

Asia may outpace global growth this year: IMF

AFP, Singapore

Asia is likely to sprint ahead of the rest of the world in 2003 but the likelihood of a war in Iraq and a slowing US economy could derail the region's growth, a top International Monetary Fund (IMF) official said Wednesday.

Excluding Japan, Asia's economy is projected to grow six per cent this year which will make it the fastest growing region in the world, said David Burton, the IMF's Asia-Pacific director.

Last year, the region's real gross domestic product (GDP) rose more than six per cent due largely to an eight per cent expansion in China, he said.

But the global economy, and particularly Asia, still remains heavily influenced by the United States, and any deterioration in the world's biggest economy will have a significant impact, Burton warned.

"Turning to 2003, prospects for the region will depend significantly

on developments in the global economy about which there is considerable uncertainty," Burton said in a luncheon speech.

"Global recovery remains heavily dependent on developments in the United States and if US growth were to falter there is no obvious candidate to take up the slack," he said.

"Moreover, growth in the advanced economies has slowed in recent months, and forward-looking indicators are not particularly encouraging."

Still, the IMF said it was optimistic the region would be able to withstand an external shock since policymakers in most of the economies have already implemented some measures to boost growth.

"While there are downside risks, the most likely scenario for the recovery to gradually gather momentum during the year," Burton said.

"Reasons for thinking this include the policy stimulus already

in the pipeline in advanced economies, and the likelihood that by now we have seen the worst of the fallout from the bursting of the equity market bubble," he said.

Asia's healthy current account surpluses will come in handy should oil prices surge in the event of a US-led war against Iraq and exports decline, Burton said.

"External current accounts are in surplus in most cases, and international reserves generally are at comfortable levels, with reserves for the region as a whole having risen to close to 1.5 trillion US dollars by end 2002," he said.

"This leaves the region well placed to cope with the balance of payments effects of a period of higher oil prices and lower export demand that could result from conflict in Iraq."

Should the global economy weaken, Asian policymakers can resort to using macroeconomic measures, particularly monetary policy, to cushion the impact of a worldwide slowdown, Burton said.

"Monetary policy should generally be the first line of defense," said Burton.

"With inflation low in most countries in the region, there is scope for further easing of monetary policy should growth falter," he said.

Another macroeconomic tool the region can opt to use is to run fiscal deficits since most of the economies' public debts are at acceptable levels, the IMF regional director said.

"Budgetary positions are sound and public debt levels moderate or low in some countries, reflecting a strong tradition of fiscal prudence in the region," Burton said, citing South Korea and Singapore as examples.

"Thus, there is room for these economies to allow higher budget deficits... and to introduce quick acting and temporary budgetary measures to support activity," he said.

Euro rises to 4-year high against dollar

AFP, London

The euro powered up to a four-year high against the dollar on Tuesday on worries that the prospect of a US-led assault on Iraq is already hammering cracks into the US economy, analysts said.

While analysts are not particularly optimistic about the outlook for the euro-zone economies -- most still expect the US economy to grow faster this year -- they are concerned that the big US current account deficit leaves the dollar exposed to further losses.

The single European currency rose to as high as 1.0934 dollars, the highest level since March 1999.

The euro later traded at 1.0917 dollars, against 1.0890 dollars late on Monday in New York.

The dollar held steady at 117.56 yen from 117.55 on Monday.

"What's driving the dollar lower at the moment is a combination of geopolitical risks that has been persistent for some time and a new recognition that that risk is actually having a negative impact on US growth already, even before war's

begun," said UBS Warburg analyst Shahab Jalinoos.

He said these worries had been heightened by weak US manufacturing figures published a day earlier by the Institute of Supply Management (ISM).

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"The issue for the dollar is not so much who is going to grow more strongly, it's how the US current account deficit, which is at five per cent of GDP (gross domestic product), is going to be financed," said Jalinoos.

SHIPPING

Chittagong port

Berthing position and performance of vessels as on 5/3/2003								
Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc	
J/1	Katerina-K	Rice	Kaki	Able	24/2	8/3	1996	
J/3	Ocean Pride	Gi	Yang	Psal	11/2	8/3	175	
J/6	Asia Crusader	Gi(Copra)	Sing	Usl	26/2	8/3	885	
J/7	Bangler Mamata	Gi	Yang	Royal	24/2	8/3	679	
J/8	Pathein	Rice	Yang	Total	26/2	7/3	1032	
J/10	Ortien Freedom	Cont	P.Kel	Pssl	2/3	5/3	20/376	
J/11	QC Teal	Cont	P.Kel	QCSL	4/3	7/3	123/X	
J/12	Banga Borti	Cont	P.Kel	Bdship	3/3	5/3		
J/13	Banga Bonik	Cont	—	Bandhi	R/A	5/3		
CCT/1	Xpress Manaslu	Cont	P.Kel	Rsl	1/3	5/3		
CCT/2	Asimor	Cont	P.Kel	Seabome	3/3	7/3	344/350	
CCT/3	Haneburg	Cont	Sing	Pil(BD)	1/3	6/3	195/X	
RM/14	Bangler Doot	Wheat(P)	K.Dia	Litmond	R/A	6/3		
RM/15	Bangler Moni	Repair	Sing	Bsc	27/2	6/3		
GSJ	AL Muztuba	Repair	—	Purb	CL/A	21/2	7/3	
TSP	Pearl of Alman	R.Phos	Egypt	Seacoast	23/2	10/3		
RM/4	Tulip	Cdso	Durb	Pol	23/2	5/3		
RM/5	Beiguardian	HSD	Kuwa	MSTPL	2/3	7/3		
RM/9	Bangler Kakoli	Repair	Sing	BSC	21/1	12/2		
RM/10	Banga Lanki	Repair	Col	Bardhi	18/2	5/3		
SM/10	Dredger Gemini	—	Chand	Kama	—	28/3		
(Re.export Cargo, 499)								

Vessels due at outer anchorage date 5/3/2003

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Andhika Puspa	5/3	Pene	Oil	Urea	
Ana	5/3	P.Kel	Pssl	Cont	Sing
Yong Jiang	6/3	Inch	Bdship	Gi	—
Banga Borak	6/3	P.Kel	Bdship	Cont	Sing
Banga Bijoy	6/3	Cbo	Bandhi	Cont	Col
Eastern Sprint	6/3	P.Kel	Everett	Gi	
Asian Splendor	6/3	Yang	Asa	Gi	
Sea Phoenix	6/3	Sin	Rainbow	Gi	
Pinya	6/3	Yang	Mutual	Rice	
Mardios	6/3	P.Kel	Rsl	Cont	Sing
Qc Honour	6/3	P.Kel	Qsl	Cont	Sing
Xpress Resolve	6/3	Col	Everest	Cont	Col
Keng Tung	6/3	Sing	Bsc	Cont	Sing
Bangler Shikha	7/3	P.KL	Bdship	Cont	Sing
Banga Borat	9/3	Chen	Bandhi	Cont	Col
Banga Barla	9/3	P.Kel	Qcs	Cont	
New Sea Star	9/3	P.Kel	Qsl	Cont	Sing
Eagle Strength	9/3	—	Nol	Cont	Sing
Orient Vision	10/3	—	Pssl	Cont	Sing
Asian Leader	10/3	—	JF	Vehi	
Banga Biraj	12/3	—	Bdship	Cont	Sing
Qc Dignity	12/3	P.Kel	Qsl	Cont	Sing
Qc Lark	12/3	P.Kel	Qsl	P.Kel	Cont
Kota Naga	12/3	Sing	Pil(BD)	Cont	Sing
Kranj	12/3	—	Prog	Gi	
Banga Bodor	13/3	—	Bdship	Cont	Sing
Kota Berjaya	14/3	Sing	Pil(BD)	Cont	Sing
Banga Birol	14/3	—	Bdship	Cont	Sing
Feng Shung Shan	15/3	—	Bdship	Gi	
Kota Cahaya	19/3	Sing	Pil(BD)	Cont	Sing
Kota Singa	21/3	Sing	Pil(BD)	Cont	Sing

The above is the Thursday (06/03/2003) shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Family, Dhaka.

STOCK

S'pore, ROK wrap up first round of free trade talks

AFP, Singapore

probed three years ago.

"But an investigation is inevitable because they are still engaging in illegal cross-unit transactions, Chang said.

The commission said in a statement that chaebols' irregular practices had become more sophisticated, including intra-group transactions or false accounting to increase family control and support weak units.

"Owners and major shareholders are suspected of consolidating their grip on their groups through illegal share swaps, cross-unit deals and offshore funds," the statement said.

The country's four largest conglomerates were previously

Local Interbank FX Trading:

The local interbank foreign exchange market was active Wednesday. Dollar got slightly stronger against the taka as demands for imports picked up.

Local Money Market:

The dollar hit a new four-year low beyond \$1.10 against the euro after US Treasury Secretary John Snow inspired fresh doubts about Washington's strong dollar policy. Snow commented that dollar's fall was not particularly a matter of concern. The dollar fell to \$1.10 for the first time since March, 1999. Dollar also went down half-a-per cent against the Japanese yen at 117.23.

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