

Higher interest rates may be key to curbing inflation: IMF

AFP, Coolum, 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 normalisation 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.

An IMF executive board evaluation of the eurozone economy released on Tuesday said monetary policy may need to be tightened in the combined economy of the 13 eurozone member states.

"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,

Lipsky said the IMF had predicted months ago that a correction in credit markets was possible.

He said the turmoil reflected a market that was becoming more risk averse.

"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.

"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 normalisation 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.

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 Coolum, in Queensland state.

"As we meet today, of course new challenges are emerging to the global economic outlook," Costello said.

"I hope over the next two days we can discuss these challenges, how we as a region and as ministers are preparing to meet those challenges.

"I hope we can discuss growth in the region which is important to lift people out of poverty and to raise living standards."



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.



PHOTO: RAPPORT BANGLADESH

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

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.



PHOTO: UNITREND

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.

STOCK

SHIPPING

Chittagong Port

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

Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import Disch
J/2	Tian Ling	C. Clink	Nant	MBL	20/7	3/8	3899
J/3	Banglar Robi	Wheat(g)	--	Uniglobal	R/A	3/8	1891
J/6	Mol Karina	Cont	Col	Seacon	31/7	4/8	429
J/13	Banga Biraj	Cont	Col	Baridhi	30/7	--	--
CCT/3+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	Tarj	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	BSC	Cont	L/Para
Banga Bortl	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	Gl	6 Pkags
Hansa London	3/8	Sing	PSSL	Cont	Mgl
Nirmal Bhushan	3/8	Chun	Litmond	P/ Urea	Bcic
Apl Lilac	3/8	Sing	APL	Cont	Sing
Taiyoung Rosa	5/8	Kol	Sunshine	Bunker	--
Cape Bona Vistas	4/8	P. kel	Bdship	Cont	P. kel
Ja Vesta	7/8	P. kel	Vega	Cont	Sing
Oel Singapore	5/8	Pkl	PSSL	Cont	Sing
Sabta Syrua	4/8	Krabi	ASLL	C. Clink	5000 W/Lt
Eagle Pndre	5/8	Sing	QCSL	Cont	Sing
Xpress Manaslu	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
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Outside Port Limit

Wira Keris	--	--	IBSA	R/A (20/7)
Afroditi	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
Phu My	Cont	Sing	Jardine	2/8
Banglar Urmii	Gl (Log)	Yang	PML	2/8

Vessels not ready

Yong Yue-8	Cont	Col	QCSL	1/8
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Vessels awaiting employment / instruction

Dali	--	--	Seacon	R/A (19/7)
Banglar Mookh	--	--	BSC	R/A (30/7)

Vessels not entering

Discovery-ii	R.Phos	Kasa	Litmond	21/7
Maris	C. Clink	Krabi	Litmond	21/7
Santa Barbara	C. Clink	Krabi	Uniship	26/7
Theodor	C. Clink	Kohsi	Saraf	30/7
Asraar-E-Mostafa	C. Clink	Kohsi	Sunmoon	31/7
Santa Suria-II	Gypsum	Krabi	Sunmoon	1/8
Banglar Maya	Solt	Kand	BSC	2/8

The above are the shipping position and performance of vessels at Chittagong port as per berthing sheet of CPA Supplied By **Family, Dhaka.**