

Global economic outlook good

Says OECD

AFP, Paris

The global economic outlook is good for this year and next, the OECD said Thursday, while insisting that governments must invest windfall tax revenues to avoid the "boom-bust" cycles of the past.

"The current economic situation is in many ways better than what we have experienced in years," said Jean-Philippe Cotis, chief economist of the Organisation for Economic Cooperation and Development in the group's twice-yearly report on the global economy.

A projected smooth landing of the US economy is balanced by stronger growth in Japan and especially Europe, with emerging markets such as China and India also making sizeable contributions.

"Sustained growth in OECD economies would be underpinned by strong job creation and falling unemployment," Cotis forecast.

He nonetheless pressed officials "to save current tax windfalls," to prevent "in the long run, the repeat of those depressing 'boom-bust' budgetary crises of the past.

In Europe in particular, "we are

back in the temptation zone" marked by "a strong rebound in activity and a mountain of fiscal revenues" that came for the most part from business profit taxes, Cotis told a telephone news conference.

He warned that mistaking such revenue as a long-term source would lead to bigger structural deficits when the economic growth cycle came to an end.

Overall economic growth among the 30-member OECD should come to 2.7 percent in both 2007 and 2008, the report estimated, down from 3.2 percent last year.

In its last report, the body had forecast global growth this year of 2.5 percent.

Inflation was tipped at 2.1 percent this year and 2.0 percent in 2008, down from 2.2 percent in 2006 and also slightly less than the previous forecast.

Unemployment was expected to fall from 5.9 percent last year to 5.6 percent in 2007 and 5.5 percent in 2008.

A major potential risk to the upbeat global scenario lies in housing markets, since the share of

housing investment in overall growth had reached a 10-year high in half of all OECD countries and appeared set to fall back a bit.

In the United States in particular, "the housing sector has cooled somewhat more than expected," Cotis said, while the report forecast potential turbulence "if problems in the sub-prime mortgage market lead to wider financial-market distress."

At present, financial markets remained generally supportive of growth owing to strong fundamentals and an appetite for risk, the OECD said.

Other growth risks, meanwhile, included high prices for petroleum products and raw materials, though base metal prices were expected to begin declining owing to increased supplies.

The report underscored that "better-than-expected current performance should not be a cause for complacency."

The apparent slackening in the planned pace of fiscal consolidation in many OECD countries, particularly those where deficit and/or debt levels are high, is a cause for con-

cern."

Turning to monetary policy, Cotis said it "constitutes a challenge for central banks which, on both sides of the Atlantic, should probably err on the side of tightness."

Forecast US inflation of 2.6 percent this year and 2.2 percent in 2008 would argue for not cutting interest rates this year, Cotis said.

"There may even be a case for additional tightening in the United Kingdom, should inflationary pressures persist, and more clearly so in the euro area, where core inflation has essentially reached the 2.0 percent mark, while activity is set to continue to expand vigorously."

The euro's current strength, he said later, "only reflects the strength of the European economy," and had not prevented Germany from boosting exports of manufactured goods.

New French President Nicolas Sarkozy and some industrialists maintain that the strong euro unduly favors competition from abroad and have repeatedly urged the European Central Bank to ease monetary conditions in the eurozone.



Evermarch Bangladesh, the exclusive distributor of China's Shenzhen HASEE Computer Co Ltd, launched HASEE brand computers in the country at a function in the capital on Saturday. Lin Weiqiang, economic and commercial counselor of Chinese embassy in Dhaka, Jim Yu, marketing director of Shenzhen HASEE Computer Co, and Mahbub Alam, chief executive officer of Evermarch Bangladesh, among others, were present at the function.



Deen Mohammad, chairman of Phoenix Finance & Investments Ltd, inaugurates the shifted head office of the company in Dilkusha commercial area in Dhaka at a function recently. Directors, managing director and other senior officials were also present.

CURRENCY

Following is Thursday's (May 24, 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	69.25	68.25	
Euro	94.56	90.31	Indian rupee 40.31 1.71
Pound	138.95	133.91	Pak rupee 60.73 1.13
Australian dollar	58.36	54.76	Lankan rupee 110.75 0.62
Japanese yen	0.58	0.56	Thai baht 34.61 1.99
Swiss franc	57.34	54.49	Malaysian ringgit 3.39 20.29
Swedish kroner	10.60	9.58	
Canadian dollar	65.13	62.33	
Hong Kong dollar	8.87	8.70	
Singapore dollar	46.42	44.59	USD forward rate against BDT
UAE dirham	19.02	18.44	Buy 68.35 69.36
Saudi riyal	18.61	18.06	1M 68.35 69.36
Danish kroner	13.09	11.79	2M 68.47 69.57
Kuwaiti dinar	237.30	235.49	3M 68.62 69.79
			6M 69.06 70.51

* All currencies are quoted against BDT. * The forward rates are indicative only and fixed dated

Local Market USD fell slightly against the Bangladeshi Taka.

FX: Local inter-bank FX market was active on Thursday as the banks prepared to close for the weekend. Money market was active on Thursday. Call money rate was stable and most of the deals ranged between 7.26 and 7.50 percent.

Mizanur Rahman Shelley, chairman of Premier Leasing International Ltd, inaugurates a branch office of the company in Chittagong on Sunday. Directors, managing director and other senior officials were present at the inauguration.

PHOTO: PREMIER LEASING INTERNATIONAL



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STOCK

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 24/5/2007

Berth no.	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import dsch
J2	Tian Ling	C. Clink	Nant	MBL	18/5	28/5	4777
J3	Bangler Mookh	S.Ash/Wheat	Pipa	BSC	20/5	27/5	2011
J4	An Tao Jiang	Gl	Para	Cosco	22/5	24/5	843
J5	Strads Ventire	Vejo	Sing	Nyk	23/5	24/5	-
J6	Paragon Pescadores	Gl	Sing	H&SI	23/5	-	-
J7	Golden Rain	Urea(Bic)	Damm	Litmond	15/5	30/5	1031
J8	Ss Cleveland	Wheat(G)	Toam	Lam	20/5	26/5	928
J9	Vn Sapphire	Cont	Sing	Jardine	19/5	24/5	-
J10	Bangler Maya	Wheat(P)	Sing	BSC	21/5	28/5	1504
J11	Banga Borat	Cont	Sing	Bdship	21/5	25/5	57

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo	Loading ports
Xpress Makalu	24/5	Col	Seacon	Cont	Col
Theodor	24/5	Viza	Saraf	G. Slag	--
Tug Epic Challenger	24/5	Indo	Ahz	Towing Tungenes	--
Tungenes	24/5	Indo	Ahz	Scraping	--
Marivic	24/5	--	Jardine	Scraping	--
Bi Ro Bong	24/5	Kaki	HSA	Rice(P)	--
Oel Freedom	25/5	Sing	PSSL	Cont	Sing
Rhone Borg	27/5	Sing	QCSL	Cont	Sing
Csav California	25/5	Col	PSSL	Cont	Col
Shalamar	25/5	Kara	Uniglobal	Scraping	--
Pac Palawan	25/5	Sing	CEL	Cont(2 Pkgs)	Sing
Banga Borak	26/5	Sing	Bdship	Cont	Sing

Tanker due

Fathimah	25/5	Dumai	Rainbow	CPSTR/CPKO (RM/3)
Vessels at Kutubdia				

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

Wira Keris	--	M. Crude Oil	Jebel	IBSA	Uniglobal	R/A (20/5)
Vessels ready						

Kamnik	Gl	Sing	ANCL	23/5
An Qing Jiang	Gl	Chin	Cosco	23/5
Jesco View	Cont	P. Kel	RSL	24/5
Apil Lilac	Cont	Sing	APL	24/5

Vessels not ready

Hoang Son	Feld Clay	Dxua	PML	21/5
You Xuan	Wheat(P)	Russ	Seacom	21/5
Maritime Chiangmai	C. Clink	Tarj	BSL	24/5

Vessels awaiting employment / instruction

Bounty-7	Repair	Chani	PMI	19/5
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