

Star

BUSINESS

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Rato fears risk of 'disorderly adjustment' in global economy

AFP, Washington

IMF chief Rodrigo Rato said Tuesday the world economy remains robust with the United States set for a "soft landing" and China extending its breakneck expansion.

But there remains the risk of a "disorderly adjustment" in the global economy, with Asian currency rates still too rigid and oil prices remaining volatile, the International Monetary Fund managing director said.

Addressing a New Year press conference, Rato said also the IMF was progressing with plans to make the six-decade-old Fund more relevant to its fast-changing membership.

"After four consecutive years of strong growth, we expect that global growth will remain solid in 2007, approaching five percent for the year," Rato said. The IMF official forecast predicts global growth this year of 4.9 percent.

"I believe we are facing a soft landing in the US," he said, with the world's largest economy cooling after years of rapid growth.

"Economic recovery in Europe has broadened, and growth in Japan is broadly on track after an earlier soft patch."

Falling energy prices will support the global economy, Rato noted, "although we might see volatility in oil prices down the road."

China is set for another year of growth above 10 percent, the IMF chief said, while urging Beijing to take more measures to rein in unproductive investment.

Rato reaffirmed that China should open up its financial markets and currency regime more, "to allow market forces to determine prices and allocations of resources in the Chinese economy more freely."

East Asian economies in general are highly competitive and do not need their "heavy reliance" on managed exchange rates, the IMF chief said.

As China and other Asian countries have run up massive trade surpluses on the back of export-led growth, deficits in the United States have been mounting to record levels.

That has created concern that the world economy is dangerously out of kilter, prompting Rato to set up a new surveillance mechanism for major nations to discuss how to redress the imbalances under IMF auspices.

He declined to give details about how the multilateral consultations are progressing, but said he would report back in public at the IMF and World Bank's annual meetings in April.

The meetings will also see Rato elaborate on steps being taken by the IMF to address criticism that it is becoming irrelevant to developing countries.

With no major crises to manage, and many nations fearful of the Fund's free-market policy prescriptions, the IMF has been deprived of regular income from lending repayments and now faces a financial crunch of its own.



PHOTO: SRISTY HOMETEX

Sristy Hometex Ltd, an exporter of Home Textile products, took part in 'Messe Heimtextil Fair 2007' in Frankfurt, Germany from January 10-13. In the picture G Saha, managing director, and Protima Chakraborty, marketing manager of Sristy Hometex, show Sristy-made home decoration products to British buyer Chris Worral, managing director of Crowson Group, at the stall of Sristy at the fair.

CURRENCY

Following is Wednesday's (January 17, 2007) forex trading statement by Standard Chartered Bank

| Major currency exchange rates | | | Exchange rate of some currencies | | |
|---|---------|--------|----------------------------------|--------|-------|
| | BC Sell | TT Buy | | | |
| US dollar | 70.50 | 69.05 | | | |
| Euro | 92.55 | 87.73 | | | |
| Pound | 139.84 | 133.76 | Indian rupee | 44.17 | 1.58 |
| Australian dollar | 56.63 | 52.68 | Pak rupee | 61.09 | 1.14 |
| Japanese yen | 0.60 | 0.57 | Lankan rupee | 108.85 | 0.64 |
| Swiss franc | 57.38 | 54.23 | Thai baht | 36.04 | 1.94 |
| Swedish kroner | 10.52 | 9.46 | Malaysian ringgit | 3.50 | 19.91 |
| Canadian dollar | 60.99 | 58.15 | | | |
| Hong Kong dollar | 9.06 | 8.83 | USD forward rate against BDT | | |
| Singapore dollar | 46.88 | 44.74 | | | |
| UAE dirham | 19.35 | 18.65 | | | |
| Saudi riyal | 18.95 | 18.26 | | | |
| Danish kroner | 12.78 | 11.48 | 1M | 69.15 | 70.62 |
| Kuwaiti dinar | 240.51 | 237.12 | 2M | 69.27 | 70.83 |
| * All currencies are quoted against BDT | | | 3M | 69.42 | 71.05 |
| * Rates may vary based on nature of transaction | | | 6M | 69.86 | 71.78 |

Local Market

FX: Local inter-bank FX market was active on Wednesday. The demand for USD remained stable and there was a steady volume of cross currency transactions. The USD remained unchanged against Bangladeshi taka.

unchanged and ranged between 6.50 and 7.00 percent.

International Market

The yen slid to a 13-month low against the dollar on Wednesday as an array of media reports said the Bank of Japan was likely to hold interest rates steady this week, dousing widespread expectations for an increase. The euro held steady against the dollar.

Money Market

Money market was active on Wednesday. Call money rate remained

SHIPPING

| Chittagong Port | | | | | | | |
|--|-------------------|-----------|---------------|---------------|------|---------|---------------|
| Berthing position and Performance of Vessels as on 17/01/2007. | | | | | | | |
| Berth No. | Name of Vessels | Cargo | L. Port Agent | Local Arrival | Dtof | Leaving | Import Disch. |
| J/1 | Yug Solid-1 | Ball Clay | Kuch | DNS | 5/1 | 19/1 | -- |
| J/2 | Hoang Son | Gl(Log) | Yang | Gla | 13/1 | 17/1 | 2111 |
| J/3+2 | Hawk-1 | Wheat(P) | Ukra | USL | 5/1 | 24/1 | 2427 |
| J/4 | Banglar Doot | -- | Sant | SSST | 1/1 | 17/1 | -- |
| J/8 | Cape Henry | Cont | Sing | APL | 5/1 | 19/1 | 297 |
| J/9 | Jin Cheng (Liner) | Gl | Inch | Cosco | 14/1 | 19/1 | 2337 |
| J/10 | Banga Bodor | Cont | P. Kel | Baridhi | 3/1 | 17/1 | -- |
| J/11 | Pac Palawan | Cont | Pasi | CEL | 6/1 | 18/1 | 88 |
| J/12 | Kota Ratna | Cont | Sing | Pil(Bd) | 3/1 | 17/1 | -- |
| J/13 | Qc Pintail | Cont | Col | QC SL | 5/1 | 17/1 | 58 |
| CCT/1 | Precious River | Cont | P. Kel | Vega | 5/1 | 19/1 | 235 |

| Vessels due at outer anchorage | | | | | |
|--------------------------------|-----------------|--------------|-------------|---------------|----------------|
| Name of vessels | Date of arrival | L. Port call | Local agent | Type of cargo | Loading ports |
| Maritime Peace | 17/1 | Niko | Seacom | Mop | -- |
| Mare Hibernum | 17/1 | P.Kel | Seacom | Cont | Sing |
| Rio Lawrence | 17/1 | Ptp | QC SL | Cont | Ptp |
| Ocean | 17/1 | Viet | Ahtz | Scraping | -- |
| Vic Light | 17/1 | Sfax | SSL | TSP | -- |
| Maritime Chiangmai | 20/1 | Tarj | BSL | C. Clink | -- |
| Jon Jin-2 | 18/1 | Fang | Unique | Fert | Tsp/Dapi/S Ash |
| Caraka Jaya Niaga-III-32 | 18/1 | Yang | Mutual | -- | -- |
| Csav California | 18/1 | CBO | PSSL | Cont | Col |
| Phoenix | 18/1 | Ptp | PSSL | Cont | Sing |
| Banga Biraj | 18/1 | Sing | Bdship | Cont | Sing |
| Markovo | 18/1 | Long | PSL | Urea | Bcic |

| Tanker due | | | | |
|-----------------|------|------|---------|-----------------|
| Kadriah-II | 17/1 | Sing | ECSL | Naptha |
| Gulf Ahmadi | 17/1 | Kuwa | MSTPL | HSD/MS-- |
| Victory Prima | 20/1 | Sing | Ustline | CPO(RM/8) |
| Southern Orchis | 20/1 | Viza | Jardine | L. Oil(DOJ/7)-- |
| Pacific Crystal | 22/1 | Kuwa | MSTPL | HSD/JP-1-- |

| Vessels at Kutubdia | | | | |
|---------------------|------------|----------------|-------------|-----------------|
| Name of vessels | Cargo | Last Port call | Local agent | Date of arrival |
| Outside Port Limit: | | | | |
| Wirra Keris | -- | -- | IBSA | R/A (4/1) |
| Pacific Champion | Pro. Equip | -- | IBSA | R/A (12/1) |
| Sas Dntil-6 | Pro: Equip | -- | IBSA | 8/1 |
| Gulf Dntil-9 | Pro. Equip | -- | IBSA | 3/1 |
| Cs Topflee | -- | -- | IBSA | R/A(11/1) |
| Pacific Steel | -- | -- | IBSA | R/A (16/1) |
| Zenovia | Wheat(P) | Novo | Mutual | 12/1 |
| Spar Cetus | Raw Sugar | Sing | Rainbow | 14/1 |
| Simba | Crude Oil | Jebel | Uniglobal | 1/1 |
| Banglar Jyoti | C. Oil | -- | HSC | R/A (16/1) |
| Sarim | C. Clink | Malta | Litmond | 16/1 |

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



PHOTO: GRAMEENPHONE

Md Hashmat Ali, managing director of Continental Insurance Ltd, and Yasir Azman, head of Dhaka Region 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 insurance company.

Hyundai union agrees to end strike

AP, Seoul

Hyundai Motor Co.'s union decided to end a strike Wednesday after the Fund's free-market policy prescriptions, the IMF has been deprived of regular income from lending repayments and now faces a financial crunch of its own.

Hyundai agreed to pay the remainder of an agreed bonus of 1 1/2 months, but only after workers meet production goals to make up for losses incurred from strikes last year and the latest walkouts, according to a deal signed between company and union officials.

Union spokesman Song Hi-sok said the employees will end the partial strikes that began Monday and return to work immediately Wednesday night.

STOCK