

Star
BUSINESS

E-mail: business@thedailystar.net

Asia must boost infrastructure investment: ADB

AFP, Jakarta

Asia must dramatically boost investment in infrastructure in the next decade or risk losing its global competitive edge, the president of the Asian Development Bank warned Friday.

According to a copy of a draft speech, Haruhiko Kurodo told an emerging markets forum in Jakarta that Asia would need to invest three trillion dollars over the next 10 years to keep up with increasing demand for infrastructure.

But at current rates of investment, less than half this amount will be met, Kurodo said, adding that tapping into available financial resources would require far-reaching reforms, including in governance and risk management.

"With Asia's urban centers set to swell by nearly half a billion people in the next 20 years, there is simply no time to lose," he said.

Infrastructure gaps have left more than half a billion Asians with no access to safe water, and three times as many without proper sewage or waste disposal.

This shortfall has not yet affected the region's overall export and economic performance, he said.

"But the danger signs are there. Inadequate transport and communication infrastructure, uncompetitive transport, logistics and industries, and high fuel costs will all push up the cost of doing business in Asia," he said.

"Unless action is taken soon, the region may lose its competitive

edge. Moreover, it will fail to achieve the potential that currently exists for improving the lives of the poor."

The Asian financial crisis of 1997-98 led to a reduction in the level of domestic savings being channelled toward infrastructure development in Asia, the head of the Manila-based bank said.

In Indonesia, Southeast Asia's largest economy, for instance, infrastructure investment accounted for six percent of gross domestic product before 1997 but now sits at just two percent, according to ADB figures.

Meanwhile boosting private investment requires an improvement in the quality of information on projects provided to investors, Kurodo said.

"Macro-level investment needs have yet to be translated into projects that are well planned, financially viable and prepared to international standards.

"Private investors need to be presented with well prepared, bankable projects before they can decide whether to invest in them or not," he said.

"As well, governments must create an enabling environment that assures investors of predictability, a level playing field, low transaction costs and fair rates of return commensurate with the risks they take."

On a positive note, Kurodo said private investors -- particularly from Asia -- were sniffing out investment opportunities in the region.

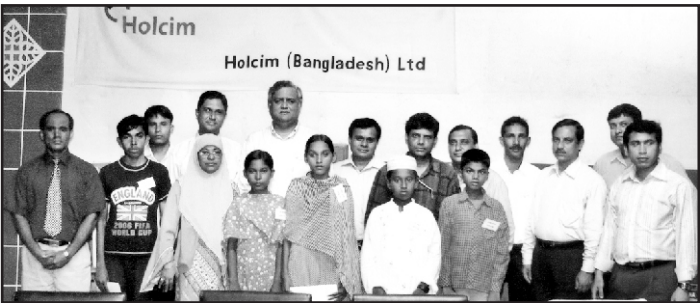


PHOTO: HOLCIM BANGLADESH

Senior officials of Holcim Bangladesh Ltd, a leading cement manufacturing company, and Grameen Shikkha, an educational unit of Grameen Bank, pose for photographs with the recipients of 'Holcim Scholarship for Masons' Children' at a function in Comilla recently. Grameen Shikkha with the financial assistance of Holcim runs this scholarship programme.

Weekly Currency Roundup

September 17-September 21, 2006

Local FX Market

Demand for US dollar was stable in throughout the week and USD rose slightly against Bangladeshi taka.

Money Market

In the Treasury bill auction held on Sunday, bid for BDT 9,000.00 million was accepted, compared with total of BDT 9,000.00 million in the previous week's bid. Weighted average yield fell slightly for all categories, but remained unchanged for the 91D category of T-bills sold on the day.

Overnight money market was steady throughout the week. The call money rate remained unchanged throughout the week and ranged between 6.50-7.00 percent.

International FX Market

The dollar rose on Friday to cap its second weekly gain against the euro as dealers tweaked positions ahead of a weekend Group of Seven meeting and shrugged off tame US inflation data. The euro was down nearly 0.5 percent against the dollar on Friday. The week began as the yen hit five-month lows against the dollar on Monday, after investors interpreted the weekend's G7 meeting as being less critical of the weakness of Chinese and Japanese currencies that some had expected. The euro was supported by talk of inflation risk from European Central Bank policymakers. The yen was down half a percent against the dollar, just off an earlier 5-month low. Versus the euro, it also shed around half a percent on the day.

In the middle of the week, the yen rallied sharply from two-week lows against the euro on Tuesday after a European official said markets may need time to digest policymakers' message that a stronger yen versus the euro is desirable. The euro had fallen down almost 0.4 percent on the day. The euro hit a record high against the yen last month. The dollar also fell to the day's low, around a quarter percent down on the day. Against the dollar, the euro was down around a third of a percent against the dollar. Interest rates were seen remaining as the dominant theme on currency markets, with drag on the yen seen coming from its low rates of 0.25 percent, compared with 3 percent in the euro zone and 5.25 percent in the United States. The yen extended this week's gains against the dollar and the euro on Wednesday, shrugging off a coup in Thailand as attention turned to the interest rate decision by the Federal Reserve due later. The yen has rallied nearly 2 percent against the euro from record highs set late last month. The euro was steady against the dollar.

- Standard Chartered Bank



PHOTO: GRAMEENPHONE

Mohammad Abdullah, deputy managing director of IFIC Bank Ltd, and Mir Rashedul Hossain, deputy head of Corporate Sales of GrameenPhone Ltd, pose for photographs at an agreement signing ceremony recently. As per the deal, the mobile phone operator will provide complete communication facilities under its 'Business Solutions' package for the bank. Senior officials from both the sides were also present.

FDI in Vietnam up 25.9pc in 9 months

XINHUA, Hanoi

Vietnam is estimated to lure nearly 5.2 billion US dollars of foreign direct investment (FDI) in the first nine months of this year, up 25.9 percent over the same period last year, according to local agency Friday.

Of the investment, 3.7 billion dollars come from 580 newly-licensed projects, of which 70 percent are in the industry and construction sector, and 6 percent in the agriculture, forestry and fishery one, said the Foreign Investment Department under the Ministry of Planning and Investment.

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 21/9/2006

Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import disch
J/2	Karana Sembilan	Gl	Sing	Everett	20/9	24/9	--
J/3	Yong Jiang	Gl	Tian	Cosco	12/9	22/9	--
J/5	Banglar Moni	Cont	--	BSC	R/a	21/9	--
J/6	Kota Ratna	Cont	Sing	Pil(Bd)	16/9	22/9	283
J/7	Id Harmony	Gl	Sing	Prog	18/9	26/9	196
J/8	Banga Borat	Cont	Sing	Bdship	16/9	23/9	257
J/9	Samsun Apollo	Urea(bcic)	Damm	Litmond	5/9	24/9	--
J/10	Vinashin Mariner	Cont	Ptp	PSSL	17/9	24/9	--
J/11	Pacific Express	Cont	Sing	Pil(Bd)	17/9	23/9	201
J/12	Xpress Manaslu	Cont	Col	Seacon	16/9	22/9	97

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo	Loading ports
Xiang Jiang	21/9	Xiang	Cosco	Gl	Def. Cargo
Cec Liberty	21/9	Sing	SSLL	P. Cargo	-
Hoa Lu	21/9	Srira	BSL	R. Sugar	-
Kjiang	21/9	Tanj	Rsshpp	Scraping	-
Rio Lawrence	21/9	Ptp	QCSSL	Cont	Ptp
Mir Damad	21/9	Kol	BSCA	Cont	Kol
Pattaya Navee	21/9	Indo	Val	C. Clink	--
Leonis	21/9	Ruwa	PML	Urea	BCIC
Novomal Tinsk	21/9	Nakh	Intraport	Scraping	--
Novoskolniki	21/9	Nakh	Intraport	Scraping	--
Ubctoronto	22/9	Russ	Angelic	Mop (p)	--
Xpress Resolve	22/9	Col	Seacon	Cont.	Sin
Marisa Green	22/9	P.kel	Everbest	Cont.	Sing

Tanker due

Bow Dejin	21/9	Dumai	MTCL	CPO	RM/8
Tirta Niaga-II	22/9	Yang	Seacom	CPO	RM/4/3
Al Barakat-1	21/9	Belaw	MTCL	CPO	RM/8
Jag Preeti	21/9	Chenn	SSLL	HSD	--
Al Badiyah	21/9	Kuwa	MSTPL	HSD	-
Southern Seal	21/9	Jardine	Jardine	Lube Oil	D/7
Scarlet	22/9	Argen	USL	CDSO	RM/3
Tabitim	22/9	Dumai	RYSL	CPO	RM/3
Smooth Sea-3	22/9	Pasi	SNCL	CPO	RM/3

Vessels at Kutubdia

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

Outside port limit

Wira Keris	--	--	IBSA	R/A(7/9)
United Dynamic	--	--	DSLL	20/9

Vessels at outer anchorage

Vessels ready

Raf Raf	Bitumen	Hald	FSA	16/9
Csav California	Cont	Sing	PSSL	18/9
Banga Bijoy	Cont	Col	Baidhi	19/9
Zhe Hai-315	Cont	Sing	PML	19/9

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

STOCK