

WB warns of interest-rate menace to poor nations

AFP, Washington

The world faces a rising risk of an interest-rate shock, which could jolt poorer countries now reaping the benefits of rapid global growth, the World Bank warned Monday.

Real world economic growth is expected to rise from 2.6 percent last year to 3.7 percent in 2004 before cooling to 3.1 percent in 2005, the Bank's Global Development Finance report said.

"It is true that the global economy is doing well but at the same time we also observe serious imbalances in the economy, in particular in the fiscal deficit of developed countries," World Bank chief economist Francois Bourguignon told a news conference launching the report.

"These issues have to be addressed urgently if we want to

avoid a sudden correction in interest rates, which may destabilise the global economy and may have a detrimental impact on developing countries."

Industrialised countries had stimulated economic activity with expansionary fiscal policies and super-low interest rates, which could not be sustained, the Bank said.

Developing countries must avoid borrowing too much short-term capital at low rates only to find themselves trapped when interest rates inevitably rise, the World Bank said.

Net private capital flows to developing countries rebounded to 200 billion dollars in 2003 - still below the pre-1997 Asian financial crisis levels - from 155 billion dollars in 2002, the Bank said.

Net official development assistance (ODA) rose six billion dollars

to 58 billion dollars in 2003.

Another one billion dollars of the aid increase consisted of new flows to Afghanistan and Pakistan.

Poor countries are frequently blocked from selling farm goods on the world market because industrialised nations' subsidies make the price too low to be profitable.

But, in general, developing countries were expected to enjoy much faster growth than the industrialised nations.

By country and region, the World Bank forecast:

- East Asia and the Pacific would still enjoy a sizzling growth, albeit slightly cooler than last year. Growth was expected to ease from 7.7 percent last year to 7.4 in 2004 and 6.7 percent in 2005.
- South Asian growth would surge from 6.5 percent last year to

7.2 percent in 2004 before relaxing to 6.7 percent in 2005.

- Sub-Saharan African growth would rise from 2.4 percent last year to 3.4 percent in 2004 and 4.2 percent in 2005.
- In the Middle East and North Africa, growth would slow from 5.1 percent to 3.7 percent in 2004, and then edge back up to 3.9 percent in 2005.
- US economic growth would accelerate from 3.2 percent last year to 4.6 percent this year and then drop to 3.2 percent in 2005.
- Eurozone growth would rise from 0.4 percent to 1.7 this year and then 2.3 percent in 2005.
- Growth in Japan would edge up from 2.7 percent last year to 3.1 percent in 2004, and then tail off to 1.7 percent next year.



PHOTO: HSBC

Mamoon Mahmood Shah (3rd from left), manager, Personal Financial Services of the Hongkong and Shanghai Banking Corporation Limited (HSBC) in Bangladesh, and Ron Haque Sikder (2nd from right), managing director of A-1 Motors Ltd, sole distributor of Volvo cars in Bangladesh, shake hands after signing a memorandum of understanding in Dhaka recently. Under the deal, customers of Volvo cars will be able to get car loans of HSBC at a preferential rate of 13 percent.



PHOTO: REHAB

The annual general meeting of Real Estate and Housing Association of Bangladesh (Rehab) was held in Dhaka on Thursday. Rehab President and Managing Director of Sheltech Towfique M Seraj chaired the meeting.

ROK growth rate forecast raised

ANN/ KOREA HERALD

The state-run Korea Development Institute yesterday said it raised its 2004 economic growth forecast for Korea to 5.5 percent from 5.3 percent, citing bullish exports and a rebound in consumer spending and corporate investment.

The World Bank also nudged up its growth forecast to 5.3 percent from 5.1 percent on similar expectations for a pick up in domestic demand, reported Dow Jones.

But dampening the optimism surrounding its upgrade, the bank warned against risks of Seoul's weak currency policy, predicting that the "higher import prices sparked by the undervalued Korean won may offset the benefits of strong exports."

Local importers already have suffered, as shown in a report from the Ministry of Commerce, Industry and Energy yesterday.

It said that during the past first quarter, although conglomerates and exporters boasted impressive sales, small and mid-sized companies and importers manifested weaker performance.



PHOTO: ABSCO

GM Siraj of ABSCO Ltd, Jonaid Shafiq of Japan Bangladesh Friendship Hospital, Abdul Matlub Ahmad of Nitol Insurance Company Ltd, and Shahadat Hossain of Dekko Garments Ltd, pose for photograph at the deal signing ceremony on Sunday on setting up of a cardiac and allied multi-speciality hospital in Dhaka. Health Secretary Sarwar Kamal, Business Head (Healthcare) of Escorts Limited Sriram Khattar, IPDC Managing Director CM Alam were also present.

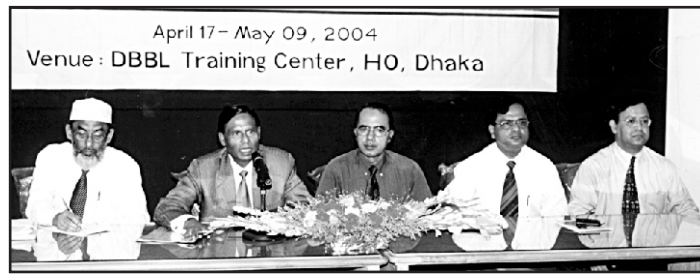


PHOTO: DBBL

Md Yeasin Ali, managing director of Dutch-Bangla Bank Limited (DBBL), speaks at the inaugural session of a foundation training course of the bank in Dhaka on Saturday. Abul Hashem Khan, deputy managing director (Operation) of the bank, Md Abidul Haque, senior executive vice-president, and Tasnim Uddin Ahmed, senior vice-president, were also present.

CURRENCY

Following is Tuesday's (April 20, 2004) forex trading statement by Standard Chartered Bank

Sell		Buy			
TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
59.3000	59.3500	USD	58.4050	58.2334	58.1637
71.6759	71.7363	EUR	69.1690	68.9659	68.8833
107.5643	107.6550	GBP	104.5099	104.2029	104.0782
44.7122	44.7499	AUD	42.5889	42.4638	42.4130
0.5536	0.5541	JPY	0.5341	0.5325	0.5319
46.2596	46.2985	CHF	44.6351	44.5040	44.4507
7.7069	7.7134	SEK	7.1318	7.1108	7.1023
44.4228	44.4603	CAD	43.0018	42.8755	42.8241
7.6112	7.6177	HKD	4.4812	4.4592	4.4503
35.4495	35.4794	SGD	34.6042	34.5026	34.4613
16.2769	16.2906	AED	15.7732	15.7269	15.7080
15.9391	15.9526	SAR	15.4511	15.4057	15.3872
9.9303	9.9387	DKK	9.0262	8.9997	8.9889
201.7693	201.9394	KWD	191.0533	190.4921	190.2641

Indian rupee	Pak rupee	Lankan rupee	Thai bath	Nor kroner	NZ dollar	Malaysian ringit
43.75	57.51	97.9	39.325	6.8805	0.6923	3.80

Local Interbank FX Trading

Local Interbank market was active on Tuesday. Dollar closed stronger against the Bangladeshi taka following import payments for capital machinery and industrial raw materials.

Local Money Market

Money market was active. Call money rate eased slightly and ranged between 3.50 and 4.50 per cent compared with 4.00 and 5.00 per cent previously.

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 20/4/2004

Berth No.	Name of vessels	Cargo	L. port call	Local agent	Dt of arrival	Leaving	Import disch.
J/1	Nand Srishti	GI(S/C)	Jaka	RSA	18/4	22/4	5751
J/2	Esco Horizon	GI(Copra)	Banet	Mutual	15/4	25/4	325
J/3	Htone Ywa	B. Mapte	Yang	Total	12/4	20/4	86
J/4	Brave Royal	C. Clink	Kant	ARL	10/4	23/4	120
J/5	Bumi Jaya	Sugar(P)	Bang	Mutual	14/4	28/4	874
J/6	Amar	Sugar(P)	Bang	Mutual	2/4	22/4	---
J/7	Banglar Mookh	Clink	Sing	BSL	11/4	20/4	300
J/8	Lady East	Clink	Lumut	Move	9/4	21/4	5193
J/9	Yong Jiang	GI	Busa	Bdship	18/4	23/4	3230
J/10	Banga Borak	Cont	Sing	Bdship	17/4	21/4	209
J/13	Kota Naga	Cont	Sing	Pi(Bd)	14/4	20/4	156
CCT/1	Mardios	Cont	P.Kel	RSL	15/4	20/4	---
CCT/2	Xpress Resolve	Cont	Col	Everbest	16/4	20/4	---
CCT/3	QC Honour	Cont	P.Kel	QCSSL	17/4	21/4	324
CCJ	Agios Fanouros	Slag	Visa	SSA	14/4	20/4	---
TSP	Blue Sea	Clink	Kaki	OLM	7/4	21/4	---
RM/6	Al Kuwaitiah	Hsd/Sko	Mina	MSTPL	17/4	---	---

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. port call	Local agent	Cargo	Load port
Pac Makassar	20/4	--	PSLL	Cont	Col
Kota Singa	20/4	Sing	Pi(Bd)	Cont	Sing
Ameko	20/4	Zhan	Rship	Demolition	R.Sulp
Banglar Kakoli	20/4	B.Abb	Seacoast	Cont	---
Thanh Son	21/4	Vish	ASA	Feldspar Chips	---
Orient Enterprise	21/4	P.Kel	PSLL	Cont	Sing
Pacific Aries	22/4	Sin	Purbachal	Vehi	---
QC Pintail	22/4	Sing	QCSSL	Cont	Sing
Asian Tiger	22/4	P. Guda	JF	Scraping	---
Continent-4	22/4	Pipa	CLA	GI(S.Ash)	---
Banga Lanka	24/4	--	Bdship	Cont	Sing
Xpress Manaslu	23/4	P. Kel	RSL	Cont	Sing
Banga Bonik	23/4	--	Baridhi	Cont	Col
New Blessing	24/4	--	Seaborne	Cont	Sing

Tanker due

Espoir	21/4	Yang	PSL	Base Oil(RM/5)
Gaz Master	22/4	Sing	MBL	Ammonia K/A
Al Sabiyah	21/4	Kuwa	MSTPL	HSD(RM)

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Dea Captain	--	--	Ibssa	R/A(13/4)
Louluat Qatar	Crude Oil	Jebel	USS	15/4
Banglar Shourabh	C. Oil	--	BSC	R/A

Vessels at outer anchorage

Banga Bortl	Cont	Col	Baridhi	19/4
QC Dignity	Cont	P.Kel	QCSSL	19/4

Vessels not ready

Der Went	W/Lentils	Sing	Mutual	7/4
Mima	Clink	Indo	Uniship	17/4
Dallong	Hsd/MS	Sing	MSTPL	18/4
Banga Borat	Cont	Sing	Bdship	19/4
Inwa	GI(Y.Maize)	Yang	GPSL	19/4
Tuking	Slag	Viza	BSL	19/4

Vessels awaiting employment/instruction

Banga Biraj	--	--	Bdship	R/A(29/12)
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The above are the shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by Family, Dhaka.

STOCK