

Higher interest rates may be key to curbing inflation: IMF

AFP, Coloum, Australia

The International Monetary Fund (IMF) said Thursday that some countries may need to hike interest rates to keep inflation under control amid strong world growth and high fuel prices.

"In the current context of continued very robust growth and rising prices in energy, commodities and food, to sustain this favorable outlook will require keeping inflation and inflation expectations under control," IMF deputy managing director John Lipsky said.

"That may require policy actions," he added, on the sidelines of an Asia Pacific finance ministers' meeting here.

Lipsky said inflationary pressures were building.

"Clearly many economies are now sustaining trend-like growth or perhaps even greater than trend-like growth that has been accompanied by a decline in unemployment rates and therefore, by conventional measures, high and rising rates of capacity utilization," he said.

"Those are the areas where it may

be appropriate for further normalization of monetary policy."

Lipsky refused to specify which countries he was referring to but said lifting interest rates had helped produce sustainable economic growth in the past.

"Market discipline, when it arrives, is almost inevitably uncertain in terms of timing, somewhat uneven in terms of impact and to the outside observer inevitably appears a bit messy," Lipsky said.

"But in the broader sense it tends to be effective ... it has not led us to think that we need to rethink our broader outlook," he told reporters at the meeting of Asia Pacific Economic Cooperation (Apec) finance ministers.

Lipsky said the IMF stood by a forecast released last week that the world economy would grow 5.2 percent in 2007 and 2008.

He said some large economies needed to look at increasing interest rates in response to inflationary pressures partly caused by high fuel prices.

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Australian Treasurer Peter Costello said the 21 Apec finance ministers would discuss how to maintain economic growth at the two-day meeting at a beachside resort in Coloum, in Queensland state.

"Inflationary pressures could be expected to build gradually and some further monetary policy tightening might be required," it said.

IMF PLAYS DOWN SHARE MARKET FALLS

Another report adds: The IMF on Thursday played down recent share market turmoil and said it would not lower its global economic outlook.

International Monetary Fund (IMF) deputy managing director John Lipsky also said interest rates may need to rise in some countries to keep inflation under control.

Commenting on share market volatility caused by concerns about the US sub-prime mortgage market,



Interior designer Nasreen Zamir (2-R) of Nasreen Zamir and Associates receives 'ICE Today-Aqua Paints Interior Design Award 2007' in non-residential category at a function in Dhaka recently.



Sanjiv Mehta (sitting 5th from right), chairman and managing director of Unilever Philippines, poses for photographs at a workshop on leadership organised by Rapport Bangladesh Ltd as part of its 7th International Conference on Human Resource Management 2007 held recently in Dhaka. M. Mosharraf Hossain, chairman and managing director of Rapport Bangladesh that offers management and economic consulting services, was also present.

CURRENCY

Following is Thursday's (August 2, 2007) forex trading statement by Standard Chartered Bank

Major currency exchange rates

	BC Sell	TT Buy	Per USD	BDT per Currency
US dollar	68.70	67.70		
Euro	95.25	91.00	Indian rupee	40.24 1.69
Pound	141.00	136.01	Pak rupee	60.50 1.13
Australian dollar	60.02	56.40	Lankan rupee	111.80 0.61
Japanese yen	0.59	0.57	Thai baht	33.81 2.02
Swiss franc	58.00	54.90	Malaysian ringgit	3.47 19.66
Swedish kroner	10.79	9.59		
Canadian dollar	66.22	64.34	USD forward rate against BDT	
Hong Kong dollar	8.80	8.63		
Singapore dollar	46.24	44.40	Buy	Sell
UAE dirham	18.86	18.28	1M	67.79 68.80
Saudi riyal	18.46	17.91	2M	67.92 69.01
Danish kroner	13.22	11.89	3M	68.06 69.24
Kuwaiti dinar	240.27	238.06	6M	68.52 69.97

Local Market FX

Local inter-bank FX market was active on Thursday. The demand for USD was stable and there was ample liquidity in the market. The USD remained unchanged against Bangladeshi taka.

The volume of cross currency transactions was steady.

Money Market

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

STOCK



President Iajuddin Ahmed gives away 'American Alumni Association Award 2007' to Managing Director of Berger Paints Bangladesh Ltd Masih Ul Karim for his significant contribution to the country's business at a function in Dhaka recently.

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 2/8/2007

Berth	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import Disch
J2	Tian Ling	C. Clink	Nant	MBL	20/7	3/8	3899
J3	Banglar Robi	Wheat(g)	--	Uniglobal	3/8	3/8	1891
J6	Moi Karina	Cont.	Col	Seacon	31/7	4/8	429
J13	Banga Biraj	Cont	Col	Baridhi	30/7	--	--
CCT3+2	Eagle Prestige	Cont	Sing	QCSL	31/7	2/8	--
NCT/1	Phu Tan	Cont	Col	BSC	4/8	--	--
NCT/2	Banglar Shikha	Idle	P. Kel	BSC	28/7	3/8	--
CCJ	Maritime Chiangmai	C. Clink	Tarf	BSL	11/7	4/8	--
RM/3	Borak	Bitumen	Hald	FSA	31/7	3/8	--

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. port call	Local agent	Type of cargo	Loading ports
Banga Bijoy	2/8	Sing	Bdship	Cont	Sing
Mir Damad	2/8	Para	CT	Cont	L/Para
Bang Borti	2/8	P. Kel	Baridhi	Cont	P. Kel
Pacific Express	4/8	Kol	PIL (BD)	Cont	Sing
An Tao Jiang (Liner)	3/8	Para	Cosco	GI	6 Pkags
Hansa London	3/8	Sing	PSSL	Cont	Mgl
Nirmal Bhushan	3/8	Chun	Litmond	Pr Urea	Bic
Apl Lilac	3/8	Sing	APL	Cont	Sing
Taiyoung Rosa	5/8	Kol	Sunshine	Bunker	--
Cape Bona Vista	4/8	P. Kel	Vega	Cont	P. kel
Ja Vista	7/8	P. Kel	PSSL	Cont	Sing
Oel Singapore	5/8	Pkl	ASLL	Cont	Sing
Sabta Syra	4/8	Krabi	C. Clink	5000 W/Lt	
Eagle Pride	5/8	Sing	QCSL	Cont	Sing
Xpress Manasu	4/8	Col	Seacon	Cont	Col
Martha Russ	4/8	Sing	QCSL	Cont	Sing

Tanker due

Concord-1	3/8	Braz	USL	CDSO(RM/3)	13000 W/Lt
Ska Whegan	6/8	Sing	Rainbow	CDSO	--
Al Sabiyah	7/8	Kuwa	MSTPL	HSD/MS	--

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Wira Keris	--	--	IBSA	R/A (20/7)
Afrodit	Crude Oil	Rast	Uniglobal	19/7

Vessels at outer anchorage

Vessels ready

Express Makalu	Cont	Viza	Seacon	1/8
Eagle Pioneer	Cont	P. Kel	CT	2/8
Ku My	Cont	Sing	Jardine	2/8
Banglar Urmi	GI (Log)	Yang	PML	2/8

Vessels not ready

Yong Yue-8	Cont	Col	QCSL	1/8
Dali	--	--	Seacon	R/A (19/7)

Vessels awaiting employment / instruction

Banglar Mookh	--	--	BSC	R/A (30/7)

Vessels not entering

Discovery-ii	R. Phos	Kasa	Litmond	21/7
Mars	C. Clink	Krabi	Litmond	