

## China inflation surges to 10-year high

ANN/ CHINA DAILY

Surging food prices drove the consumer price index (CPI) to 5.6 per cent in July - the highest in a decade - the National Bureau of Statistics (NBS) said on Monday.

But analysts remained confident that it will ease by the year-end. Food prices, which make up about a third of the inflation basket, rose 15.4 per cent year on year last month.

Meat prices rocketed 45.2 per cent, the highest among all food products. Egg and edible oil prices increased by more than 30 per cent year on year.

However, non-food prices rose only 0.9 per cent.

Core inflation, which excludes food and energy prices, remained low at 0.7 per cent in the first half of this year, according to the NBS.

"The CPI growth in July is a bit surprising," said Zhu Baoliang, chief economist with the State Information Centre.

Many economists forecast that it would rise by around 5 per cent after it hit 4.4 per cent in June.

The government has taken a slew of measures, such as encouraging pig raising and checking price

cartels, to increase food supply and curb prices.

"Price rises are set to slow but it will take some time for those measures to show their effect", Zhu told China Daily.

Chen Xingdong, chief economist of BNP Paribas Peregrine Securities, said prices will not stop rising until November.

If the price rises spill over into the industrial sector and lead to price hikes of industrial products, the situation will become much more serious, as it will indicate a more general inflationary trend, Chen warned.

For the whole year, the CPI is bound to break the central bank benchmark of 3 per cent, he said, adding: "Our study shows it may be about 3.7 per cent."

Many economists have forecast it will be close to 4 per cent.

One or two hikes in the interest rate are widely expected given rising consumer prices and other key economic indicators.

But Zhu said the rate increases, which are quite possible, will not ease price rises.

"Price rises of grain (used as animal feed) have remained stable and therefore it is not rising costs,

but a growing supply-demand gap of food products that has pushed up the price index," Zhu said.

Interest rate hikes will not dampen demand for food, he added.

He said rising inflation has pushed the real interest rate - the benchmark one-year deposit rate is 3.33 per cent - into negative territory.

### BEIJING EASES FOREX CONTROLS

Another AP report from Beijing adds: China has scrapped rules that required local companies to convert a portion of their foreign earnings into Chinese currency, the government said Tuesday, in a move that could ease pressure on Beijing's foreign exchange system.

Companies now will be allowed to decide on their own how to use money earned abroad, the State Administration of Foreign Exchange said on its Web site.

Previous rules requiring companies to convert at least 20 percent of foreign earnings into Chinese yuan boosted demand for the currency, increasing pressure for it to rise against the U.S. dollar and other foreign currencies.

## Malaysia to buy more textiles from India

XINHUA, Kuala Lumpur

Malaysia is set to buy more textiles from India next year as the first leg of the ASEAN-India free trade agreement to reduce and eliminate tariffs will be concluded by the end of the year. Local media reported Tuesday.

"Upon implementation of the free trade agreement between ASEAN (Association of Southeast Asian Nations) and India, it is expected that 90 percent of the tariff lines will be included for tariff reduction and elimination," Deputy Minister of International Trade and Industry of Malaysia Ng Lip Yong was quoted by the New Straits Times as saying.

He was speaking to reporters after officiating at the launch of a textile exhibition in Kuala Lumpur Monday.

Also present were High Commissioner of India to Malaysia Ashok K Kantha and India's Synthetic & Rayon Textiles Export Promotion Council chairman Sanjeev Saran.



PHOTO: ONE BANK

ONE Bank Ltd donated raincoats and umbrellas to police personnel on the occasion of the bank's eighth founding anniversary recently. Inspector General of Police (IGP) Nur Mohammad and Managing Director of the bank Farman R Chowdhury, among others, are seen at the donation handing over ceremony.



PHOTO: MI CEMENT

Participants in a training course on 'Customer Service & Leadership' organised by MI Cement Factory Ltd pose for photographs with the senior officials of the company and its distributors recently in Dhaka.

## CURRENCY

Following is Tuesday's (August 14, 2007) forex trading statement by Standard Chartered Bank.

Sell	TT/OD	BC	CURRENCY	Buy	
				TT CLEAN	OD SIGHT DOC
69.0200	69.0500	USD	68.0500	68.0273	67.9620
95.3649	95.4064	EUR	91.1530	91.1226	91.0618
140.3039	140.3648	GBP	135.3787	135.3335	135.2433
59.3365	59.3623	AUD	55.7466	55.7280	55.6908
0.5988	0.5990	JPY	0.5739	0.5737	0.5733
58.3087	58.3340	CHF	55.2175	55.1991	55.1622
10.6913	10.6960	SEK	9.5233	9.5202	9.5138
66.6088	66.6377	CAD	63.7232	63.7020	63.6595
8.8437	8.8476	HKD	8.6798	8.6770	8.6712
46.4000	46.4202	SGD	44.5791	44.5642	44.5345
18.9449	18.9531	AED	18.3775	18.3714	18.3591
18.5473	18.5553	SAR	17.9988	17.9928	17.9808
13.2288	13.2346	DKK	11.9085	11.9045	11.8966
241.4208	241.5279	KWD	239.2605	239.1831	239.0282

Exchange rates of some currencies against US dollar						
Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor. kroner	NZ dollar	Malaysian ringgit
40.577	60.43	111.93	31.500	5.8195	0.7460	3.47

**Local Interbank FX Trading**  
Local interbank FX market was active on Tuesday. USD strengthened against BDT in the market.  
**Local Money Market**  
Money market was active on Tuesday. Call money rose slightly due to higher borrowing demand and most of the deals ranged between 6.50-7.50 percent compared with 6.50-6.60 percent previously.



PHOTO: BEPZA

Member (Investment Promotion) of Bepza Prasanta Bhushan Barua and Deputy Managing Director of Prime Bank Nasiruddin Ahmed exchange documents after signing a deal on off-shore banking services in Adamjee EPZ. Among others, Bepza Executive Chairman Brigadier General Ashraf Abdullah Yussuf was present at the signing ceremony.

## Prime Bank off-shore banking service in Adamjee EPZ

UNB, Dhaka

Prime Bank Limited will provide its off-shore banking services in Adamjee Export Processing Zone to facilitate investors and adjacent people of Siddhirganj.

An agreement to this effect was signed between the Bangladesh Export Processing Zones Authority (Bepza) and Prime Bank Limited here on Monday.

Member (Investment Promotion) of Bepza Prasanta Bhushan Barua and Deputy Managing Director of Prime Bank Nasiruddin Ahmed signed the lease agreement on behalf of their respective organisations. Among others, Bepza Executive Chairman Brigadier General Ashraf Abdullah Yussuf was present at the signing ceremony.

## SHIPPING

### Chittagong Port

Berthing position and performance of vessels as on 14/08/2007

Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import Disch
J/3	Banglar Urmi	GI(Log)	--	PML	R/A	15/8	528
J/4	Jin Cheng	GI	Inch	Cosco	11/8	16/8	1624
J/6	Kota Cahaya	Cont	Sing	Pil(Bd)	11/8	16/8	470
J/7	Fu Wen Shan	GI	Haid	Cosco	11/8	16/8	2311
J/8	Santa Suria	C. Clink	Krabi	ASLL	5/8	15/8	1910
J/11	Banga Borak	Cont	P. Kel	Bdship	12/8	16/8	364
CCT/2	Ja Vesta	Cont	P. Kel	Vega	12/8	16/8	--
CCJ:	Banglar Maya	Salt	Kand	BSC	2/8	18/8	--
GSJ:	Du Man Gang	R Sugar	Tuti	Park	7/8	19/8	--

### Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo	Loading Ports
Kota Rukun	14/8	Sing	Pil(Bd)	Cont	Sing
Yongxing	14/8	Col	PSSL	Cont	Sing
Nand	14/8	Viza	Rsship	Scraping	--
Yaad-e-Mohammed	17/8	Yang	Cia	Repair	--
An Qing Jiang (Liner)	15/8	Para	Cosco	GI	--
Xpress Makalu	15/8	Col	Seacon	Cont	Col
Sumida	15/8	P. Kel	Seacon	Cont	Col
Kissama	15/8	Kol	BSC	Cont	LPDP
Banga Biraj	14/8	CBO	Baridhi	Cont	CBO
Phu Tan	15/8	P. Kel	BSC	Cont	Sing
Ju Yong Guan	15/8	--	Cosco	GI	--
Martha Russ	16/8	Sing	QCSL	Cont	Sing
Ks Grace	16/8	Kohsi	ASLL	C. Clink	Col
Yong Yue-8	16/8	Col	QCSL	Cont	Col
Brave Royal	16/8	Krabi	BRSL	C. Clink	--
Navioskypros	17/8	Chin	Summoon	C. Clink	--
Santa Suria-II	18/8	Krabi	Summoon	Gypsum	--
Eagle Pioneer	17/8	Sing	CT	Cont	Sing

### Tanker due

Al Kuwailiab	15/8	Kuwa	MSTPI	HSD/JP-1	--
Smooth Sea-6	13/8	Indo	WTH	CI	RM/3/4

### Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Wira Keris	--	--	IBSA	R/A (10/8)
Afroditi	Crude Oil	Rast	Uniglobal	19/07
Banglar Jyoti	C. Oil	--	BSC	R/A (12/8)

### Outside Port Limit

Ska Whegan	CDSO	Sing	Rainbow	9/8
Asrar-A-Mostafa	Rice(P)	Kaki	Cia	11/8
Eid-A-Mostafa	Rice(P)	Kaki	Cia	12/8

### Vessels not ready

Dali	--	--	Seacon	R/A (19/7)
Berak	--	--	FSA	R/A (4/8)

### Vessels awaiting employment / instruction

Discovery-II	R.Phos	Kasa	Litmond	21/7
Ke-Harmony	C. Clink	Kehei	ASLL	6/8
Energy Falcon	C. Clink	Krabi	Litmond	6/8
Golden Pacific	C. Clink	Kohsi	ANCL	12/8
Jag Vikram	C. Clink	Kohsi	USL	12/8
Prashva	C. Clink	Lumut	Lumut	14/8
Noora	C. Clink	Krabi	ASLL	14/8

### Vessels not entering

Discovery-II	R.Phos	Kasa	Litmond	21/7
Ke-Harmony	C. Clink	Kehei	ASLL	6/8
Energy Falcon	C. Clink	Krabi	Litmond	6/8
Golden Pacific	C. Clink	Kohsi	ANCL	12/8
Jag Vikram	C. Clink	Kohsi	USL	12/8
Prashva	C. Clink	Lumut	Lumut	14/8
Noora	C. Clink	Krabi	ASLL	14/8

The above are The Shipping Position and Performance of Vessels of Chittagong Port as per Berthing Sheet of CPA Supplied by Family, Dhaka.

## STOCK