

China grows at blistering pace as PM warns of overheating

AFP, Beijing

Chinese Premier Wen Jiabao called for steps to prevent fast growth from leading to an overheated economy, the government said Thursday, as first quarter GDP came in at a blistering 11.1 percent. "We must ... prevent the economy from changing from rather fast paced (growth) to overheated, while also avoiding large ups and downs," the government quoted Wen as saying in comments publicised Thursday. We must "make efforts to realise the good and fast development of the national economy." The remarks came after the government said the nation's economy grew a blistering 11.1 percent in the first quarter, prompting fears of possible overheating and a call for fresh measures to put the country on a more sustainable course. Wen further called for measures to rein in excessively fast growth in the nation's trade surplus, saying steps should be taken to reduce "unreasonable" preferential policies for the export sector. China's trade surplus totalled

46.4 billion dollars in the first three months of the year, about double the figure in the same period last year. Earlier Thursday, the National Bureau of Statistics said that the first three months of 2007 showed the fastest growth rate since the second quarter of last year, when the economy expanded 11.5 percent. "If the fast growth continues for a certain period, there is a risk of shifting from fast growth to overheating," said Li Xiaochao, spokesman of the bureau said, stoking concerns that a whole series of measures to cool the economy down have failed. "We must carefully carry out all policies of the central government and continue to strengthen and improve macro-economic control measures," Li told reporters after announcing the figures. Chinese share prices slumped 4.52 percent ahead of the figures as investors opted to take profits on recent record gains rather than risk being exposed to bad news, while regional markets were also down. The losses were the biggest

one-day fall since February 27, when a near 9.0 percent plunge in Shanghai stocks sparked turmoil on the global equity markets. Analysts said the acceleration in the world's fourth-largest economy is likely to have been driven by the yawning trade surplus and massive fixed asset investment. The economy grew 10.7 percent in 2006 and had slowed to a 10.4 percent pace in the three months to December. Analysts had expected the first quarter to come in at around 11 percent, well above the government's forecast of 8.0 percent for 2007 as a whole. The acceleration has come about despite a whole series of cooling measures adopted by the government since early last year, including interest rate hikes and reductions of tax incentives for exporters. "Investment and credit are rising fast, and the trade surplus is large," said Ma Qing, an analyst with Citic Securities in Beijing. "As a result, the macro-control measures introduced so far have not had a big impact," he told AFP. Paul Cavey, an economist with

Macquarie Securities said the key driver, fixed asset investment, had bounced back faster than expected from last year's moderation. "We were expecting growth to bounce back this year but we thought it would happen in the second quarter," Cavey said. Total fixed asset investment -- both urban and rural spending -- rose 23.7 percent in the first quarter, the NBS said. Fixed asset investment, the main indicator of state-funded spending on new productive capacity, is being fuelled by the massive liquidity sloshing around despite systematic efforts by the central bank to mop it up. China's consumer price index rose 2.7 percent in the first quarter of 2007 from a year earlier and was up 3.3 percent in March alone, the NBS said. The government has an inflation target of three percent so the March outcome will be of concern as prices have ticked steadily higher so far this year. Consumer inflation is one of the key measures that the central bank monitors when deciding what monetary measures to adopt.



PHOTO: EXPRESSIONS LTD

Roslan Ahmad, chief executive officer of United Hospitals Ltd Dhaka, and AKM Mohiuddin Ahmed, senior group medical officer of American Life Insurance Company (Alico) Bangladesh, sign a medicare agreement recently. Under the deal, the hospital will provide medical care and treatment to Alico Group policyholders, employees and their eligible dependents.



PHOTO: GREY WORLDWIDE

Brac Bank Ltd recently organised a workshop on 'Leading an Enterprise' for the bank's women entrepreneurs of SME Banking Division. Participants of the workshop and senior officials of the bank are seen.

Ailing dollar sees no relief, sterling hits 26-year high

AFP, New York

The struggling dollar faced renewed selling pressure Wednesday as sterling jumped to a 26-year high and the euro topped 1.36 dollars amid fresh concerns about US economic prospects. The euro reached as high as 1.3616 dollars before falling back to 1.3607 at 2100 GMT against 1.3564 late Tuesday in New York. The single currency neared its all-time high of 1.3666 dollars hit on December 30, 2004. The pound struck 2.0133 dollars to reach its highest reading since June 1981. It later traded at 2.083 dollars against 2.0063 on Tuesday. Sterling's all-time high against the dollar is 2.4546 dollars, reached in 1980. In late New York trade, the dollar stood at 118.66 yen after 118.90 on Monday and at 1.2036 Swiss francs from 1.2086. The weakened dollar "reflects a combination both of concerns about the US economy ... and at the same time the contrasting strength of the European economy which is growing much more rapidly," Capital Economics analyst Jonathan Loynes said in London. "Those concerns have been reflected in expectations for interest rates," he added. Camilla Sutton, currency strategist at Scotiabank, said the market is expecting rate cuts in the US despite rhetoric to the contrary from Federal Reserve officials.

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PHOTO: SOUTHEAST BANK LIMITED

Southeast Bank Managing Director Neaz Ahmed and CRAB (Credit Rating Agency of Bangladesh) Managing Director Dr Masihur Rahman exchange documents after signing an agreement on behalf of their organisations for credit rating of the bank for 2006. Other officials from both the organisations were also present.

Nokia profits slip 7pc in Q1

AFP, Helsinki

Nokia, the world's leading maker of mobile phones, said on Thursday its net profit slipped by seven percent in the first quarter due to restructuring costs, but sales rose by four percent. Net profit dipped to 979 million euros (1.33 billion dollars) from 1.0 billion euros a year earlier, Nokia said in a statement. Overall sales rose from 9.5 to 9.8 billion euros during the period, but the value of mobile phone sales shrank by five percent to 5.5 billion euros as the company sold an increasing share of low-end phones on developing markets such as China and India.



SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 19/4/2007

| Berth No. | Name of vessels | Cargo | L. Port call | Local agent | Dt of arrival | Leaving | Import disch |
|-----------|--------------------|------------|--------------|-------------|---------------|---------|--------------|
| J/2 | Surplus Khanak | Urea(Baic) | Ruwa | Asa | 13/4 | 21/4 | 796 |
| J/3 | Banglar Gourab | Wheat(G) | -- | Bsc | R/A | 21/4 | 1184 |
| J/4 | Tug Century Star-1 | Gi(St.Bil) | Viza | Mutual | 15/4 | 23/4 | 740 |
| J/5 | Coastal Express-1 | Cont | Chen | Bsca | 17/4 | 20/4 | 101 |
| J/6 | Banga Lanka | Gi/Cont | Col | Baridhi | 15/4 | 24/4 | 1084 |
| J/7 | Ikai | Urea(Baic) | Damm | Litmond | 12/4 | 23/4 | 899 |
| J/8 | Moi Karina | Cont | P.Kel | Seacon | 16/4 | 20/4 | 3 |
| J/9 | Kota Rathna | Cont | Sing | Pil(Bd) | 15/4 | 19/4 | 37 |
| J/10 | Wisdom | Cont | Sing | Apl | 17/4 | 22/4 | 166 |
| J/11 | Banga Borti | Cont | P.Kel | Baridhi | 16/4 | 21/4 | 311 |
| J/12 | Xpress Manaslu | Cont | Col | Seacon | 15/4 | 20/4 | 136 |
| CCT/1 | Josco View | Cont | P.Kel | Rsl | 16/4 | 21/4 | -- |
| CCT/3+2 | Eagle Progress | Cont | P.Kel | Everbest | 15/4 | 20/4 | -- |

Vessels due at outer anchorage

| Name of vessels | Date of arrival | L. Port call | Local agent | Type of cargo | Loading ports |
|-------------------|-----------------|--------------|-------------|---------------|---------------|
| Taiyoung Rosa | 19/4 | Kol | Sunshine | Bunkering | -- |
| Yong Jiang(Liner) | 20/4 | -- | Cosco | Gi | -- |
| Phoenix | 20/4 | Col | Pssl | Cont | Col |
| Mir Damad | 21/4 | Kol | Bsca | Cont | Viza |
| Maris | 20/4 | Kant | Litmond | C. Clink | Shah |
| Phu Tan | 21/4 | Pkl | Pssl | Cont | Sing |
| Dolphin-II | 21/4 | Viza | Sunshine | Gi(St.C) | -- |
| Kissama | 23/4 | Sing | Vega | Cont | -- |
| Martha Russ-1 | 21/4 | Sing | Qcsl | Cont | Sing |
| Hub Gallardo | 21/4 | -- | Seacon | Cont | Sing |
| Dali | 21/4 | Col | Seacon | Cont | Col |
| Magda-T | 21/4 | Ukra | Unique | Wheat(P) | -- |
| KS Grace | 21/4 | Kore | Ancl | C. Clink | Mil/Mtc |

Tanker due

| | | | | | |
|--------------|------|---------|-------|------------|-----------|
| Siteam Tiger | 19/4 | C. Town | Usl | Cdso(Rm/3) | 20000 W/L |
| Aries | 22/4 | Kuwa | Mstpl | Hsd | -- |
| Khadijah | 23/4 | Belwa | Mtcl | Cpo | -- |
| Tabtim | 23/4 | Dumai | Pol | Cpo(Rm/3) | -- |

Vessels at Kutubdia

| Name of vessels | Cargo call | Last Port | Local agent | Date of arrival |
|--------------------|------------|-----------|-------------|-----------------|
| Outside port limit | | | | |
| Sea Drill-6 (Rig) | Pro. Equip | -- | Ibsa | 8/1 |
| Gulf Dri-9 (Barge) | Pr. Equip | -- | Ibsa | 3/1 |
| Wira Kenis | -- | -- | Ibsa | R/A(18/4) |
| Pacific Steel | P. Equip | -- | Ibsa | R/A(31/3) |
| Cherry-II | Crude Oil | Rast | Uniglobal | 3/4 |

Vessels at outer anchorage

Vessels ready

| | | | | |
|----------------|------|-------|--------|------|
| Ja Vesta | Cont | P.Kel | Vega | 16/4 |
| Rio Lawrence | Cont | Sing | Qcsl | 16/4 |
| Eagle Pride | Cont | Sing | Ct | 16/4 |
| Cape Bonavista | Cont | P.Kel | Bdship | 17/4 |
| Yanee | Cpo | Dumai | Pol | 19/4 |

Vessels not ready

| | | | | |
|----------------|------|------|------|------|
| Pacific Sun-II | Slag | Vish | Move | 16/4 |
|----------------|------|------|------|------|

Vessels awaiting employment / instruction

| | | | | |
|------------------|---------|------|---------------|-----------|
| B. Sea | Ballast | Kaki | B. Enterprise | 16/3 |
| Borak | -- | -- | Fsa | R/A(3/4) |
| Yaad-E-Mohammed | Ballast | Kara | Cla | 15/4 |
| Precious | -- | -- | Pml | 16/4 |
| Asrar-A- Mostofa | -- | -- | Cla | R/A(17/4) |

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

STOCK