammonie(K/A)				
Bum Ik	1/1	Bint	UsiCpo	(Rm/3/4)A(K/A)

Vessels at outer anchorage Vessels Ready

Jon Jin	Sugar(P)	Kaki	Sstl	25/12
Banga Borak(Cont)	Cong	P.Kel	Bdship	27/12
Eagle Strength(Cont)	Cont	Sing	Nol	29/12
Tirta Niaga-II	Cpo	Mala	Seacom	29/12
Kripa(Cont)	Cont	P.Ki	Pssl	30/12
Banga Birol(Cont)	Cont	P.Kel	Bdship	30/12
Grozny	Cdso	Argen	Seacom	30/12
Xpress Manaslu (Cont)	Cont	P.Kel	Rsl	30/12
Banga Borat(Cont)	Cont	P.Ksd	Bdship	30/12

Vessels Awaiting Employment/Instruction:

Banglar Jyoty	-	-	Bsc	R/A(20/12)
Banglar Doot	-	-	Royal	R/A(26/12)
Banglar Mookh	-	-	Bsc	R/A(29/12)
Banglar Gourab	-	-	Seacom	R/A(30/12)

Movement of vessels for 31.12.02

Outgoing	Incoming	Shifting
CCF3 Bodor-6.5	B.Borak-8.0 Ect1-0730	RM-6 Rar Won-6.9-PM-14-0800
RM-14 Gem-7 To 7/5	T.Bibi-5.0	B.Birol 7.2-CCGT-3 J/8-
Doj-	Alakmon-7.0 Xp.Manaslu-8.5-7/11	Yong Jiang-7.6-J/8
	Yong Jiang-7.6-J/8	Gpozny-8.2-RM-4



PHOTO: ATLAS

MN Nabi, chairman of Atlas Bangladesh Ltd and Bangladesh Steel and Engineering Corporation, presides over the 18th AGM at the company's factory premises in Tongi recently.



PHOTO: BGFCL

Syed Sajedul Karim, chairman of Petrobangla and Bangladesh Gas Fields Company Ltd (BGFCL), presides over the company's 47th annual general meeting at the board room of Petrobangla in the city on Sunday.

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