

US pushing debt relief plan for poor states: WB chief

REUTERS, Washington

The head of the World Bank said Friday the Bush administration had discussed with him a plan to cancel poor countries' debt to global institutions, but said it hadn't revealed to him how this would be financed.

James Wolfensohn has pushed debt relief for poor countries since taking the reins at the global development lender in 1995. Still, he expressed concerns the Bush plan could bankrupt a bank programme that provides interest-free loans and grants to impoverished nations.

Group of Seven officials, who requested anonymity, confirmed the plan was being pushed by US Treasury's international point-man

John Taylor in closed-door talks. However, they said the United States was unlikely to go public with it until after the US presidential election in November.

The US plan would affect about 33 of the world's poorest nations, 27 of which have already qualified for debt relief under a 1996 World Bank and International Monetary Fund scheme that expires in December.

The topic is timely as finance ministers from the G7 rich nations meet in Washington next week before the IMF-World Bank annual fall meetings.

"I am not against debt relief ... but you have to think how you replenish the revolving fund, which is to get shareholders to put in

more money, and the second is how far do you take it," Wolfensohn told a press briefing ahead of the meetings.

British Chancellor of the Exchequer Gordon Brown, who also chairs the IMF's top policy-setting group, has long proposed a revaluation of the IMF's gold reserves as a way of releasing more money to cancel debts the world's poorest countries owe the World Bank and IMF.

Most IMF gold is valued at \$40 an ounce -- about one-tenth of current market prices -- under a 1971 agreement although some was revalued at market prices in 1999 to finance HIPC, the debt relief initiative.

The IMF holds 103.4 million ounces of gold, one of the biggest gold stocks in the world, which is valued on its balance sheet at \$8.5 billion.

Global development group Oxfam said next week's Group of Seven meeting was an opportunity to push for a revaluation of IMF gold stocks, which would raise around \$32 billion.

In a press briefing this week Treasury's Under Secretary John Taylor did not mention the plan, but said President George W Bush had been pushing for more grants instead of loans.

China economy to grow 9pc this year

REUTERS, Beijing

China's economy will grow at about 9 percent this year, the State Development and Reform Commission said, upgrading an earlier estimate of 7.2 percent.

Cao Yushu, secretary general and spokesman for the commission, also told a forum that macroeconomic control measures the central government has been implementing have been working, the Beijing News reported on Saturday.

"This year the whole year GDP will maintain growth of about 9 percent, and this speed is higher than the estimate of 7.2 percent from the beginning of the year," the newspaper quoted Cao as saying on Friday.

"If GDP growth exceeds its potential, then the macroeconomic control measures should be expanded," the newspaper paraphrased him as saying.

China has taken steps since last year to cool the economy, including ordering banks to keep more money in reserve instead of lending it out, and banning new projects in industries such as property and steel.

Many of the problems that caused parts of the Chinese economy to overheat were still there though, Cao said.

Macro controls should have two goals, he said -- preventing parts of the economy from overheating and keeping overall economic growth from declining in a major way.

China's economy is seen growing nearly nine percent this year before cooling in 2005, according to a Reuters quarterly poll. GDP in 2003 was up 9.1 percent on the previous year.

China's economy grew 9.69 percent in the first half of this year from the year-earlier period.



PHOTO: PRAGATI LIFE INS Managing Director and Actuary of Pragati Life Insurance M Shefaque Ahmed and Managing Director of International Finance, Investment and Commerce Bank Limited (IFC Bank) Ataul Haq exchange documents after signing a contract recently in Dhaka. Under the deal, employees of the bank will enjoy Pragati's group life and health insurance coverage while their spouse and children will get health insurance facilities.



PHOTO: THE ORIENTAL BANK The Oriental Bank Limited Managing Director CM Koyes Sami gives away certificate to a participant of a training Programme on Foreign Exchange and International Trade organised for the bank's officials at the certificate awarding function held recently in Dhaka.



PHOTO: RANCON MOTORS CA Hafiz, general manager of Rancon Motors Limited, authorised dealer of DaimlerChrysler AG in Bangladesh, inaugurates a free service campaign for Mercedes Benz vehicles in Chittagong recently.



PHOTO: BAIRA LIFE INS Baira Life Insurance Company Limited Chairman Mohammad Abul Bashar presides over the annual general meeting of the company held in Dhaka on Thursday. Among others, Vice-chairman of the company MA Sobhan Bhuiyan was present.

SIA to outsource IT work, 130 staff laid off

AFP, Singapore

Singapore Airlines (SIA) said Friday it will lay off 130 staff from its information technology (IT) division in the second round of outsourcing reforms announced by the national carrier in less than a week.

SIA released a statement saying the functions to be outsourced to an un-named IT service provider by the end of the year were the data centre, help desk and end-user computing support.

"The outsourced functions provide IT support to various areas of SIA's business and it is envisioned that operations will see improvements in efficiency and productivity," the statement said.

It added that the 130 employees would be offered jobs with the service provider on "comparable remuneration packages".

However an SIA spokeswoman could not provide any other details of the new jobs, such as whether they would be permanent or contract work.

The statement said the outsourcing of the 130 jobs would initially cost about 10 million Singapore dollars (5.9 million US), then lead to annual savings of 15

CURRENCY

Following is Saturday's (September 25, 2004) forex trading statement by Standard Chartered Bank

Sell		Buy	
TT/OD	BC	TT Clean	OD Sight Doc
59.8500	59.9000	58.6050	58.4329
74.4235	74.4857	71.0000	70.7914
109.0766	109.1678	104.9323	104.6240
43.7803	43.8169	40.9942	40.8738
0.5475	0.5479	0.5250	0.5235
47.8112	47.8511	46.0080	45.8729
8.1112	8.1180	7.5099	7.4878
47.3160	47.3555	45.5397	45.4059
7.6831	7.6895	7.5052	7.4831
35.5721	35.6018	34.4634	34.3622
16.4279	16.4416	15.8272	15.7807

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai bath	Nor krona
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Local Interbank FX Trading
Local interbank FX market was subdued Saturday. Dollar was steady against Bangladeshi taka.
Local Money Market
Money market was active. Call money rate was steady and ranged between 2.75 and 3.25 percent.
International Market
International market was closed on Saturday due to weekend. The dollar held flat against euro on Friday in volatile trading after falling to a one-month low, as dealers focused on the underlying strength of US durable goods orders.

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