

Asia urged to float bonds to avoid financial crisis

AFP, Tokyo

Asia must look to set up a comprehensive, region-wide bond market if it wants to avoid a repeat of the 1997 financial crisis, a high-level conference here over the weekend was told.

These markets should be set up "by Asia, for Asia and in Asia" delegates attending the "ASEAN plus 3" meeting heard.

While financial experts have long argued that the weak development of capital markets, particularly bond markets, was a key factor in the economic woes of the late 1990s, delegates said hopes of developing such markets had yet to be realised.

The Japanese government is now promoting what it has termed the Asia Bond Markets Initiative in a bid to correct past mistakes.

In an address to fellow officials from finance ministries and central banks from the ten countries in the Association of Southeast Asian Nations (ASEAN) along with affiliates from Japan, South Korea and China, Tokyo's vice-minister of finance Takayoshi Taniguchi set out the proposals.

"It is desirable for the savings of the Asian region to be effectively utilised within the region itself," said Taniguchi.

"We believe that well-developed Asian bond markets would serve to prevent the recurrence of a currency crisis and would also make a major contribution to attaining economic stability in the region, including stable currency values."

According to Doctor Olarn Chaipravat, a senior adviser to the Thai government who works at

Bangkok's Shinawatra University, the solution is "regional bonds by Asia, for Asia and in Asia."

Professor Takatoshi Ito of the University of Tokyo and Olarn are the brains behind the initiative to create Asian-wide bonds, which would involve the participation of governments and private enterprises in the issuance of Asian Basket Currency (ABC) bonds to be traded, managed, rated, guaranteed and recognised by regional institutions throughout Asia.

The Asian paradox, underlined during the 1997 troubles, is that financial intermediation of Asia's massive savings is largely done outside the region, in New York and London, and in a non-Asian currency, the US dollar.

As was seen in 1997-98, potentially deadly mismatches of maturities and currency exposures

result from short-term borrowings in dollars to fund long-term investments in local currencies. The objective of the Asian bonds, according to Takatoshi Ito, is precisely "to provide a tool to avoid or mitigate the risks."

The other positive contribution would be to provide a badly needed instrument of reference for domestic bond markets across Asia.

"These bonds will play the role of a benchmark in the region," he explained.

For Chaipravat, there was no contradiction between developing a regional bond market and the necessary strengthening of national markets.

"The trade off between domestic and regional markets is one like breakfast and dinner," said the Thai economist.

New Chinese leadership to go by its WTO pledge

AFP, Shanghai

When China's ruling mandarins complete the biggest transfer of power in a decade at the National People's Congress this month, China's World Trade Organisation commitments will figure prominently on the national agenda.

Led by President Hu Jintao and Premier Wen Jiabao, China's autocratic body politic are expected to have their work cut out as China's faces its second year of growing pains as a WTO member.

As part of its WTO commitment, China agreed to gradually reduce tariffs, eliminate restrictions on foreign investment and open up its market to foreign companies by 2007.

In exchange, Chinese goods are

supposed to gain wider access to the global market place.

"Its decision to join the WTO represents the leadership's decision to face globalisation

and become part of the world economy," said City University of Hong Kong analyst Joseph Cheng.

As a result, China's WTO commitments will heavily dominate its policy agenda.

Most members of the 144-strong global trade club have largely applauded China's compliance during its first year of membership.

Even the United States, which had previously voiced serious concerns about China's ability to live up to its obligations admitted that the mainland's performance had been better than expected since it joined in December 2001.

Singapore moves for cheaper relocation of expat executives

ANN/The Straits Times

Staying true to its open-door policy for foreign talent, the Singapore government will raise the tax deduction limits for expenses incurred by employers in "hiring top talent" from abroad.

This essentially makes it cheaper for companies to relocate foreign expatriates to Singapore, helping to lower a perceived cost barrier to recruiting top talent from outside the country.

"The decision to relocate is often easier if the individuals are able to bring their families with them," Deputy Prime Minister and Finance Minister Lee Hsien Loong explained during his budget speech.

But relocating an entire family to Singapore often requires extra cost, such as the renting of larger

homes and the cost of children attending international schools.

This is why the Government introduced the Double Tax Deduction (DTD) for the Overseas Talent Recruitment Scheme in 1998, which allows employers to claim tax breaks for the approved relocation and recruitment of their foreign talent.

The change, effected two days ago, raises the tax deduction limit that employers can claim for P1 employment pass holders from \$15,000 to \$25,000; and from \$5,000 to \$15,000 for P2 employment pass holders.

A P1 pass is issued for a foreign employee whose monthly salary exceeds \$7,000 while a P2 pass is given for a monthly salary range of between \$3,500 and \$7,000.

In addition, the total deduction an employer can claim for qualifying expenses has been bumped up to \$275,000 from \$150,000.

Human resource consultants contacted yesterday welcomed the move.

"Recruitment of foreigners is usually more complicated since there are procedures like immigration and application of employment passes," said Annie Yap, managing director of GMP Recruitment.

Agreeing, David Ang, executive director of the Singapore Human Resource Institute, said: "If the employer has to pay a premium for the foreign talent, a further tax deduction will help to compensate."

Noting that foreigners add value to the economy, ManpowerCorp International's managing partner, David Leong, said: "London and New York are good examples of vibrant cities with a large number of migrants and these talents strengthened many of their economic, social and artistic pillars."

Microsoft agrees to give China access to Windows source code

AFP, Beijing

Microsoft said Friday it had signed a deal with the Chinese government to give Beijing limited access to the source code for its Windows software.

The announcement was made during a visit to Beijing by company chairman Bill Gates, making China the third country to sign such an agreement with the company after Britain and Russia. NATO has also signed on.

Microsoft hopes the deal will give the US technology giant a greater share of the rapidly growing Chinese market, where rival Linux -- which can be modified for free -- has already made inroads.

"It's really quite surprising to some people that we are sharing all the information we have, including the entire source code, as part of this. But it's part of the commitment to make sure that governments and industry are working together in the best possible way," Microsoft chairman Bill Gates said at the end of his two-day visit to Beijing.

CURRENCY

The following is yesterday's foreign exchange rate statement by Standard Chartered Bank

Selling	Currency	Buying		
		TT Clean	OD Sight	Doc Transfer
58.8500	58.9000 USD	57.9000	57.7299	57.6608
64.5408	64.5956 EUR	61.6461	61.4651	61.3915
93.4008	93.4802 GBP	90.3877	90.1222	90.0143
36.6282	36.6594 AUD	34.5316	34.4301	34.3889
6.5026	6.5030 JPY	6.4854	6.4839	6.4834
43.8361	43.8734 CHF	42.4331	42.3085	42.2578
6.9890	7.9949 SEK	6.7479	6.7281	6.7201
39.8605	39.8943 CAD	38.7966	38.6826	38.6363
7.5534	7.5598 HKD	7.4167	7.3949	7.3861
34.0173	34.0462 SGD	33.1995	33.1920	33.0624
16.1538	16.1675 AED	15.6372	15.5913	15.5726
15.8186	15.8321 SAR	15.3179	15.2729	15.2546

Exchange rates of some currencies against US dollar

Local Interbank FX Trading:

The local interbank foreign exchange market was subdued Sunday as the international market was closed. US dollar ended unchanged against the taka.

Local Money Market:

Call money rate fell slightly. At the close, call money rate ranged between 9.50 and 10.00 per cent compared with 10.00-10.50 per cent previously.

International Market:

International market was closed. Yen fell against the US dollar and euro as Japanese finance authorities on

Friday about selling yen to stop the currency from strengthening. In next week, investors will be faced with several economic data and important central bank meetings where interest rate policies could be changed. Most of the economists expect that the European Central Bank is going to cut its benchmark interest rate from 2.75 per cent on March 6. On the other hand, Bank of England is expected to leave interest rate unchanged. But economic data may continue to be overshadowed by developments in Iraq and keep the dollar in a tight

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Chittagong port

Berthing position and performance of vessels as on 2/3/2003

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disch
J/1	Katerina-K	Rice	Kaki	Able	24/2	6/3	1227
J/3	Ocean Pride	GI	Yang	PSAL	11/2	5/3	513
J/4	Prospects	Sugar	Col	Mutual	7/2	2/3	200
J/5	Taraman Bibi	W(P)/SLP	Viza	Uniship	13/2	4/3	686
J/6	Asia Crusader	GI(Copra)	Sing	USL	26/2	8/3	88
J/7	Banglar Mamata	GI	Yang	Royal	24/2	6/3	687
J/8	Pathain	Rice	Yang	Total	26/2	7/3	688
J/9	Jon Jin	Sugar	Tuli	Litmond	5/2	2/3	1459
J/10	Alexis	GI	Dunk	Litmond	R/A	2/3	1590
J/11	Banglar Moni	Cont	Sing	BSC	27/2	2/3	76/X
J/12	QC Lark	Cont	P/Kel	QCSL	27/2	3/3	270/X
J/13	Kota Singa	Cont	Sing	Pij(Bd)	28/2	3/3	247/X
CCT/2	Jaami	Cont	Col	Everbest	28/2	4/3	202/196
CCT/3	Banga Bodor	Cont	Sing	Bdship	26/2	2/3	117/X

Vessels due at outer anchorage Date : 1/3/2003

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Pearl of Baharin	2/3	Kohsi	Uniship		Clink
Multi Trader	2/3	Kaki	BLS		Clink
Suisen	3/3	Lumut	Move		Clink
Asimont	3/3	P/Kel	Seabome		Cont Sing
Banga Borti	3/3	P/Kel	Bdship		Cont Sing
Banga Borak	5/3	PKL	Bdship		Cont Sing

Tanker due

Belguardian	2/3	Kuwa	MSTPL		HSD
Juke	3/3	Ruwa	Atlantic		Gas Oil
Bellas Endurance	3/3	Fuja	Mstpl		SKO/JP-1
King Long Hai	10/3	B.Abbas	TTL		Bxtumen

Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Sea Panther	P.Cargo	Sing	Sakhi	4/2
Barge: S-657	P.Cargo	Kol	Sakhi	2/1/2
Dea Captain	--	--	Arafeen	R/A

Vessels at outer anchorage

Vessels ready

Banglar Maya	Wheat(P)	K Oil	Litmond	R/A
Xpress Manaslu	Cont	P/Kel	RSL	1/3
Kota Cahaya	Cont	Sing	Pij(BD)	2/3
Haneburg	Cont	Sing	Pij(BD)	1/3
Orient Freedom	Cont	P/Kel	PSSL	2/3
Tulip	CSO	Durb	Pol	23/2

Vessels not ready

Alethini	Can.Peas	Vanc	Litmond	19/2
Warrior	CBO	Reuni	AMBL	1/3

Vessels awaiting employment/instruction

AA Venture	--	--	CLA	R/A
Banglar Shourabh	--	--	BSC	R/A

Vessels not entering:

Tae Dong Gang	Mop/Dap(P)	Akaba	OWSL	24/2
Coral AC	R.Seed	Sing	Rainbow	24/2
Sailor-1	C.Link	Pann	Litmond	1/3
Alkimos	GTSP/Map	Aust	CCNL	2/6
LPGG Crono-1	Scraping	Esme	RKship	25/2
Ocean Premier	Scraping	Subic	RKship	26/2
May	Scraping	Sing	OTBL	27/2

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

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