

# 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 is 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 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.

# South Korean watchdog to probe top conglomerates

## Allegation of illegal practices

AFP, Seoul

South Korea's anti-trust watchdog said Tuesday it would launch a special probe into alleged illegal practices by the country's top four business groups.

The probe will be launched during the second quarter of this year, targetting the Samsung, LG, SK and Hyundai groups, the Fair Trade Commission (FTC) said.

Hyundai Motor Co., which along with its subsidiary Kia Motors Corp. controls more than 70 per cent of South Korea's domestic auto market, and Hyundai Heavy Industries, one of the world's largest shipyards, will

be investigated together.

The probe is part of the reform drive of South Korea's president Roh Moo-Hyun, who took office last week with a pledge to reform South Korea's powerful family-run conglomerates, known as chaebols.

The FTC's chief investigator Chang Hang-Seok blasted share swaps between group companies and other irregular practices by the chaebols, whose over-expansion and iron grip on the economy hampered the country's ability to compete globally and contributed to the 1997-1998 economic crisis.

The country's four largest conglomerates were previously

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," a commission official said.

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

AFP, Singapore

Singapore and South Korea said Wednesday they have completed the first round of exploratory talks to establish a bilateral free trade agreement (FTA) and they will meet again in April for further discussions.

The inaugural two-day meeting of the joint study group in Seoul saw the two sides agree a free trade deal would have positive spinoffs for the two economies as well as the region, they said in a joint statement.

"The discussions reflected the mutual understanding by both sides that the Korea-Singapore FTA will bring about great benefits for the two economies by enhancing trade and investment between them," the statement 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.

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).

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 issue for the dollar is not really 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.

# CURRENCY

Following is yesterday's foreign exchange rate statement by Standard Chartered Bank						
Selling		Currency	Buying			
TT/OD	BC		TT/Clean	OD/Sight	Doc	OD/Transfer
58.8500	58.9000	USD	57.9000	57.7299	57.6608	
64.9939	65.0492	EUR	62.9836	62.7986	62.7235	
94.1777	94.2577	GBP	91.2215	90.9535	90.8446	
36.8636	36.8950	AUD	35.08116	34.9786	34.9367	
0.5064	0.5068	JPY	0.4899	0.4885	0.4879	
44.5496	44.5874	CHF	43.1928	43.0660	43.0144	
7.0319	7.0379	SEK	6.8986	6.8783	6.8701	
40.2008	40.2350	CAD	39.0451	38.9304	38.8838	
7.5531	7.5595	HKD	7.4169	7.3951	7.3863	
34.1159	34.1449	SGD	33.2759	33.1781	33.1384	
16.1534	16.1671	AED	15.6368	15.5909	15.5722	
15.8182	15.8316	SAR	15.3175	15.2725	15.2542	

Local Interbank FX Trading:		International Market:	
The local interbank foreign exchange market was active Wednesday. Dollar got slightly stronger against the taka as demands for imports picked up.		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.	
Local Money Market: Demand for call money was mostly steady. Call money rate remained almost unchanged. At the close, call money rate ranged between 9.00 and 9.50 per cent compared with 9.50-10.00 per cent previously.		This memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable. While all reasonable care has been taken in its preparation no responsibility or liability is accepted for errors of fact or any opinion expressed	

# 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	Usi	26/2	8/3	885		
J/7	Banglar Mamata	Gi	Yang	Royal	24/2	8/3	679		
J/8	Pathain	Rice	Yang	Total	26/2	7/3	1032		
J/10	Orient Freedom	Cont	P.Kel	Psul	2/3	5/3			
J/11	QC Teal	Cont	P.Kel	QCSL	4/3	7/3	20/376		
J/12	Banga Borti	Cont	P.Kel	Bdship	3/3	5/3	123/X		
J/13	Banga Bonik	Cont	--	Baridhi	R/A	5/3			
CCT/1	Xpress Manaslu	Cont	P.Kel	Rsl	1/3	5/3			
CCT/2	Asimont	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	Banglar Doot	Wheat(P)	K.Dia	Litmond	R/A	6/3			
RM/15	Banglar Moni	Repair	Sing	Bsc	27/2	12/3			
GSJ	AL Muzluba	Repair	Purb	CLA	21/2	7/3			
TSP	Pearl of Ajman	R.Phos	Egyp	Seacoast	23/2	10/3			
RM/4	Tulip	Cdso	Durb	Pol	23/2	5/3			
RM/5	Belguardian	HSD	Kuwa	MSTPL	2/3	7/3			
RM/9	Banglar Kakoli	Repair	Sing	BSC	21/1	12/2			
RM/10	Banga Lanka	Repair	Col	Baridhi	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 Puspita	5/3	Pena	Oil	Urea		
Ana	5/3	P.Kel	Psul	Cont	Sing	--
Yong Jiang	6/3	Inch	Bdship	Gi		
Banga Borak	6/3	P.Kel	Bdship	Cont	Sing	
Banga Bijoy	6/3	Cbo	Baridhi	Cont	Col	
Eastern Spirit	6/3	P.Kel	Everett	Gi		
Asian Splendor	6/3	Yang	Asa	Gi		
Sea Phoenix	6/3	Sin	Rainbow	Gi		
Pinya	8/3	Yang	Mutual	Rice		
Mardios	8/3	P.Kel	Rsl	Cont	Sing	
Qc Honour	9/3	P.Kel	Qcsl	Cont	Sing	
Xpress Resolve	8/3	Col	Everbest	Cont	Col	
Keng Tung	8/3	Yang	Everett	Gi		
Banglar Shikha	7/3	Sing	Bsc	Cont	Sing	
Banga Borat	8/3	P.Kel	Bdship	Cont	Sing	
Banga Barta	9/3	Chen	Baridhi	Cont	Col	
New Sea Star	9/3	P.Kel	Qcsl	Cont	Sing	
Eagle Strength	9/3	--	Nol	Cont	Sing	
Orient Vision	10/3	--	Psul	Cont	Yang	
Asian Leader	10/3	--	JF	Cont		
Banga Biraj	12/3	--	Bdship	Cont	Sing	
Qc Dignity	12/3	P.Kel	Qcsl	Cont	Sing	
Qc Lark	12/3	P.Kel	Qcsl	Cont	P.Kel	
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 Biroi	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	

Tanker due				
Orapin-3	5/3	Pkel	Rainbow	Cpo
Onda	6/3	Rast	Unique	Crude Oil
Paranedya Dwitya	6/3	Sing	CTPL	R.Oil
Xing Long Hai	9/3 B.	Abbas	TTL	Bitumen

Vessels at Kutubdia				
Name of vessels	Cargo	Call	Last Port	Local agent
Outside Port Limit				
Sea Panther	P.Cargo		Sing	Sakhi
Barge:S-657	P.Cargo		Kol	Sakhi
Dea Captain	--		--	Arafeen
Pearl of Baharain	Clink		Koshi	Uniship

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