

Soaring oil prices threaten to derail Asian economic growth

AFP, Singapore

Asia's economies have been able to withstand this year's surge in oil prices but the relentless climb is starting to take its toll and high growth rates are now in jeopardy, analysts said.

Crude futures prices reached historic highs at nearly 45 dollars a barrel last week, causing a slump in regional stock markets and prompting economists to draw up scenarios based on prices breaching 50 dollars a barrel.

"If energy prices come back down to what we think supply and demand should have them right now, probably around 30 dollars a barrel, it's not a big deal," David Wyss, chief global economist at US credit rating firm Standard

and Poor's, told reporters in Singapore on Friday.

"If they stay where they are now, it's a minor problem. But if they go up to 70-80 dollars a barrel then you have got some real problems in Asia and everywhere else too."

Joseph Tan, an economist with Standard Chartered Bank in Singapore, said the "big question" was how long oil prices would stay between 42-50 dollars a barrel.

If prices stayed between these levels for most of the year, then this would impact on Asian growth, Tan said, adding however he thinks prices will ease in the next few months.

He also pointed out any impact "will not be homogeneous given that some

countries are more dependent on oil than others," with South Korea, India and Thailand among the most vulnerable.

Ifzal Ali, chief economist of the Manila-based Asian Development Bank (ADB), said the bank's economists recently went back to the drawing board to plot a scenario where prices reach 50 dollars a barrel.

A bank study in June on the impact of high oil prices on Asia had assumed levels of up to 40 dollars a barrel.

High oil prices are now a "serious threat not only to Asia but globally as well," Ali told AFP by telephone on Friday.

"The thing is if this increase in oil prices is combined with an increase in

interest rates, that would be even more damaging," he said, referring to moves by the US Federal Reserve to raise key interest rates.

Oil prices at 50 dollars a barrel could shave off 1.1 percentage points from Asia's projected gross domestic product (GDP) growth in 2005, compared with 0.8 percent if prices remained at 40 dollars a barrel, Ali said.

China's GDP would be trimmed by 1.1 percentage points and India's 1.2 percentage points, compared with 0.8 percent for both countries if prices were at 40 dollars a barrel.

At 50 dollars a barrel, Asia's trade balance by end 2005 would deteriorate 0.9 percentage points and inflation would rise by 1.9 percentage points.



PHOTO: JANATA INSURANCE

Abdul Gaffar Chowdhury, chairman of Janata Insurance Company, presides over the company's annual general meeting held in Dhaka on Sunday. The company has declared a 10 percent dividend for its shareholders for the year 2003. Among others, Vice-chairman of the company Md Jahangir Alam Khan, directors and Managing Director Md Jainul Abedin were present at the meeting.



PHOTO: SOUTHEAST BANK

Chairman of Islamic Banks' Consultative Forum (IBCF) Shah Abdul Hannan (3rd from left) speaks at a workshop on Islamic Banking organised by Southeast Bank Limited in collaboration with IBCF recently in Dhaka. Southeast Bank Chairman Azim Uddin Ahmed, President and Managing Director of the bank Syed Abu Naser Bukhtear Ahmed, and Secretary of the forum AKM Habibur Rahman are also seen in the picture.

Daimler Chrysler plans sales drive in China

AFP, Frankfurt

German-US automaker DaimlerChrysler said Sunday it was planning a new sales offensive in China by vastly expanding its dealer network, marking a fresh attempt to shore up its Asian operations.

The Frankfurter Allgemeine Sonntagszeitung (FASZ) said the company would boost the number of dealers of its luxury brand Mercedes Benz to 217 in 68 Chinese cities by 2012, up from 33 dealers in 23 cities in 2002.

DaimlerChrysler spokesman Toni Melfi said the company would not comment on specific figures cited in the report but acknowledged it had major plans in China.

"I cannot confirm the exact numbers but we do plan to greatly expand the dealer network and expand our metropolis strategy to Chinese cities," Melfi said.

DaimlerChrysler also aims to use low-interest loans for dealers and customers to speed up sales.

"We will bolster the sales of DaimlerChrysler brands with financial services," management board member Ruediger Grube told the FASZ.



PHOTO: PUBALI BANK

Pubali Bank Limited General Manager Dipak Kumar Chakrabarty and Information Technology Consultants Limited (ITCL) Managing Director Kazi Saifuddin Munir exchange documents after signing an agreement on lease finance facility on behalf of their organisations recently in Dhaka. Among others, Pubali Bank Managing Director Khondkar Ibrahim Khaled and ITCL Chairman Kutubuddin Ahmed are also seen.



PHOTO: RANGS ELECTRONICS

Rangs Electronics Limited Deputy Managing Director J Ekram Hussain inaugurates a showroom of Sony-Rangs at Rifle Club Shopping Complex in Chittagong recently. Among others, Commercial Manager of the company Musa Kamal Mahmood and Dhaka Area Sales Manager Wahidur Rahman were present at the inaugural function.

CURRENCY

Following is Sunday's (August 08, 2004) forex trading statement by Standard Chartered Bank						
Sell		Currency		Buy		
TT/OD	BC	USD	TT Clean	OD Sight Doc	OD Transfer	
59.7500	59.8000	USD	58.4550	58.2833	58.2135	
74.3828	74.4450	EUR	70.9001	70.6918	70.6072	
111.0872	111.1802	GBP	106.8090	106.4952	106.3678	
43.6713	43.7078	AUD	40.8542	40.7342	40.6854	
0.5475	0.5480	JPY	0.5246	0.5230	0.5224	
48.1428	48.1831	CHF	46.2790	46.1431	46.0878	
7.9760	7.9827	SEK	7.3842	7.3625	7.3537	
45.8733	45.9117	CAD	44.1336	44.0040	43.9513	
7.6763	7.6827	HKD	7.4888	7.4668	7.4578	
34.9517	34.9810	SGD	33.8379	33.7385	33.6981	
16.4000	16.4137	AED	15.7863	15.7399	15.7211	
16.0601	16.0735	SAR	15.4643	15.4189	15.4004	
10.2916	10.3002	DKK	9.2746	9.2474	9.2363	
203.4389	203.6091	KWD	190.5934	190.0336	189.8061	
Exchange rates of some currencies against US dollar						
Indian rupee	Pak rupee	Lankan rupee	Thai bath	Nor kroner	NZ dollar	Malaysian ringgit
46.28	58.65	103.925	41.350	6.7971	0.7023	3.80
Local Interbank FX Trading						
Local interbank market was subdued.						
US dollar was mostly steady against Bangladeshi taka in a thin trading day as international market was closed on						
Local Money Market						
Money market was active. Call money rate was steady at 5.0 and 5.5 per cent.						

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 8/8/2004

Berth No	Name of vessels	Cargo	L port call	Local agent	Di of arrival	Leaving	Import disch
J/2	Amar	Sugar (P)	Bang	Total	1/8	12/8	1404
J/3	Sinhai	C Clink	Indo	NWSL	1/8	10/8	100
J/4	Pontomedon	R Shed	Sing	USL	15/7	8/8	121
J/5	Daisy-T	GI (StC)	Yang	Everett	6/8	8/8	2102
J/6	Proliv Viktoria	Sugar (P)	Sing	OTL	31/7	12/8	1510
J/7	Iran Ashrafi	WT/Y/Canola/Vanc	Sing	Mutual	7/7	8/8	1198
J/8	Orient Wisdom	Cont	Col	PSSL	6/8	9/8	205
J/9	Star Providence	GI (Hr C)	Jedda	RSA	4/8	8/8	8719
J/10	Feng Kang Shan	GI	Sing	Bdship	6/8	14/8	907
J/11	New Blessing	Cont	P Kel	Everbest	5/8	8/8	49
J/12	Xpress Resolve	Cont	Col	Everbest	6/8	10/8	240
J/13	Xpress Manaslu	Sugar (P)	Bang	CLA	4/8	12/8	1470
CCT/2	Banga Lanka	Cont	Sing	Bdship	6/8	10/8	79
CCT/3	Xpress Manaslu	Cont	Sing	RSL	4/8	9/8	21
RM/3	Hua Mulan	CPOL	Lumut	MTCL	3/8	8/8	
DOJ	Banglar Shourabh	C Oil	K Dia	BSC	R/A	8/8	
DD	Banglar Robi	Repair	Mumb	BSC	15/6	10/8	
DDJ/1	Banga Barta	Repair	P Band	Bardihii	13/7	12/8	
RM/8	Filma Satu	CPOL	Dumai	MTCL	7/8	9/8	
RM/9	Poavonis	C Clink	Kaki	Movh	31/7	9/8	
RM/10	Salamat-2	Idle	Sing	OLM	19/7	10/8	

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. port call	Local agent	Type of cargo	Loading ports
Cool Star	8/8	Sing	Everett	Vehi	--
Orient Freedom	9/8	Sin	PSSL	Cont	Sing
Dongtai Fortune	10/8	Sing	Nol	Cont	Sing
Feng Shun Shan	12/8	--	Bdship	GI	--
Louros	9/8	Sing	Rsship	Dimolition	--
Banga Borat	10/8	--	Bdship	Cont	Pki/Sing
Banga Bijoy	10/8	Col	Bardihii	Cont	Col
Oc Honour	10/8	P Kel	QCSL	Cont	Sing
Cec Venture	10/8	Indo	Beeline	GI (St Pipe)	--
Al Sharfa-II	11/8	--	Jardine	Dimolition	--
Orient Enterprise	11/8	Hal	PSSL	Cont	Col
Oc Dignity	11/8	P Kel	QCSL	Cont	Sing
Me Linh	12/8	Sing	BSC	Cont	Sing

Tanker due

Jag Preeti	11/8	Chenn	SSLJ	HSD
Gaz Master	16/8	Sing	MBL	Ammonia R/A

Vessels at Kutubdia

Name of vessels	Cargo	Last port	Local agent	Date of call	agent	arrival
-----------------	-------	-----------	-------------	--------------	-------	---------

Outside port limit

Dea Captain	--	--	IBSA	R/A (8/8)
Ionikos	Crude Oil	Rast	OWSL	5/8
Banglar Jyoti	Crude Oil	--	BSC	R/A

Vessels at outer anchorage

Vessels ready

Kota Singa	Cont	Sing	Pli (Bd)	7/8
Banga Borak	Cont	P Kel	Bdship	7/8
Kota Naga	Cont	Sing	Pli (Bd)	8/8
Mardios	Cont	P Kel	RSL	8/8
Defiant-T	Wheat (P)	Kiki	Pacific	3/8

Vessels not ready

Namemcha	Sugar (P)	P Link	Rainbow	4/8
----------	-----------	--------	---------	-----

Vessels awaiting employment / instruction

Banga Biraj	--	--	Bdship	R/A (29/12)
-------------	----	----	--------	-------------

Vessels not entering

Angeliki-D	Sugar	Sant	Litmond	3/8
Maritime Songkhla	C Clink	BSL	Bdship	3/8
Santa Barbara	C Clink	Krabi	Uniship	4/8
Excellent	C Clink	Pada	ASLL	5/8
Brave Royal	Clink	Krabi	BRSL	2/8

STOCK