

Malaysia unveils \$1.92b stimulus package

AFP, Putrajaya, Malaysia

Prime Minister Mahathir Mohamad on Wednesday unveiled a 7.3 billion ringgit (1.92 billion US dollars) stimulus package to mitigate the impact of SARS and revive a sluggish economy.

Mahathir said the package, comprising 90 measures, was "necessary to stimulate the economy and to lift confidence", boost foreign investment, raise competitiveness and mobilise new sources of growth.

Among the wide-ranging measures were a one billion ringgit relief fund and tax breaks for the tourism

sector, liberalisation of foreign investment rules and various loan programs to help troubled traders.

In a live television broadcast, Mahathir also announced a widely expected 50 basis points cut in the central bank's key interest rate, the intervention rate, to 4.5 per cent.

The rate cut, the first in two years, immediately led to lower lending rates for businesses, the central bank said separately.

To boost consumer spending, he said employee contributions to the state pension fund would be cut by two percentage points to nine per cent for a year from June and civil

servants would get a half-month bonus.

For the next six months, hotels' monthly electricity bills will be cut by five per cent and road tax for taxis slashed by half. There will be a suspension of tax instalment payments for travel agents and an exemption of service tax for hotels and restaurants to soften the blow of SARS.

To encourage health workers involved in the fight against SARS, the premier announced a 400 ringgit special monthly bonus for doctors and 200 ringgit for other medical staff until the epidemic is wiped out.

S'pore for wage cuts to overcome SARS crisis

AFP, Singapore

Singapore's national wages council (NWC) for the first time on Wednesday recommended wage cuts by companies directly hurt by the SARS fallout to allow them to weather the crisis and save jobs.

The council said the wage reductions would be implemented between July this year and June 2004.

"This is a very drastic suggestion. It's unprecedented, we have never recommended wage cuts before," NWC chairman Lim Pin said at a news conference.

He said the council is leaving the rate of the wage cuts to the companies concerned.

Companies not directly affected by Severe Acute Respiratory Syndrome (SARS) but are also suffering from the impact of the difficult economic conditions were advised to continue to freeze wage.

Japan may face financial crisis at any time: Fukui

AFP, Tokyo

Bank of Japan governor Toshihiko Fukui said Wednesday the country could suffer a financial crisis "at any time" unless its near crippled financial sector is fixed, with the banks becoming more and more vulnerable to shocks.

The warning came after the BoJ downgraded its assessment of the economy for the first time in six months on fears about the impact of SARS, a weak dollar and risks at home after the government decided to bail out a major bank.

"If appropriate solutions to the problems of financial institutions are not carried out, we have to say Japan faces a situation where a so-called financial crisis could be triggered at any time," Fukui said.

"Financial institutions are making efforts to overcome the bad-loan issue and at the same time are seeking to create more

highly profitable systems to strengthen their health," the governor told a parliamentary committee.

"Against this background, we have to say that financial institutions still have difficult hurdles to overcome," Fukui noted, adding this meant their fundamentals remained weak.

The government has instructed banks to halve the ratio of bad loans on their books -- cited as a root cause of Japan's economic slump -- by March 2005.

Lenders must also evaluate their assets using stricter standards, which have eroded their capital base.

Japan's fifth largest bank, Resona Holding Inc., on Saturday was forced to ask for government help after admitting its capital adequacy ratio had fallen below the required level of four per cent.

Pakistan-India trade thrives through third countries

AFP, Islamabad

Hostility between India and Pakistan has spawned a thriving trade between the two via third-party intermediaries worth at least five times the amount official trade ever reached, Pakistani business leaders estimate.

Direct official trade was a casualty of the tense military standoff triggered in December 2001 by the attack on India's parliament, as New Delhi severed road, rail and air links with its neighbour and the two sides lined their borders with a million troops in offensive positions.

Until then two-way trade was worth some 230 million dollars annually, according to the co-president of the Indo-Pak Chamber of Commerce and Industry, Ilyas Bilour.

But the stacks of Indian saris, movies, spices, betel leaves, herbal medicines and cosmetics in Pakistani bazaars are testament to the flourishing of unofficial third country trade.

"The trade through informal channels via Dubai, Singapore and Hongkong is one billion dollars," Bilour told AFP. Indian industry officials put the value even higher at 1.5 billion dollars.

"Lahore is full of Indian items and most of these item come via Afghanistan or Dubai," said Sheikh Mohammad Yaqoob, a businessman in Pakistan's second largest and easternmost city, which lies just 20 kilometers (12.4 miles) from the Indian border.

Yaqoob said Pakistan's poor would be the winners of a revival of direct trade.

"It will ultimately benefit poor people because costs will go down," he told AFP.

Consumers were the big losers of third country trade, Bilour said.

China's high-tech exports hit record high

ANN, China Daily

China's exports of high and new technology products reached a record high in April despite the outbreak of SARS, customs statistics show.

China exported US\$8.08 billion such products last month, up 56.65 per cent on the same period last year.

China's imports and exports of high-tech products increased 49.82 per cent year-on-year to US\$61.43 billion in the first four months of this year.

Imports increased 48.5 per cent to US\$33.51 billion and exports rose 51.5 per cent to US\$27.92 billion.

Their growth rates are 1.7 percentage points and 17.9 percentage points higher than those of the country's total.

Imports and exports of high-tech products in the first four months made up 27.5 per cent and 22.9 per cent of the country's total respectively.

The Ministry of Commerce (MOFCOM) hailed the rapid growth and the increasing proportion of high-tech products a major success of the country's strategy to develop foreign trade with science and technology.

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	
58.7300	58.7800	USD	57.8000	57.6302	57.5612	
69.5481	69.8073	EUR	67.0307	66.8338	66.7538	
97.0631	97.1457	GBP	94.1100	93.8335	93.7212	
39.3139	39.3473	AUD	37.5064	37.3963	37.3515	
0.5084	0.5088	JPY	0.4920	0.4906	0.4900	
45.8756	45.9147	CHF	44.4718	44.3412	44.2881	
7.5026	7.5089	SEK	7.3612	7.3396	7.3308	
44.0024	44.0399	CAD	42.6820	42.5567	42.5057	
7.5381	7.5445	HKD	7.4038	7.3821	7.3732	
34.2409	34.2701	SGD	33.3988	33.3007	33.2609	
16.1209	16.1346	AED	15.6102	15.5644	15.5467	
15.7855	15.7990	SAR	15.2906	15.2457	15.2274	
Exchange Rates of some currencies against US dollar						
Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor.kroner	NZ dollar	Malaysian ringgit
46.91	57.75	97.225	41.905	6.7769	0.6362	3.80
Local Interbank FX Trading:						
The local interbank foreign exchange market was active Wednesday. US dollar continued to weaken against Bangladeshi taka as remittances by workers from abroad increased.						
Local Money Market:						
Demand for call money was moderate. Liquidity condition remained stable in the market. Call money rates remained unchanged and ranged between 11.00 and 13.00 per cent.						
International Market:						
Dollar fell to four-year lows on the euro near the single currency's 1999 launch rate, as the market expected US Federal Reserve Chief Alan Greenspan to signal later that a fresh rate cut was on the way. The dollar had weakened as far as \$1.1744 against the euro, just shy of the euro's \$1.1747 launch rate, before recovering slightly. It also fell to a four and a half-year low against the Swiss franc, touching 1.2862 francs in early European trade. The market remained on alert for any signs of covert Japanese intervention to curb export-damaging yen gains against the dollar.						
At 1530 hours on Wednesday, euro was at 1.1708/15, GBP at 1.6413/16 and yen at 116.58/61 against the dollar.						
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SHIPPING

Chittagong port							
Berthing position and performance of vessels as on 21/5/2003.							
Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disch
J/1	Eltanin	Rice	Kand	Total	8/5	2/6	516
J/2	Pearl	Rice	Kaki	Mutual	2/5	29/5	1619
J/3	Inwa	Rice	Yang	Total	7/5	24/5	1015
J/4	Pavonis	GI	Yang	Royal	10/5	24/5	608
J/5	Weddel Sea	C Clink (Royal)	Kohsi	Move	2/5	24/5	800
J/6	Mu Du Bong	Rice	Kand	Able	6/5	25/5	857
J/7	Taraman Bibi	Rice	Kaki	QWSL	24/5	25/5	1423
J/8	Captain Michale	GI	Sing	Litmond	12/5	29/5	1806
J/9	Pioneer Runner	Vehi	Sing	JF	19/5	21/5	1229
J/11	Banglar Moni	Cont	Sing	BSC	17/5	21/5	14/X
J/12	Asimont	Cont	P Kel	Seaborne	15/5	21/5	237/754
J/13	Budi Teguh	Cont	Sing	PI (BD)	16/5	21/5	335/514
CCT/1	Orient Freedom	Cont	P Kel	PSSL	18/5	23/5	392/276
CCT/2	Mardios	Cont	P Kel	RSL	17/5	23/5	258/305
CCT/3	Banga Biraj	Cont	P Kel	BDSHIP	16/5	21/5	111/140
CCJ	Le Ghang Sing	Clink	Sing	BSL	18/5	25/5	
GSJ	Banglar Kakoli	Wheat (G)	--	Lams	R/A	21/5	
RM/4	Aries Erre	CDSO	Kaki	Pol	16/5	21/5	
RM/9	Banglar Gourab	Repair	--	BSC	R/A	25/5	
RM/10	Banglar Jyoti	Repair	K Dia	BSC	R/A	25/5	
SM/10	Dredger Gemini	--	Chand	Kama	--	30/6	
(Re Export Cargo: 499)							
CUFLU	Commander Express	Idle	Hazi	RSA	29/3	30/5	
KAFCO	Urea	Urea	Tarj	MBL	4/5	21/5	
Vessels due at outer anchorage							
Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port		
Blue Fortune	21/5	Sing	PSAL		Clink		
Handy Success	21/5	Tanj	BSL		Clink		
Eco Vision	21/5	Sing	USL	R Seed + 3300	Wheat		
New Sea Star	22/5	P Kel	QC SL		Cont	Sing	
Kota Cahaya	22/5	Sing	PI (BD)		Cont	Sing	
QC Teal	22/5	P Kel	QC SL		Cont	Sing	
Shun Winner	22/5	Indo	TOSL		Clink		
Al Muztuba	23/5	Kaki	CLA		Rice/WT		
Ali	25/5	Phil	OTBL	For Demolition			
Ruhunupura	23/5	Hal	PSSL		Cont	Yang	
Banga Bodor	24/5	PKL	BDSHIP		Cont	Sing	
Jaami	23/5	--	Everbest		Cont	Col	
Banglar Shikha	24/5	Sing	BSC		Cont	Sing	
Vessels at outer anchorage Vessels ready							
Al Monsoor	Rice	Kaki	Total		8/5		
Jat Na Mu	Wheat	Viza	Uniship		5/5		
Banga Bonik	Cont	P Kel	Bdship		17/5		
Eagle Strength	Cont	Sing	Nol		18/5		
Kota Naga	Cont	Sing	PI (BD)		18/5		
Sonali	Rice/S Ash	Kand	OWSL		18/5		
Assets Victory	Rice/WT(P)	Viza	Uniship		19/5		
Banga Barta	Cont	-	Baridhi	R/A (20/5)			
Banga Birol	Cont	Hald	Baridhi	20/5			
Ryong	Sug/Rice	Kand	Able	20/5			
Vessels Awaiting Employment/Instruction							
Banglar Shourabh	-	-	BSC	R/A (18/5)			
Bador	-	-	USS	R/A (20/5)			
Movement of vessels for 22/5/2003							
Outgoing		Incoming		Shifting			
J/11	B Birol	J/11 B Barta					
		RM/6 O Manta					
		RM/4 A. Aryandhi					
The above are yesterday's shipping position and performance of vessels at Chittagong Port as per berthing sheet of CPA supplied by HRC Family, Dhaka.							



PHOTO: SHILPA BANK

David J H Griffiths, chief executive, HSBC-Bangladesh speaks at a seminar on 'Money Laundering and Prevention' at Bangladesh Shilpa Bank (BSB) in Dhaka yesterday. Prof Abu Ahmed, chairman, BSB Board of Director, Md Abdul Hamid Miah, managing director, Md Khalilur Rahman Chowdhury, general manager of BSB, and Md Harunur Rashid Chowdhury, general manager of Bangladesh Bank, are also seen in the picture.

STOCK