

Effects of Asian crisis still linger: ADB

AFP, Tokyo

The effects of the traumatic 1997 Asian financial crisis continue to be felt in some of the countries hardest hit by it and corruption may be a factor holding back investment in some areas, the Asian Development Bank said Tuesday.

"The effects of the crisis have not been completely erased," especially in the five countries worst hit, that is Indonesia, the Philippines, Malaysia, South Korea and Thailand, the Manila-based bank said in its annual Asian development Outlook report.

It said gross domestic product (GDP) growth in the five was cut by an average 2.5 percentage points a year in the 2000-2006 period compared to 1990-1996.

"The persistence of such a gap implies large permanent losses of income compared to pre-crisis levels. Indeed, if the impacts of the crisis on income levels are to prove transitory, a period of faster than 'normal' growth would be required to compensate for the output 'lost' during the crisis years."

It urged Indonesia and the Philippines to improve "the quality

and performance of key institutions that influence investor perceptions about uncertainties, risks, and the costs of doing business."

Policy and regulatory risks, as well as the costs of corruption, are often cited as factors for Indonesia while "governance issues are to the fore" as well in the Philippines where "contract enforcement, corruption, and crime and security are of particular concern."

Their investment ratings remain below that of the international setting despite improved macroeconomic management.

"It may be that earlier reforms need more time to gain traction but the presence of deeply embedded institutional constraints, including high levels of corruption, may slow progress even then."

However, the ADB said the slowing in South Korea "most probably reflects lower potential at elevated income levels" and that had the crisis not occurred, investment and growth rates "would have probably decelerated of their own volition."

Labor force growth in all five countries save Thailand showed slower trends, while investment

rates "declined steeply" after the crisis and have since been "broadly flat, showing little inclination to the levels seen in the pre-crisis period."

"In fact, declining capital productivity in Indonesia, (South) Korea, Malaysia, and Thailand would require higher investment rates to deliver the same growth."

The report concluded that "firms and investors may now be more circumspect than a decade ago" as indicated by rapidly falling debt-to-equity ratios and slow growth of credit to the private sector.

It said the circumstances in the five countries were different, with South Korea's situation "consistent with the maturation that occurs as income levels approach those of the richest countries in the world."

In Malaysia and Thailand's case, investment rates are possibly "too low," due perhaps to increased uncertainty and bottlenecks in skilled technical and scientific workers, among others.

It suggested there was a "mis-match" between worker supply and relevant skills in these countries, which it said also need to improve their regulatory environments.

Japan, Chile sign FTA

AFP, Tokyo

Japan on Tuesday signed a free trade deal with Chile, its first such pact with a South American nation that will eliminate tariffs on more than 90 percent of trade.

Japan quickly sealed the deal with Chile, which had already signed a free trade agreement with China in 2005.

Chile is Japan's biggest provider of coal and provides Asia's largest economy with a quarter of its salmon.

Japanese Foreign Minister Taro Aso and his Chilean counterpart Alejandro Foxley signed the agreement in a joint ceremony in Tokyo.

"By accelerating and developing a strategic economic alliance in various fields between Japan and Chile, Japan expects that both our economies will be vitalised markedly," a Japanese foreign ministry statement said.

Japan, the world's second largest economy and a major exporter, has been seeking a growing number of free trade deals as global liberalisation talks languish.

Since signing its first agreement with Singapore in 2002, Japan has sealed deals or their framework with Brunei, Indonesia, Mexico, Malaysia, the Philippines and Thailand.

Business travel costs rebound

AFP, New York

Business travel costs increased in 2006 after several years of flat or declining prices, a survey by American Express showed Monday.

The financial firm's Business Travel Monitor showed an increase in prices for airline, hotel and car rental rates, largely due to strong demand and increased operating costs.

The most dramatic increases were seen in international airfares, and certain hotel categories, the report found.

US domestic airfares rose 15 dollars to an average of 216 dollars in 2006, ending four years of declines, the report said.

Meanwhile the average international airfare rose to 1,707 dollars, up 5.8 percent for the year and 12.8 percent over the past two years.



PHOTO: PRIME BANK
Senior officials of Prime Bank Ltd pose for photographs with the participants in a foundation training course at a function recently.



PHOTO: DHAKA BANK
A training course for direct sales officers of Dhaka Bank Ltd was held recently in the capital. Senior officials of the bank are seen with the participants at a function.

CURRENCY

Following is Tuesday's (March 27, 2007) forex trading statement by Standard Chartered Bank

Major currency exchange rates		Exchange rate of some currencies	
BC Sell	TT Buy	Per USD	BDT per Currency
US dollar	69.10	68.10	
Euro	93.44	88.96	Indian rupee 43.38 1.58
Pound	137.09	131.98	Pak rupee 60.70 1.13
Australian dollar	56.80	53.80	Lankan rupee 109.66 0.63
Japanese yen	0.60	0.57	Thai baht 32.15 2.13
Swiss franc	57.18	55.34	Malaysian ringgit 3.46 19.85
Swedish kroner	9.86	9.16	USD forward rate against BDT
Canadian dollar	60.06	58.08	
Hong Kong dollar	8.86	8.71	Buy Sell
Singapore dollar	46.05	44.67	1M 68.20 69.20
UAE dirham	18.97	18.40	2M 68.32 69.32
Saudi riyal	18.57	18.01	3M 68.47 69.50
Danish kroner	12.89	11.63	Kuwaiti dinar 235.68 234.00 6M 68.67 70.10

Local Market FX: Local inter-bank FX market was active on Tuesday as the local market opened after the 26th March holiday. The demand for USD remained stable, and the volume of cross currency transactions was more compared to Sunday. The USD remained almost unchanged against the Bangladeshi taka.

Money Market: Money market was active on Tuesday. Call money rate remained unchanged and ranged between 6.50 and 7.00 percent.

International Market: The euro rose against the dollar and yen on Tuesday after a stronger-than-expected Ifo

German business climate survey added to expectations that the European Central Bank will raise interest rates this year. The ECB is expected to raise interest rates to 4 percent this year from the current 3.75 percent. The dollar steadied, having fallen broadly on Monday after data showed US sales of new homes fell in February to the lowest level since June 2000, reigniting concern the slowing US housing market has yet to stabilise. Investors are expecting the Fed to start cutting interest rates from the current 5.25 percent as soon as June to steer the economy into a soft landing.

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 27/3/2007

Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import disch
J3+2	Brave Royal	C. Clink	Kant	BRSL	23/3	31/3	3500
J4	Theodor	Stag	Viza	Move	19/3	30/3	—
J6	Ping Jiang (liner)	GI	S. Hai	Cosco	24/3	30/3	1273
J7	Oriente Victoria	GI	Chenn	Oil	22/3	28/3	1396
J8	Cape Henry	Cont	Sing	APL	24/3	30/3	74
J10	Bangler Shikha	Cont	P. Kel	BSC	24/3	29/3	290
J11	Pao Aquila	Cont	Sing	Seacor	23/3	28/3	99
J12	Oel Freedom	Cont	Col	PSSL	24/3	29/3	218
J13	Kota Raja	Cont	Sing	Pil(Bd)	24/3	31/3	—
CCT/1	Ja Vesta	Cont	Sing	Vega	17/3	29/3	—
CCT/2	Oel Excellence	Cont	Sing	Mong	25/3	27/3	—
CCT/3	Rio Lawrence	Cont	Sing	QCSL	21/3	29/3	—

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo	Loading ports
Kota Rukun	27/3	Sing	Pil(Bd)	Cont	Mong
Gem Of Goa	29/3	Brit	PSL	Phos. Acid	CUFLJ
Santa Suria	27/3	Kant	ANCL	C. Clink	—
Mir Damad	28/3	Kol	BSC	Cont	Kol
Cape Spencer	28/3	Ptp	PSSL	Cont	Sing
Sinar Nusa	28/3	Sing	Jardine	Cont	Sing
Banga Bodor	28/3	Pki	Bardhi	Cont	P. Kel
Liberty Spirit	28/3	Kala	Lams	Wheat(g)	—
Bludance	28/3	Tuti	Everett	Urea(Ku)	—
Qc Wisdom	30/3	Sing	QCSSL	Cont	Sing
Precious	29/3	Damm	Litmond	Urea(bioc)	—
Eagle Pride	30/3	—	CT	Cont	Sing
Xpress Manaslu	30/3	Col	Seacor	Cont	Col
Banga Borat	30/3	Sin	Bdship	Cont	Sing
Martha Russ	30/3	Sing	QCSSL	Cont	Sing
Banga Borak	1/4	Sin	Bdship	Cont	Sing

Tanker due

Starling	28/3	Dumei	KMZ	CPO
Tabtim	28/3	Belwa	Rainbow	CPO(RM/3)
Al Badiyah	30/3	Kuwa	MSTPL	HSD/MS
Anawani	30/3	C. Town	USL	CDSO(RM/8/3) 15000 W/lt
Al Sabiyah	2/4	Kuwa	MSTPL	HSD

Vessels at Kutubdia

Name of vessels	Cargo	L. Port call	Local agent	Date of arrival
Outside Port Limit				

Sea Drill-6 (rig)	Pro. Equip	—	IBSA	8/1
Gulf Drill-9 (barge)	—	—	IBSA	3/1

Wira Keris R/A(19/3)

Vessels at outer anchorage

Vessels ready

Gao Cheng	Cont	P. Kel	PML	24/3

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