China's roaring economy set to overtake Germany

AFP, *Shanghai*

China's economy grew so rapidly in the first half of 2007 that it is likely to overtake Germany as the world's third-largest by the end of this year, analysts say.

The release Wednesday of January to June figures for Asia's second biggest economy will provide fresh evidence that Beijing's economic braking measures have had little effect.

China's sizzling economy expanded even faster than originally thought last year, with the government revising 2006 growth domestic product (GDP) to 11.1 percent from 10.7 percent.

Data released by China's statistics bureau last week showed the economy was worth 21.09 trillion yuan in 2006, about 2.65 trillion dollars based on last year's average exchange rate of 7.97 yuan to the dollar.

The revision puts China in striking distance of Europe's largest economy within months.

"With this upward revision, it is highly likely that China will bypass Germany to become the third-largest economy in the world in current US dollar terms by the end of this year," said Hong Liang, an economist at Goldman Sachs.

According to the World Bank, Germany's economy was worth 2.9 trillion dollars at the end of 2006.

Economists expect GDP in the second quarter to near or equal its breathtaking January to March pace of 11.1 percent growth.

JPMorgan Chase Bank economist Wang Qian put the second-quarter acceleration at 10.6 percent, and said it would pick up speed in the second half of the year.

"We don't see any sector of the economy slowing down. It's firing on all cylinders," said Wang.

The torrid pace of development means that China's economic czars will once again have to devise fresh ways to prevent the export powerhouse from the kind of overheating that could trigger a slide into financial crisis.

Regulators have already taken this year introduced a slew of piecemeal administrative measures to slow the economy, including two interest rate hikes, five increases in bank reserve requirements and new export curbs.

Exports, one of Beijing's biggest headaches given the friction it causes with its two largest trade partners, the European Union and the United States, have continued to flood international markets.

The widening trade gap is on route to becoming the globe's largest ever after Beijing announced last week that its surplus had jumped more than 85 percent in June to 26.91 billion dollars.

Although the June figure was partly due to factories rushing to beat new curbs on exports that took effect July 1, the huge global demand for Chinese goods means the surplus will expand through the rest of the year, analysts said.

"China has become the world's factory for manufactured consumer goods," said Qu Hongbin, a senior economist at HSBC in Hong Kong.

"If global consumer demand remains then Chinese exports will grow. There is not a lot that government policy can do about that."

Washington and Brussels believe one step to staunching the tide of Chinese goods would be greater appreciation in the currency, which trade partners say is artificially low and boosts China's business competitiveness.

But China's autocratic leadership fears that could destabilise its financial system, making such a step highly unlikely, in keeping with the government's repeated position of allowing the yuan to rise slowly.

PHOTO: THE CITY BANK

Syed M Bariqullah, executive vice-president of The City Bank Ltd, and Ajita Pasqual, chief executive officer of Seylan Bank Ltd (Sri Lanka), exchange documents after signing a money transfer agreement in Dhaka recently. Under the deal, expatriate Bangladeshis in the East and South East Asian region will be able to send remittances through The City Bank branches. K Mahmood Sattar, managing director & CEO of the bank , was also present.

NZ considers China workers for trade deal

AFP, *Wellington*

New Zealand is prepared to consider increasing the number of Chinese workers in the country to help cement a better trade deal with Beijing, Trade Minister Phil Goff said.

Goff told Television New Zealand at the weekend that China sought the increase as part of ongoing free trade talks.

"We said that (the deal) might be on if there was a very ambitious offer from their side, in terms of allowing our firms to trade in services," Goff said.

The numbers would be strictly limited based around gaps in the labour market.

"It's about teachers of Mandarin, it's about people that are expert in Chinese cuisine, it's about people expert in traditional Chinese medicine," Goff said.

During a visit to New Zealand last year, Chinese Premier Wen Jiabao said the free trade negotiations had run into problems in agriculture and services but he signalled his determination for the issues to be resolved.

Zimbabwe loses out in global gold rush

AFP, *Harare*

Skyrocketing inflation, erratic power supplies, a skills shortage and a dearth of foreign exchange have combined to ensure Zimbabwe is missing out on a global boom in gold prices.

While global prices for gold hit a new record high in May, the potential benefits for manufacturers and miners are being rapidly eroded by the collapse of the Zimbabwean dollar.

Instead the mining firms are nervously waiting to see if Zimbabwean President Robert Mugabe carries out his threats to nationalise companies that he says are allowing precious metals to be smuggled out of the country as part of a Western inspired plot to topple his beleaguered regime.

"It's like a vicious circle as we are not benefiting from these high international prices," said Mark Verden, chief executive officer of the Zimbabwe Chamber of Mines.

PHOTO: SQUARE

Square Hospitals Ltd and Transcom Ltd have signed a corporate agreement recently. Dr Md Amer Wahed, associate director of medical services of the hospitals, and Md Kamrul Hassan, general manager, Finance-Corporate of Trancom, inked the accord in Dhaka. Under the deal, Transcom employees and their dependants will get privileged medical services at the hospital at special rates.

PHOTO: NEWAGE GARMENTS

Newage Garments Ltd recently won the Gold Award of Industrial Excellence in Saarc category from Ceylon National Chamber of Industry, Sri Lanka, for its outstanding contribution to industrial growth in South Asian region. Managing Director of the company Asif Ibrahim receives the award from Sri Lanka's Cabinet Minister Wijaratna at a ceremony in Colombo.

CURRENCY

Following is Sunday's (July 15, 2007) forex trading statement by **Standard Chartered Bank**

Major currency exchange rates

	BC Sell	TT Buy
US dollar	68.90	67.90
Euro	96.61	92.09
Pound	141.66	136.48
Australian dollar	61.08	58.02
Japanese yen	0.58	0.55
Swiss franc	57.77	55.90
Swedish kroner	10.35	9.59
Canadian dollar	66.39	64.07
Hong Kong dollar	8.82	8.67
Singapore dollar	45.96	44.58
UAE dirham	18.91	18.34
Saudi riyal	18.52	17.96
Danish kroner	13.38	12.03
Kuwaiti dinar	236.74	234.91

* All currencies are quoted against BDT.

* Rates may vary based on nature of transaction.

Exchange rate of some currencies

	Per USD	BDT per Currency
Indian rupee	40.28	1.70
Pak rupee	60.38	1.13
Lankan rupee	111.75	0.61
Thai baht	30.54	2.24
Malaysian ringgit	3.45	19.85

USD forward rate against BDT

	Buy	Sell
1 M	67.99	69.05
2 M	68.11	69.26
3 M	68.26	69.48
6 M	68.44	70.19

*The forward rates are indicative only and fixed dated.

Local Market FX

Local inter-bank FX market was subdued on Sunday as the international market was closed for the weekend. The demand for USD was stable and there was ample liquidity in the market. The USD remained almost unchanged against the Bangladeshi Taka. The volume of cross currency transactions was limited.

Money Market

Money market was active on Sunday. Call money rate was stable and most of the deals ranged between 6.50-6.60 percent.

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 15/7/2007

Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import disch
J/2	Bang Yuan	GI(Log)	Yang	Mutual	12/07	15/7	572
J/3	Yongxing	Cont	Chenn	PSSL	13/07	16/7	195
J/4	Banglar Mook	Wheat(G)	--	Benam	R/A	19/7	1239
J/7	Qing Jiang	GI	Hanj	Cosco	8/7	18/7	1160
J/10	Csav CaliforniaCont	Col	PSSL	12/07	15/7	124	
J/11	Mir Damad	Repair	Ctg	BSC	6/7	18/7	--
J/12	Cape Henry	Cont	Sing	APL	12/7	15/7	--
J/13	Oel Singapore	Cont	Sing	PSSL	12/7	15/7	--
CCT/1	Josco View	Cont	P. Kel	RSL	14/7	16/7	632
CCT/3	Banga Lanka	GI/Cont	Col	Baridhi	13/7	--	--
NCT/1	Oel Freedom	Cont	Col	PSSL	12/7	17/7	280

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo	Loading ports
Lilac Ace	15/7	Col	Everett	Vehi	64 Pkgs
Banga Biraj	15/7	Sing	Bdship	Cont	Sing
Fraternity Wisdom	16/7	--	Everett	GI(St.C)	--
Yong Yue-8	18/7	Col	QCSL	Cont	Col
Eagle Prestige	16/7	Sing	QCSL	Cont	Sing
Banga Borak	17/7	Sing	Bdship	Cont	Sing
Pacific Express	16/7	Sing	Pil(Bd)	Cont	Sing
Phu Tan	17/7	Sin	BSC	Cont	Sing
Banga Bijoy	17/7	Cbo	Baridhi	Cont	Col
Kissama	15/7	Kol	BSC	Cont	Sing
Lady Fatima	17/7	--	Seacon	Cont	Col
Phu My	17/7	Sing	Jardine	Cont	Sing
Hansa London	18/7	Sing	PSSL	Cont	Sing
Inter Noble	17/7	Ulsun	Oil	GI(St.C)	--
Hpaan	18/7	Yang	MTA	GI(Log)	--

Tanker due

Borak	13/7	Hald	FSA	Bitumen (RM/3)	--
Khadijah	15/7	Belwa	MTCL	CPO(RM/8)	--
Dai Long	15/7	--	PSL	W/Ld Naptha	DOJ/6

Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Outside Port Limit				
Wira Keris	--	--	IBSA	R/A (15/7)
United Dynamic	Crude Oil	Jebel	DSL	27/6
Banglar Jyoti	C. Oil	--	BSC	R/A (12/7)
Vessels at outer anchorage				
Vessels ready				
Eagle Pioneer	Cont	Sing	CT	14/7
Dali	Cont	Col	Seacon	15/7
Kota Rukun	Cont	Sing	Pil(Bd)	15/7
Vessels not ready				
Al Kuwaitiah	HSD/Jp-1	Kuwa	MSTPL	11/7
Aetos	CDSO	Sing	Rainbow	R/A (13/7)
Maria	Slag	Viza	Sunmoon	13/7
Excellent Pescadores	R. Sugar	Tuti	Park	14/7
Vessels awaiting employment / instruction				
Lion Trader	--	--	MMSL	R/A (5/7)
Vessels not entering				
Arya Payam	R. Sugar	Braz	USL	20/6
Parshva	C. Clink	Kohsi	ANCL	25/6
Noora	C. Clink	Krabi	ASLL	1/7
Gassam	C. Clink	Krabi	ASLL	4/7
Allegiance	Wheat(G)	Sing	Lams	9/7

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

STOCK