

Deflation poses danger for world's top economies: BIS

REUTERS, Basel, Switzerland

Pernicious deflation is a very real danger for many of the world's largest economies and central banks and governments should consider preparing policies now to tackle it, a top monetary institution said Monday.

Debt levels are at record highs in many leading industrial nations, inflation and official interest rates already are very low, economic growth is weak and rigid labour markets make wage cuts unlikely--all pre-conditions for deflation to take hold.

"The successful taming of inflation has increased the possibility that most advanced industrial economies might be one deep recession away from experiencing deflation," the influential Bank for International Settlements (BIS) said in its annual report.

While the BIS did not say any one country was at risk of following Japan into a damaging deflationary cycle -- where falling prices undermine growth by making debt more expensive to service and squelching demand -- it noted that bouts of effective deflation are far more common yesterday.

Consumer prices fell below one per cent three to four times more frequently in 2000 and 2002 in advanced countries than in the 1980s. After adjusting for measurement bias, this means that prices effectively were falling.

The BIS recommended advance planning because recent experience in Asia shows that deflation can prove insidious, creeping up undetected.

Moreover, in a slow-growth environment with activist central banks like the Federal Reserve and Swiss National Bank lowering interest rates toward zero,

policy makers may find they have exhausted their traditional monetary tools at the very time deflationary forces accelerate.

"Central banks might wish to explore systematically along with fiscal and prudential authorities the set of policy options available to address deflationary forces well in advance of their actual emergence," the BIS, which acts as a forum for the world's central bankers. Indeed Abdullah Alattiya, central bank governor of the Gulf state of Qatar, told Reuters deflation was discussed among those attending the BIS annual meeting.

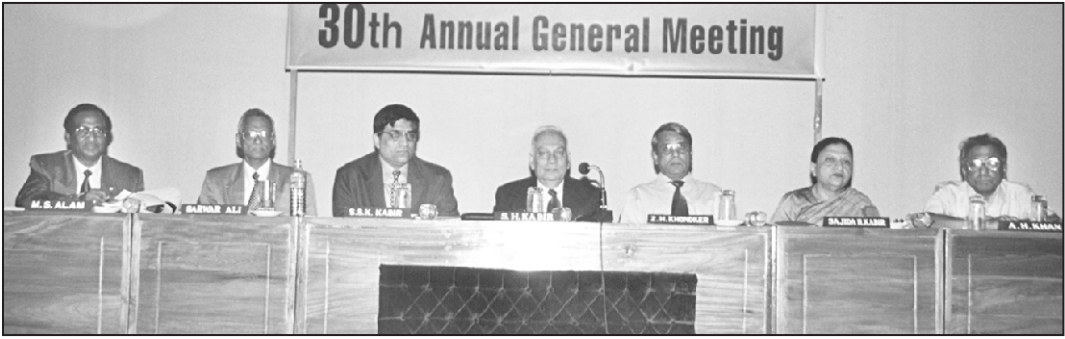


PHOTO: RENATA

SH Kabir (fourth from left), chairman of Renata Limited, speaks at the 30th annual general meeting of the company held at BIAM auditorium in Dhaka recently. Md Shafiul Alam, company secretary, Dr Sarwar Ali, director, Syed S Kaiser Kabir, managing director, and directors ZH Khondker, Sajida Humayun Kabir and A Hasnat Khan were present at the meeting.



PHOTO: PUBALI BANK

Helal Ahmed Chowdhury, general manager of Pubali Bank Ltd, and Tapan K Poddar, managing director of Prime Finance and Investment Ltd, exchange documents after signing an agreement in Dhaka recently. Under the deal, Pubali Bank will lend Tk 50 million as term loan to Prime Finance. Among others, Managing Director of Pubali Bank Khondkar Ibrahim Khaled, Deputy Managing Director A H Ziauddin Ahmed, General Manager Mirza Ali Insaf , and Senior Vice-President of Prime Finance Akter Hossain Sannamat were present.

Renata declares 50pc cash dividend

Renata Limited has declared a 50 per cent cash dividend for the year 2002.

The dividend was approved at the 30th annual general meeting of the company held at BIAM auditorium in Dhaka recently, says a press release.

S H Kabir, chairman of the board of directors of the company, presided over the meeting.

The meeting was attended by Managing Director Syed S Kaiser Kabir, directors Dr Sarwar Ali, Md Ziaul Hoque Khondker, A Hasant Khan, Sajida Humayun Kabir, Company Secretary Md Shafiul Alam and other senior executives of the company.

During the year 2002, the company's combined turnover and net profit grew by 11 per cent and 5 per cent respectively.

Earning per share (EPS) stood at Tk 156.09 compared to Tk, 149.17 in the year 2001.

The pharmaceutical business of the company grew by 8 per cent. In animal health and nutrition, the company registered a growth of 21 per cent.

In the year 2002, Renata continued to contract manufacture oral re-hydration therapy for Social Marketing Company and BRAC.



PHOTO: SAFKO SPINNING MILLS

Syed Md Qaisar, chairman of Safko Spinning Mills Ltd, speaks at the 9th annual general meeting of the company held at mill premises in Habiganj on Monday. Managing director SABM Humayun and directors Syed Md Faisal, SFAM Shahjahan and SAKM Salim were also present.



PHOTO: APEX FOOTWEAR

Syed Nasim Manzur, managing director of Apex Footwear Ltd, opens a showroom in Tangail recently. The Superintendent of Police, Tangail, and senior officials of the company were present.



PHOTO: JANATA BANK

Commodore (ret'd) MK Alam, chairman of Mongla Port Authority, presents a crest to Murshid Kuli Khan, managing director of Janata Bank, on behalf of the port authority at the inauguration of the foreign exchange business with Mongla Port Authority through the bank's branch at the port recently.



PHOTO: EASTERN BANK

Kazi Habibul Awal, additional secretary of Law, Justice and Parliamentary Affairs ministry, speaks at a seminar on Money Loan Court Act-2003 organised by Eastern Bank Limited in Dhaka on Thursday. K Mahmood Sattar, managing director of the bank, was present.

SHIPPING

Chittagong port

Berthing position and performance of vessels as on 1/7/2003

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disch
J/1	Induruwa Valley	Rice	Tuti	Able	28/6	3/7	190
J/2	Empress (48)	GI (St C)	Sing	Everett	29/6	2/7	236
J/3	Midas	Clink	Ind	SSA	21/6	6/7	1620
J/4	Amanat Shah	Rice	Mumb	CLA	28/5	4/7	471
J/5	Tien Mu	W/Lentils	Sing	Mutual	22/6	10/7	521
J/6	Banglar Mamata	GI	Pipa	Royal	19/5	4/7	1111
J/7	Levantracht	GI	Sing	MSA	13/6	6/7	814
J/8	Hellin	GI	P Kel	TMML	17/6	6/7	646
J/9	Erna Oldendorff	Peas/WT(P)	Sing	Mutual	8/6	4/7	658
J/10	CSBC Nyon Ho	Sug/WT(P)	Kaki	SSTL	8/6	6/7	404
J/12	Qc Honour	Cont	P Kel	QCSTL	30/6	3/7	333/288
J/13	Kota Cahaya	Cont	Sing	PI (BD)	27/6	1/7	378/805
CCT/1	Banga Borat	Cont	Sing	Bdship	26/6	1/7	132/421

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Banga Barta	2/7	Haldia	Baridhi	Cont	Col
Banga Birol	1/7	P Kel	Bdship	Cont	Sing
Orient Grace	2/7	P Kel	PSSI	Cont	Sing
Bulk Star	2/7	--	PSAL	Clink	(S.Alam/Mtc)
Leo-1	1/7	Tanj	BSL	Clink	(Cocgl)

Tanker due

Theresa-II	1/7	Dumay	Seacom	Cpo(RM/8)
Corona	1/7	Bela	Pol	Cpo(RM/3)
Encounter	3/7	Arju	Gpsl	Bs/Sn(RM/3/5)
Vernal Grace	4/7	--	Smbh&Co	Cpo(RM/)

Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Dea Captain	--	--	Arafeen	R/A(28/6)

Outside Port Limit

Dea Captain	--	--	Arafeen	R/A(28/6)
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Vessels at outer anchorage

Vessels ready

George	C Clink	Tanj	BSC	22/6
Chariot	CDSO	Argen	Ambl	26/6
Yanasan Tujuh	GI(R,Log)	Sing	Seacom	30/6
Api Tulip	Cont	Sing	Nol	30/6
Kota Naga	Cont	Sing	PII(Bd)	30/6

Vessels not ready

Banga Bodor	Repair	--	Bdship	R/A(18/6)
Bosowa Delapan	Wheat (P)	Viza	Total	18/6
Bosowa Sembilan	Clink	Maka	Psal	30/6
Jaladoot	Hsd	Mina	Atlantic	1/7

Vessels awaiting employment/instruction

Banglar Shiourabh	-	-	BSC	R/A (23/6)
Banga Lanka	Ballast	Col	Baridhi	30/6

Vessels not entering

Trader	C Clink	Cabu	ANCL	7/5
Blue Sea	Clink	Bring	PSAL	31/5
Oranda	Clink	Krabi	ASLL	11/6
Pearl of Baharain	Clink	Kohsi	Uniship	17/6
Darya Shubh	C Clink	Mund	PCL	20/6
New Hope-II	Clink	Lumut	Move	23/6

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

STOCK