

Finance officials voice concern over impact of rising oil prices

AFP, Paris

Finance officials in some of the leading industrialized countries are now voicing greater concern over rising oil prices and appear less likely to deny their impact on economic momentum.

The recent surge, which on Tuesday sent prices over 54 dollars a barrel before profit taking set in, is no longer seen simply as a "risk," a term used by the Group of Seven finance ministers late last month.

The effect on businesses, notably airlines, has been tangible and there are few signs of a near-term easing on oil markets.

"It is a drag," US Treasury Secretary John Snow told CNN on Sunday.

"It's creating headwinds for the otherwise very strong economy. And it acts like a tax, taking disposable income away from people.

"The price is above what's justified by the fundamentals of the marketplace."

In other remarks this week Snow said that while oil market had not yet done major damage to growth it had managed to slow the pace of activity.

In its latest assessment of the world economy the International Monetary Fund warned that the global recovery would lose some steam next year in the face of higher oil prices.

The Fund predicted the pace of world output, currently humming along at its fastest clip in 30 years, five percent, would slow to 4.3 percent in 2005.

The price of oil has nearly doubled in the past year, making less appealing the argument that current rates, adjusted for inflation, are much lower than they were during crises in the 1970s.

French Finance Minister Nicholas Sarkozy warned Wednesday there were no signs the upward trend would abate and appealed for stricter energy saving policies, similar to those adopted in the 1970s when the industrialized world finally took note of the strategic role played by oil in the global economy.

The energy consciousness of the 1970s has been "completely forgotten in thinking that there will be oil available in our lives as well as in those of our children, grandchildren and great grandchildren."

Such concern on the part of political leaders comes as the latest indicators point to a slowdown in the 12-nation eurozone, where a recovery had already been sharply lagging that of the United States and Japan.

Arab states team up to fight terrorism finance

REUTERS, Paris

Arab nations are teaming up to fight money laundering and terrorist funding, with special attention on non-profit organisations and hawala, an informal cash transfer system widely used in the Third World.

Up to 10 Middle East and North African states will form a new group next month to bolster the fight against illegal cash flows, Jean-Louis Fort, president of the Financial Action Task Force on Money Laundering (FATF), told Reuters in an interview.

Fort said the Paris-based FATF also hoped to announce new moves against cash couriers who play a key role for terrorists, drug barons and crime syndicates.

The 31-member FATF, an inter-governmental body, has issued almost 50 recommendations which have set global standards in the fight against dirty money and the abuse of the global financial system by al Qaeda and its affiliates.

Fort, a former senior Bank of France official, said the new Arab initiative expanded FATF's reach to new areas.

"It's easier to get our message across if it is presented by people able to integrate the particularities of the region," he said. "The market economy is not the dominant model in all parts of the world."

The inaugural meeting of the Arab group, due in Bahrain on Nov. 29-30, will comprise "all the large, important" states in North Africa and Middle East.

An Arab official who asked not to be named said as many as 14 countries may join the new group at the Bahrain meeting.



PHOTO: PRIME BANK

Prime Bank Limited Chairman Azam J Chowdhury inaugurates a new Islamic banking branch of the bank at Pahartali, Chittagong on Tuesday. Among others, Amir Humayun Mahmud Chowdhury, president of Chittagong Chamber of Commerce and Industry, and M Shahjahan Bhuiyan, managing director of the bank, are seen.



PHOTO: CONCORD ENTERTAINMENT

SM Kamaluddin, chairman of Concord Group, and Helal Ahmed Chowdhury, deputy managing director of Pubali Bank, sign a loan agreement on behalf of their organisations on Monday in Dhaka. Under the deal, Concord Entertainment will get Tk 20 crore from Pubali Bank to complete the first phase of Foy's Lake development project in Chittagong.



PHOTO: INTERSPEED

Muhammad A (Rumee) Ali, deputy governor of Bangladesh Bank, Wim Wienk, regional manager for Asia, FMO (Netherland Development Finance Company), Jaap Van Der Zeeuw, official of Dutch Embassy in Dhaka, Osman Morad, chief executive officer of Standard Chartered Bank Bangladesh, Shahed Noman, managing director of Dhaka Bank, Md Yeasin Ali, managing director of Dutch-Bangla Bank, M Shahjahan Bhuiyan, managing director of Prime Bank, Syed Imtiaz Hasib, deputy managing director of Southeast Bank pose for photographs at an agreement signing function held recently in Dhaka. Under the deal, Standard Chartered Bank and FMO have renewed the US\$22 million Bangladesh Trade Enhancement Facility with the participating four local private banks.



PHOTO: PACIFIC MOTORS LTD

Officials of Pacific Motors Ltd, the sole distributor of Nissan cars in Bangladesh, are seen at the inaugural function of test drive in Dhaka yesterday.

China records strong trade surplus in September

AFP, Beijing

China reported its fifth successive monthly trade surplus in September at 4.99 billion dollars, up from 4.49 billion dollars in August as exports outpaced imports, official figures showed Thursday.

Exports in September rose 33.1 percent from a year earlier to 55.8 billion dollars, while imports were up 22.1 percent to 50.81 billion dollars, the customs authority said.

For the nine months to September, exports were up 35.3 percent year-on-year to 416.24 billion dollars and imports up 38.2 percent to 412.31 billion dollars, giving a trade surplus of 3.93 billion dollars.

The country recorded a trade deficit of 950 million dollars for the eight months to August period, the customs authority said.

The European Union remained China's largest trading partner, with total trade between them worth 128.02 billion dollars for the nine months period, up 35.6 percent year-on-year.

CURRENCY

Following is Thursday's (October 14, 2004) forex trading statement by Standard Chartered Bank					
Sell			Buy		
TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
59.8500	59.9000	USD	58.7050	58.5326	58.4625
74.6030	74.6654	EUR	71.7551	71.5444	71.4587
108.0771	108.1674	GBP	104.5712	104.2641	104.1393
44.1154	44.1523	AUD	41.8332	41.7103	41.6604
0.5527	0.5532	JPY	0.5311	0.5295	0.5289
48.3558	48.3962	CHF	46.4365	46.3001	46.2447
8.5070	8.5141	SEK	7.5947	7.5724	7.5634
48.0607	48.1009	CAD	46.2681	46.1322	46.0770
7.6882	7.6946	HKD	7.5262	7.5041	7.4951
35.6802	35.7100	SGD	34.6772	34.6753	34.5339
16.4279	16.4416	AED	15.8542	15.8077	15.7887

Exchange rates of some currencies against US dollar					
Indian rupee	Pak rupee	Lankan rupee	Thai bath	Nor kroner	
NZ dollar	Malaysian ringgit				

Local Interbank FX Trading

Local interbank FX market was active. Dollar remained steady against Bangladeshi taka due to matched demand and supply.

Local Money Market

Money market was active. Call money rate was unchanged and ranged between 4.50 and 5.00 per cent.

International Market

The dollar was under pressure on Thursday as renewed strength in oil prices and a weak close on Wall Street knocked the greenback from recent three-week highs against the euro. Oil prices rebounded towards \$54 a barrel on Thursday, dampening sentiment towards the dollar ahead of US trade and fuel stock inventory data later in the day. After falling sharply of Friday in the wake of lackluster US jobs data, the dollar recovered earlier this week as firm US stocks and easing oil prices rekindled optimism in the US recovery. But the dollar lost a cent against the euro in late New York trade as oil prices spiked back up. It also slipped a quarter-percent weaker against the yen.



PHOTO: AGORA

A promotional function titled 'Coffee Morning' was held at Gulshan outlet of superstore Agora in Dhaka recently to promote handmade Sicilian jam from Italy and sandwich meats of Prima, Malaysia, imported by Crystal Bangladesh Supports Ltd. Among others, Niaz Rahim of Agora and Sakif Tabani of Crystal Bangladesh were present at the function.



PHOTO: SERVE THE PEOPLE

The annual general meeting (AGM) of Serve the People, a voluntary social development agency, was held on Saturday in Dhaka. Chairperson of the organisation Begum Shahzadi presided over the meeting.

STOCK