

China, India underpin Asia-Pacific growth as US slows

AFP, Undated

China, India and Japan are set to be the main drivers for Asia-Pacific economic growth in 2007 amid signs of a slowdown in the United States and Europe, a UN report said on Wednesday.

Economies in the region are seen growing by 7.4 percent in 2007, down from 7.9 percent in 2006, due to expected US and European weakening and softer commodity prices, said the UN Economic and Social Survey of Asia and the Pacific (UNESCAP) 2007.

Even though the growth outlook is still strong, "there is no room for complacency," UN Under-Secretary-General Kim Hak-Su warned at a news conference here.

"Downside risks are looming," Kim said, adding that "another oil price shock cannot be ruled out."

Other dangers include an abrupt cooling of the US housing market, volatility in foreign exchange rates, a new downturn in Japan's economy and economic overheating in China, Kim said.

A moderate decline in global

electronics demand in 2007 may also dampen the region's prospects, the report added.

"As the international economic environment weakens, momentum in the region is expected to come from China, India and Japan. Together, these three economies contribute over 60 percent of the GDP of the Asia-Pacific region and close to 45 percent of imports," the report said.

Chinese growth was forecast at 9.9 percent in 2007 as a result of cooling measures, down from 10.7 percent in 2006, with exports and investment still the driving forces.

"There is a risk of further acceleration in investment growth resulting in overheating of the Chinese economy," the report warned.

India was seen growing by nine percent in 2007, led by services and accelerating industrial production, down from 9.2 percent last year as the central bank "nudges up" interest rates to restrain inflation.

Japan was expected to log 1.9 percent growth, down from 2.6 percent in 2006 as a result of fiscal consolidation, exchange rate appre-

ciation and the US slowdown, the report said.

Inflation is seen as less of a problem than in previous years -- contained at just 3.8 percent -- due to a fall in oil prices and tight monetary policies in the region.

Exchange rate fluctuations are by contrast a key area of concern, after many Asian currencies appreciated significantly against the US dollar in 2006 -- a trend which is set to continue in the current year.

Managing volatile exchange rates will be "the biggest challenge for Asia-Pacific economies," the report says.

"It will be increasingly difficult for monetary authorities to pursue an independent monetary policy in response to shocks... to thwart speculative short term flows, the report said.

The survey urges greater exchange rate flexibility as the "one sustainable solution" that would take away the idea that speculation is a "one-way bet" that often leads to more capital flows.

China likely to ink \$12b mega import deals with US soon

ANN/ China Daily

China is likely to ink mega import deals, possibly amounting to \$12 billion, with the United States during the second Sino-US strategic economic dialogue next month, in a move to narrow the trade gap.

The talks, which will be co-chaired by Vice-Premier Wu Yi and US Treasury Secretary Henry Paulson, are the highest-profile dialogue mechanism over economic issues between the two.

The proposed procurement delegation is likely to be led by Vice-Minister of Commerce Ma Xuhong, covering a wide range of US agricultural and industrial products, from soybean and cotton manufacturing machinery to electronic products.

The delegation will visit Atlanta, Chicago, San Francisco and Washington.

Though there's no official word on the possible procurement spree, if it does materialize, it will be seen as the latest move by China to cut its trade surplus with the US that totaled over \$144 billion in 2006.

ROK-EU FTA talks likely to start in May

AFP, Seoul

South Korea will start talks with the European Union early next month on forging a free trade agreement, a senior official said Wednesday.

"The two sides are now taking their final steps... and I think talks will begin during the first 10 days of next month," Kim Han-Soo, head of the free trade bureau at the Ministry of Foreign Affairs and Trade, told a radio programme.

After 10 months of tough bargaining, South Korea early this month sealed a free trade pact with the United States which scraps tariffs on thousands of items and will boost commerce by billions of dollars a year.

Kim said a deal with the EU may be easier since both sides are likely to propose "many exceptions" in agricultural goods.



PHOTO: STRATEGICA

Better Business, an initiative of Katalyst to improve working condition, Strategica, a supplier of affordable business intelligence solution, and Zanala Bangladesh, an organisation of creative and technical resources, have signed a memorandum of understanding (MoU) recently. Under the MoU, the organisations will run a safety, health and environment awareness campaign styled 'Nirapad Karmakhetra Mela 2007' for micro and small enterprises at three venues in Old Dhaka from April 26. Harald Bekkers, division manager of IRSID, Katalyst, Syed Mahabubul Alam, managing director of Strategica, and KM Anwar Ali, creative director of Zanala Bangladesh, signed the MoU.

CURRENCY

Following is Wednesday's (April 18, 2007) forex trading statement by Standard Chartered Bank

Major currency exchange rates Exchange rate of some currencies

	BC Sell	TT Buy	Buy	Sell
US dollar	69.28	68.28	41.68	1.65
Euro	95.52	91.27	60.70	1.13
Pound	140.69	135.49	55.76	50.00
Australian dollar	59.37	55.76	109.85	0.63
Japanese yen	0.60	0.57	34.78	1.98
Swiss franc	58.41	55.48	Malaysian ringgit	3.43
Swedish kroner	10.70	9.66	20.05	
Canadian dollar	62.43	59.82		
Hong Kong dollar	8.89	8.72		
Singapore dollar	46.87	45.00		
UAE dirham	19.02	18.44	1M	69.39
Saudi riyal	18.62	18.06	2M	69.60
Danish kroner	13.23	11.91	3M	69.82
Kuwaiti dinar	235.23	234.52	6M	70.54

Local Market

FX: Local inter-bank FX market was active on Wednesday. The demand for USD remained stable, and the volume of cross currency transaction was steady. The USD rose slightly against the Bangladeshi Taka.

Money Market

Money market was active on Wednesday. Call money rate remained almost unchanged and ranged between 7.10-7.50 percent compare to 7.00 and 7.50 percent the previous day.

International Market

The dollar sank to a 26-year low against sterling and a 22-year low versus the

New Zealand dollar on Wednesday. The US consumer data also contrasted sharply with a jump in UK consumer prices, which strengthened expectations for a rate hike, driving sterling above \$2. Sterling rose to its strongest since June 1981, on expectations the Bank of England will raise interest rates by at least 25 basis points to 6.6 percent in May. This would top the US federal funds rate. The greenback held near a 17-year low against the Australian dollar and also hit a two-year low versus the euro. The euro was up around 0.2 percent on the day and coming within 70 ticks of record highs set in late 2004.

Chittagong Port

Berthing position and performance of vessels as on 18/4/2007.

Berth No	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import disch
J2	Surplus Khanak	Urea(BCIC)	Ruwa	Asa	13/4	20/4	930
J3	Bangler Gourab	Wheat(g)	—	Bsc	R/a	19/4	307
J4	Tug Century Star-1	Gr(s/bil)	Viza	Mutual	15/4	20/4	479
J6	Banga Larka	Gr(cont)	Col	Baridh	15/4	23/4	1087
J7	Ikai	Urea(bcic)	Litmond	Damm	12/4	23/4	647
J8	Mol Karina	Cont	P.kel	Seacord	16/4	20/4	456
J9	Kota Ralna	Cont	Sing	Pil(bd)	15/4	19/4	258
J11	Banga Borti	Cont	P. kel	Baridh	16/4	21/4	90
J12	Xpress Manaslu	Cont	Col	Seacon	15/4	20/4	163
CCT/1	Precious River	Cont	Sing	Vega	12/4	18/4	—

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo	Loading ports
Dolphin-II	21/4	Viza	Sunshine	Gr(st C)	—
Yong Jiangliner	20/4	Tian	Cosco	Bunkering	—
Taiyong Rosa	19/4	Kol	Sunshine	Cont	Col
Phoenix	20/4	Col	Pssi	Cont	Viza
Mir Damad	20/4	Kol	Bsc	Cont	Sing
Phu Tan	20/4	—	Pssi	Cont	Sing
Banga Borak	22/4	Sing	Bdship	Cont	Sing
Kissama	21/4	Sing	Vega	Cont	—
Martha Russ-1	21/4	Sing	Qcls	Cont	Sing
Hub Gallardo	21/4	Cbo	Seacon	Cont	Sing
Dali	21/4	Cbo	Seacon	Cont	Col
Kota Rukun	22/4	Sing	Pil(bd)	Cont	Sing

Tanker due

Siteam Tiger	19/4	C. Town	Usl	Cdso(m3)	20000 Wt/
Yanee	19/4	Dumai	Psl	Cpo	Rm/3
Aries	22/4	Kuwa	Mstpl	Hsl	—

Vessels at Kutubdia

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

Vessels at outer anchorage

Vessels ready

Josco View	Cont	P.kel	Rsl	16/4
Ja Vista	Cont	P. kel	Vega	16/4
Rio Lawrence	Cont	Sing	Qcls	16/4
Eagle Pride	Cont	Sing	Ct	16/4
Wisdom	Cont	Sing	Apl	17/4
Coastal Express	Cont	Chen	Bsc	17/4
Maritime Songkhla	C. Clink	Tanj	Bsl	17/4
Aral Wind	Cpo	Lumut	Esl	14/4

Vessels not ready

Brave Royal	C. Clink	Kanta	Brsf	16/4
Pacific Sun-II				