

US Senate okays free trade pacts with Chile, S'pore

REUTERS, Washington

The US Senate approved free trade pacts with Chile and Singapore Thursday, giving both nations the final congressional go-ahead and ushering in what Bush administration officials hope will be a new era in trade negotiations.

The Senate voted 66-31 in favour of the Chile trade bill and 66-32 for Singapore, reflecting strong bipartisan backing for both bills. The House of Representatives passed the agreements last week by wide margins.

A coalition of manufacturers, farm groups, high-tech entertain-

ment and services companies backed the agreements, which add to existing US free trade deals with Canada, Mexico, Jordan and Israel.

Labour groups lobbied against both deals, saying they take away jobs.

"Tonight's strong margins of victory show that when real free trade agreements with tangible benefits for businesses, workers, and consumers are on the table, Congress will have open markets for America," said US Trade Representative Robert Zoellick.

Sen. Charles Grassley, an Iowa Republican, praised the two deals as "state-of-the-art agreements"

and Sen. Orrin Hatch, a Utah Republican, said the Chilean pact was a "very important step" in building up support for the United States in Latin America.

President George W Bush has 10 days to sign the bills.

The White House hopes the Chilean pact will set the state for a free trade deal with five Central American countries and a more ambitious 34-nations Free Trade Area of the Americas.

The Bush administration is also negotiating deals with the Dominican Republic, Australia, Morocco and South Africa.

The trade pacts with Chile and

Singapore put the United States "back in the game on international trade," said Bill Morley, vice president of congressional affairs at the US Chamber of Commerce. "We're thrilled to have them pass it."

The Chile agreement is more far-reaching than the Singapore pact and includes provisions to free agricultural trade completely within 12 years.

But senators from both sides of the aisle voiced concerns over provisions that award 6,800 work visas per year to professional workers from both countries under preferential conditions at a time of rising unemployment.

EC warns against 'over-optimism' about Cancun talks

AFP, Brussels

The European Commission Thursday warned against "over-optimism" about prospects for a world trade summit in September after a crucial stock-taking exercise in Canada.

"The result of these two days of discussions (in Montreal) are clear. There is not scope for pessimism but there is not scope for over-optimism," said a spokeswoman for Trade Commissioner Pascal Lamy.

"A lot of work remains to be done," she said.

Following the ministerial talks in Montreal, the world's biggest trading powers still need to bridge big divisions if the September meeting of the World Trade Organisation in Cancun, Mexico, is to yield a breakthrough.

The European Union says it has done its bit by announcing reforms to farm subsidies paid out by the Common Agricultural Policy (CAP), and the ball is now in the court of others, notably the United States.

Gregor Kreuzhuber, a spokesman for Agriculture Commissioner Franz Fischler, said the informal meeting of 25 trade ministers in Montreal saw the "first timid steps from different camps to seek converging positions".

But he added: "We are still in for some days and weeks of hard work before Cancun."

"At the end of the day, you only get a deal if everyone is ready to move.

This burden cannot only be laid on the shoulders of the European Union."

The latest round of free-trade talks has made little progress since being launched in 2001 in the Qatari capital Doha.

The drive is stalled over conditions to progressively reduce export subsidies for agriculture and on access to markets, key issues for poor countries unable to compete in the global market place.

World Bank officials visiting Brussels said the CAP reform deal was welcome as far as it went, but that the developed world had to do more to throw open its markets.

"All of these rich regions are terrible in their impact on developing countries in terms of their agricultural policies," Ian Goldin, World Bank vice president for external affairs, told reporters.

He decried hefty tariffs that price out processed goods made by poorer countries, keeping them over-reliant on volatile commodities such as sugar rather than letting them develop industry of their own.

Nevertheless, Goldin said, the Montreal meeting showed encouraging signs.

"There's a collective will to go forward to the next stage," he said, while cautioning: "Clearly when it comes to trade negotiations, it's not over till any fat ladies involved have sung."



PHOTO: DCCI

Matiuir Rahman, president of the Dhaka Chamber of Commerce and Industry (DCCI), cuts tape to inaugurate a handicraft show of women entrepreneurs' at DCCI auditorium in Dhaka on Thursday. DCCI Director Syed Mosharrif Hossain is also seen in the picture. 42 women entrepreneurs from different parts of the country exhibited their products which included dry flower, pickles and other food items, leather goods, apparels, gift items, and souvenirs. The handicraft show was jointly organised by DCCI-CIPE, ERRA Project of DCCI.

Weekly Currency Roundup

July 26-July 31, 2003

Local FX Market

The US dollar gained against Bangladeshi taka. Dollar remained stable in the beginning of the week. Increased demand for import increased the demand and dollar got stronger by the end of the week.

Money Market

Bangladesh Bank borrowed BDT 2,581 million by the Treasury bill auction held on Sunday, compared with BDT 9,150 million in the previous week's bid. The weighted average yield of 28-D t-bill was up by 5 bps from the previous rate to 6.84 per cent. The yield of 5-Y t-bills also rose by 6 bps to 10.69 per cent from 10.63 per cent.

The call money rate was steady through out the week. In the beginning of the week the rate ranged between 3.750 and 4.25 per cent. The rate remained stable for the rest of the week and ranged between 4.00 and 4.25 per cent.

International FX Market

In the beginning of the week, Euro slipped versus the dollar, losing its grip on three-weeks highs hit last week as the market readied for key German data expected to show the euro zone's economy improving but still lagging the US. The greenback was firm across the board, helped by equity markets after a strong close on Wall Street on Friday. However its gains were limited ahead of a week of key US data, with the market keen to see whether the expectations of recovery are in line with reality.

The dollar held at a one-month high against the yen and was steady against the euro in the middle of the week as dealers waited for a raft of US data for clues about US economic recovery. A rise in Treasury bond yields that followed Tuesday's unexpected tumble in the US Conference Boards July consumer confidence index was also cited as a possible dollar-supportive factor. The most important data the market is waiting for is Friday's US job report, with the unemployment rate expected to fall by 0.1 percentage point to 6.3 per cent. Other important data include second-quarter gross domestic product on Thursday. Data from euro zone is also mildly encouraging, with French business confidence rising marginally in July.

The dollar hit a one-week high on the euro on the end of the week as the market anticipated the next two trading sessions of key US data releases would show an overall improvement in the US economy. Second quarter US growth, regional manufacturing and weekly jobless claims figures are all due later in the day and are likely to overshadow a European Central Bank council meeting at which no change in interest rate is expected.

At 1445 hours on Thursday, euro was at 1.1331/34, GBP at 1.6121/26 and yen at 120.14/19 against the dollar. -- Standard Chartered Bank



PHOTO: BATB

Masudur Rahman, managing director of Agrani Trading Corporation, distributor of British American Tobacco Bangladesh (BATB), and Sayeed Husain Jamal, managing director of Vanik Bangladesh, exchange documents after signing an agreement on the use of supplier card in Dhaka on Tuesday. Lutful H Chowdhury, head of Trade Marketing, Subir Chowdhury, national sales manager of BATB, and Anwarul Kabir, senior vice-president and company secretary of Vanik Bangladesh Limited, are also seen in the picture.



PHOTO: ICI

The 3rd annual general meeting of Islami Commercial Insurance Company Limited was held at the company's head office in Dhaka on Monday. M Kamaluddin Chowdhury, chairman of the company, presided over the meeting.

First Security Bank half-yearly confce held

The half-yearly conference 2003 of the executives and heads of branches of First Security Bank Ltd was held in Sylhet recently.

Nasim Sikder, chairperson of the bank, inaugurated the conference, says a press release.

In his speech, Syed Ashraf Ali, managing director of the bank, said the bank has been able to achieve a gross profit of Tk 9.74 crore during the year ending on June 30, 2003.

Emirates honours 5 of its employees

Emirates has awarded company employees for their professionalism and integrity in customer service, says a press release.

At a ceremony at the Emirates Group Headquarters in Dubai, Emirates Chairman H H Sheikh Ahmed bin Saeed Al-Maktaum, presented five employees with the Chairman's Award for going beyond the call of duty and for taking on additional responsibilities.

Sheikh Ahmed presented the five men - Koovot Gopinath, Shewate Mohan Arjun, Malvinder Attari, Abdulrahman Fekri and Julius Raymond Fernandes - each with an engraved crystal trophy, a Certificate of Appreciation, a gift of a pen set and a cheque for Dh\$5,000 (\$1,360).



PHOTO: FIRST SECURITY BANK LTD

Nasim Sikder, chairperson of First Security Bank Ltd, speaks as chief guest at the bank's Half-yearly Conference-2003 of the executives and heads of the branches in Sylhet recently. Director Monwara Sikder and Managing Director Syed Ashraf Ali of the bank were also present in the conference.

STOCK