

## EU studying new US farm proposal

REUTERS, Washington

The European Union is studying a new US proposal aimed at breaking a logjam in farm trade talks before a World Trade Organization meeting next month in Mexico, an EU official said Thursday.

Agriculture is at the heart of the current round of world trade talks and unless countries can agree on a plan for reducing domestic farm payments, export subsidies and agricul-

tural tariffs, there is little hope for other areas of the talks.

With negotiations at a critical juncture, the United States and the EU have pledged to try to develop a common position on agricultural issues by mid-August that would be acceptable to the rest of the WTO membership.

The EU official, who spoke to trade specialists and reporters on condition he not be identified, said he was unable to comment on details of

the new US proposal. The EU received the proposal in early August and talks are ongoing, he said.

Meanwhile, it is imperative the United States reach an agreement before the meeting in Cancun on terms for ensuring poor countries can import cheap versions of patented life-saving drugs without violating WTO rules, he said.

Developing countries, such as India, also must drop their opposition to talks on investment, competition

policy, government procurement and customs facilitation, which are all priority areas for the EU, he said.

The United States and the EU have been far apart in the three main pillars of the farm trade negotiations.

In the area of agricultural market access, the United States leads a group of countries who support "harmonizing" all agricultural tariffs at a lower level by requiring much deeper cuts in high tariffs than in low ones.



PHOTO: FAREAST ISLAMI LIFE  
Md Mokaddes Hossain, chairman of the Executive Committee of Fareast Islami Life Insurance Co Ltd, speaks at the concluding session of the foundation training course for the 9th batch of assistant officers (cash) of the company in Dhaka on Wednesday. Among others, Md Ali Hossain, managing director of the company, was present.



PHOTO: IBBL  
Abdur Raquib, executive president of Islami Bank Bangladesh Limited, speaks as chief guest at a clients' get-together organised by the Bhairab branch of the bank at Bhairab in Kishoreganj recently.

## BoJ leaves monetary policy unchanged

AFP, Tokyo

The Bank of Japan (BoJ) said Friday its policy board had decided unanimously to leave monetary policy unchanged at the end of a regular two-day meeting.

"The Bank of Japan will conduct money market operations, aiming at an outstanding balance of current accounts held at the bank at around 27 to 30 trillion yen (226.5 to 252 billion dollars)," the central bank said in a statement.

"Should there be a risk of financial market instability, such as a surge in liquidity demand, the bank will provide more liquidity irrespective of the above target," it added.

The widely expected decision to maintain the status quo came after

the end of the morning session on the Tokyo stock market and had no impact on foreign exchange trading, dealers said.

"There was no reaction in the market. The dollar continued to move in a narrow range of 119.13-18 yen," said Yoshiaki Yamamoto, dealer at Mizuho Bank.

The dollar was quoted at 119.12 yen around 11:20 am (0220 GMT), shortly before the BoJ announcement, against 119.03 yen in New York late Thursday.

Masayuki Hoshina, economist at Okasan Research Institute, said although the Japanese economy was still generally weak, there were some encouraging signs and there was no need for immediate action.



PHOTO: ELECTRA INT'L  
Officials of Electra International Limited and AKTD, the principal distributor of Telecom Malaysia International Bangladesh (TMIB), exchange documents after signing an agreement in Dhaka on Wednesday. Under the deal, Electra International has become the main dealer of AKTD.



PHOTO: ULTRA CORP  
Yahya A Zahed Khondker, chief executive officer of Ultra Corporation, distributor for Black & Decker Home Appliances, picks up winning coupons in a raffle draw organised at the Black & Decker showroom at Uttara in Dhaka on Sunday.

## Vietnam to appeal US punitive tariffs on catfish

AFP, Hanoi

Vietnam's seafood industry body will appeal against the imposition of crippling anti-dumping duties on its catfish exports by the United States following an acrimonious trade spat, officials said Friday.

Nguyen Huu Dung, general secretary of the Vietnam Association of Seafood Exporters and Producers (VASEP), said the industry body would lodge an appeal with the US Court of International Trade.

"We are waiting for the Department of Commerce to issue the order imposing duties - we think this will happen next week - and then we will file," he said.

Another VASEP official said a decision still had to be made on whether the 11 Vietnamese respondents to the US anti-dumping investigation would be named in the case or whether the association would be the sole plaintiff.

On July 23, the quasi-judicial US International Trade Commission (ITC), in a final determination, unanimously ruled imports of Vietnamese frozen catfish filets were hurting the US catfish industry.

The ruling was the final stage of an investigation initiated in June last year by the US catfish industry when it charged Vietnamese producers with dumping.

## EU regrets US action at WTO over GM foods

AFP, Brussels

The European Union said Friday it regretted a US-led challenge at the WTO over an EU ban on bio-engineered foods, insisting its rules were "clear and non-discriminatory".

The United States, Canada and Argentina Thursday asked the World Trade Organisation to rule over the de facto EU moratorium on genetically modified organisms (GMOs).

"We very much regret this decision that's apparently been taken," said a spokeswoman for EU Health and Consumer Protection Commissioner David Byrne.

"We think our system of GMO authorisation is clear, transparent and non-discriminatory, and com-

plies with WTO rules," she said.

The EU last month agreed to two new GMO directives, which it said would open the way to lifting the five-year-old moratorium on the import and cultivation of bio-engineered food by member states.

One directive required that foods and animal feed be labelled if they contain at least 0.9 per cent of GM ingredients; the other required that GM foods' origin can be traced.

But the United States said the new labelling and tracking rules made no difference to its case, as the EU moratorium was still in place.

"For five years, the EU has kept in place a ban on biotech approvals, a ban which is unsupported even by the EU's own scientific studies," US Trade Representative Robert Zoellick said.

## Weekly Currency Roundup

August 02 August 07, 2003

### Local FX Market

The US dollar was steady against Bangladeshi taka in the beginning of the week. The greenback then lost ground to Bangladeshi taka as the supply of the greenback was boosted by increased inward remittances.

### Money Market:

Bangladesh Bank borrowed BDT 8,387 million by the Treasury bill auction held on Sunday, compared with BDT 2,581 million in the previous week's bid. The weighted average yield of 28-D t-bill was down by 8 bps from the previous rate to 6.78 per cent. The yield of 2-Y t-bills also dropped by 8 bps to 10.54 per cent.

The call money rate was steady through out the week. In the beginning the week the rate ranged between 4.00-4.25 per cent. At the end the rate remained at 4.00-4.50 per cent.

### International FX Market

The dollar edged away from last week's two-week highs against the euro and three-month peaks against the yen beginning of this week as mixed signals on the US economy further increased uncertainties over recovery prospects. Trading was confined to narrow ranges in Asia and early Europe as traders avoided taking large positions ahead of Japanese summer holidays next week and as many Japanese exporters have completed shedding dollar holding for then. Market kept an eye on US and European service sector surveys due later in the week for clues on the pace of recovery on both sides.

In the middle of the week, the euro held firm against the dollar in the middle of the week ahead of a batch service sector surveys from the euro zone and the US that would give markets one of their best chances this week to assess the prospects of global recovery. The dollar had been lackluster since disappointing labour markets data last week. The euro was flat against the yen at 136.80 and the dollar was also little changed against the Japanese currency.

At the end of the week, the dollar held off recent one-week lows against the euro as good Treasury debt auction results in the previous session eased concerns about a recovery-damaging rise in US borrowing cost. But nervousness ahead of another auction due later meant the dollar's recovery was limited, leaving the greenback to stand unchanged from late New York. Among important data, US weekly jobless claims were due at 1230 GMT. The data was expected to show a rise to 395,000 in the week ended August 2. US second quarter productivity, due at 1230 GMT, was expected to rise 4.1 per cent.

At 1430 hours on Thursday, euro was at 1.1344/46, GBP at 1.6067/71 and Yen at 120.14/19 against dollar.

-- Standard Chartered Bank

## STOCK