

India likely to unveil budget Monday

Budget to announce fresh reforms, spend on poor

AFP, New Delhi

India's Congress-led government is likely to unveil fresh economic reforms and new privatisation targets in its annual budget next Monday while striving to appease its communist backers by spending on the poor, analysts say.

The government, which came to power last May on a pro-poor ticket and with the key support of the communists, is under enormous pressure to funnel money into the health, education and social sectors.

It will probably resort to hiking taxes, improving tax compliance and cutting tax exemptions to contain the fiscal deficit, experts say.

Political and economic analyst Praful Bidwai noted that India's Harvard-educated Finance Minister Palaniappan Chidambaram would in his second budget on February 28 have to deliver on "fundamental" promises made to the electorate.

"Chidambaram is politician enough to know that the government will be kicked out if the budget is not people-friendly. The govern-

ment has a fundamental obligation to provide public services like health, education and infrastructure to the people," said Bidwai.

"He knows it's far more important than being investor-friendly. Many interest groups, including business and industry are prepared for progressive left-leaning changes. They will accept radical changes and tax reforms to fund health and primary education," he added.

"No one can threaten the stability of the government or question its legitimacy for doing this."

Prime Minister Manmohan Singh's government wants to double annual health and education spending to roughly 50 billion dollars, according to finance ministry officials.

Boosting tax revenues is essential for Congress to fund its ambitious spending plans under its Common Minimum Programme, the political blueprint it drafted in conjunction with its coalition partners and the communists, and meet its target of seven to eight percent annual growth, say experts.

"Raising revenues through

corporate and personal taxes is the only way to pay for India's growing education and health bill. The government has to keep a grip on the fiscal deficit and borrowings to sort out the country's messy public finances," said tax expert Arun Arora at Delhi's Centre for Strategic Business Studies.

Out of India's billion-plus population only 20 million people or two percent pay tax, experts say.

"The finance minister is committed to reforming the tax structure and making sure there is less evasion," noted Arora.

The Congress-led coalition has already made implementing Value Added Tax (VAT) one of its priorities and has prepared the ground to ensure that it comes into effect on April 1.

VAT, agreed at a meeting of state finance ministers in New Delhi in June last year, is designed to cut multiple layers of tax, boost revenues, reduce inter-state barriers to trade and make accounting more transparent.

Japan may resume US beef imports

REUTERS, Singapore

The US beef trade is expecting that Japan, its number one customer, to reopen its market for US beef by July and other countries should also be soon to follow, a senior industry official said Monday.

"Trade is expected to come back before the summer," Eric Choon, ASEAN director of the US Meat Export Federation, told Reuters in an interview. ASEAN refers to the Association of Southeast Asian Nations.

Japan and many other countries banned US beef in December 2003 after the first case of mad cow disease -- the fatal animal brain-wasting illness that can be transferred to humans who eat contaminated meat -- was found in the United States.

Japan, which bought \$1.4 billion worth of US beef in 2003 before the ban, agreed in October last year to allow import of beef from US cattle with records proving they were less than 21 months old.

But there have been no shipments as both countries are still trying to work out ways to ensure that beef from older cattle will not be sold in Japan, which has had several of its own cases of mad cow.

Tokyo says more scientific study is needed to be able to assure consumers that US beef is safe to eat.



PHOTO: SOCIAL INVESTMENT BANK

Kamaluddin Ahmed, chairman of Social Investment Bank Ltd, hands over certificate to a participant on the concluding day of 6-day 'Orientation Course' in Dhaka Thursday. 49 officers of the bank were awarded certificates at the function presided over by Kazi Anwarul Mahbub, managing director of the bank.

CURRENCY

Following is Tuesday's (February 22, 2005) forex trading statement by Standard Chartered Bank.

Sell		Buy			
TT/OD	BC	Currency	TT Clean	OD Slight Doc	OD Transfer
63.8000	63.8500	USD	62.5050	62.3214	62.2468
84.3181	84.3842	EUR	81.0877	80.8496	80.7528
121.9473	122.0429	GBP	117.9407	117.5943	117.4535
51.1229	51.1630	AUD	48.5539	48.4113	48.3533
0.6171	0.6176	JPY	0.5916	0.5898	0.5891
54.7170	54.7589	CHF	52.4063	52.2524	52.1898
9.5897	9.5972	SEK	8.5052	8.4803	8.4701
62.2565	62.2975	CAD	50.2331	50.0855	50.0256
8.1877	8.1941	HKD	8.0061	7.9826	7.9730
39.1868	39.2175	SGD	38.0293	37.9176	37.8722
17.5121	17.5258	AED	16.8800	16.8304	16.8103
17.1501	17.1635	SAR	16.5357	16.4871	16.4674
11.7381	11.7473	DKK	10.5341	10.5031	10.4906
219.2817	219.4535	KWD	206.3893	205.7831	205.5368

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	Malaysian ringgit
43.73	99.335	99.36	38.500	6.3187	0.7757	3.80

Local Interbank FX Trading

Local interbank FX market was active after 2-day holiday. Dollar became slightly stronger against the Bangladeshi taka.

Local Money Market

Money market was active. Call money rate remained unchanged and ranged between 5.00 and 6.00 percent.

International Market

The dollar fell to a five-week low against the euro on Tuesday as

profit-taking on carry trades and the break of key technical levels triggered waves of buying in the yen and the single European currency. The euro has rebounded more than 3 percent from a three-month low hit earlier in the month. The dollar fell by one yen from the session's high, with Japanese exporter selling of dollars for yen adding to the early pressure. The dollar's slide against the yen sparked euro buying and triggered stop-loss orders that further boosted the euro.

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South Korea's Hyundai wins \$630m orders

AFP, Seoul

South Korea's Hyundai Mipo Dockyard, affiliate of the world's largest shipbuilder Hyundai Heavy Industries, said Tuesday it had won new orders worth 630 million dollars to build 11 container ships.

The deal comprises four contracts -- five container ships for Germany's NY, one for Japan's Orix, three for PO Nedlloyd NV and two for Japan's Cido Holdings, Hyundai Mipo said.

Delivery will begin in January 2008, it said.

Hyundai Mipo said the new contracts brought its order book to 187 ships, which would keep the its yard busy over the next three years.



PHOTO: BEPZA

Md Shahjahan, member (Investment Promotion) of Bangladesh Export Processing Zones Authority (BEPZA), and Sayedul Islam, managing director of M/s Merim Co Ltd, shake hands after signing a lease agreement in Dhaka Saturday. Under the deal, the fully Bangladeshi owned company will invest US\$4 million to set up a high fashion clothing and linkage industry in Chittagong EPZ. Other senior officials from both the sides were also present.

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 22/2/2005

Berth No.	Name of vessels	cargo	L. port call	Local agent	Dtof arrival	Leaving	Import disch
J/2	Shwe Tharapu	GI (Y Ma)	Yang	TCL	11/2	22/2	169
J/4	Sookwang	GI (Paier)	Busa	Prog	17/2	22/2	1828
J/5	Genco Reliance	Candla	Sing	USL	7/2	22/2	193
J/7	Karadeniz-S	Wheat (P)	Darb	Total	6/2	25/2	1728
J/8	Xpress Manaslu	Cont	P Kel	RSL	20/2	--	232
J/9	Pu Cheng	GI	Xing	Cosco	20/2	26/2	2632
J/10	Blue Link	Cont	Sing	Nol	20/2	24/2	206
J/12	Xpress Resolve	Cont	Col	Everbest18/2	22/2	--	--
J/13	Qc Dignity	Cont	P Kel	QCSL	18/2	22/2	--
CCT/1	Oel Freedom	Cont	Tanj	PSSL	19/2	23/2	261
CCT/2	New Blessing	Cont	P Kel	Everbest18/2	22/2	--	--
CCT/3	Banga Biraj	Cont	Sing	Bdship	17/2	22/2	--
CCJ	Pagan	GI	Yang	MTA	21/2	--	--

Vessels due at outer anchorage

Name of vessels	Date of arrival	Lport call	Local agent	Type of cargo	Loading ports
Kota Singa	22/2	Sing	Pil (Bd)	Cont	Sing
Oel Excellence	22/2	Col	PSSL	Cont	Col
Floral Lake	22/2	Baria	MSA	Wheat (P)	--
Maritime Freindship23/2		--	Seacom	R Phos	--
K. S. Glory	23/2	Kant	BSL	Clink	--
Tug Epic Challenger2/2		Sing	Sigma	Towing M.V. Nahkod	--
Naikoda	22/2	Indo	Sigma	Scraping	--
Amar	22/2	Viza	Total	Rice (P)	--
Banga Barta	24/2	Sing	Bdship	Cont	Pki/Sing
Banga Lanka	24/2	Sing	Bdship	Cont	Sing
Union Star	23/2	Bata	Pacific	Scraping	--
Xiang Jiang	23/2	Inch	Cosco	GI	--
Qc Star	22/2	P Kel	QCSL	Cont	Sing
Rio Negro	23/2	P Kel	QCSL	Cont	Sing
Spring Trader	24/2	Yang	Everett	GI (St C)	--

Tanker due

Name of vessels	Date of arrival	Last port call	Local agent	Type of cargo	Loading ports
Atalanta	23/2	Dumai	MTCL		CPOL
Bonvoy-Vii	25/2	--	Rainbow		CPO(RM/6)
Hua Mulan	22/2	Dumai	Pol		CPOL
Salamat-1	23/2	--	DLM		Bitumen(RM/4)
Sakura	23/2	Dumai	Pol		CPOL(RM/3)
Star Dream	25/2	--	Rainbow		CPO(RM/3)

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Rig Ocean Sovereign	--	Sing	Beeline	18/11
Gulfdri-9	Pr Equip	Sing	IBSA	27/11
Dea Captain	--	--	IBSA	R/A(28/1)
Wira Keris	Dr Equip	Sing	IBSA	R/A(14/2)
Solieau Tide	Dr Equip	--	IBSA	R/A(21/2)
Onda	Crude Oil	Rast	OWSL	16/2
Banglar Jyoti	C Oil	--	BSC	R/A

Vessels at outer anchorage

Name of vessels	Cargo	Local agent	Date of arrival
Banga Bijoy	Cont	Col	Baridhi
Tank Oil	CPOL	Lumut	Rainbow

The above are the shipping position and performance of vessels at Chittagong Port as per berthing sheet of CPA supplied by Family, Dhaka.

STOCK