

WTO fails to pin down cheap drug pact

AFP, Geneva

WTO members failed Friday to agree on how to provide cheap drugs to poor countries, with the health of millions hanging in the balance as an 11th-hour deal got snagged on a "problem of interpretation", according to a source close to the talks.

"Certain developing countries do not have the same interpretation of this compromise as other coun-

tries," added the source who asked to remain anonymous.

The 146-member World Trade Organisation agreed late Thursday on a compromise agreement but it failed to win overall backing in the WTO's ruling general council.

"There is no deal. We need more time," WTO spokesman Keith Rockwell told reporters, adding that the council's chairman Carlos Perez del Castillo would hold further talks, probably beginning later in the day.

Envoys had been seeking an agreement to ensure that poor countries without a pharmaceutical industry could import cheaper generic copies of patented medicines for fighting killer diseases such as AIDS, malaria and tuberculosis (TB).

Such diseases affect hundreds of million of people each year, killing millions of them, according to the World Health Organisation. Access to cheaper, "generic"

antiretroviral drugs is a matter of survival in poverty-stricken Africa where the AIDS pandemic affects 30 million people, according to UN estimates.

A WTO breakthrough on Wednesday, when five key countries involved in trying to resolve the longstanding problem agreed on a compromise, had led to high hopes for an endorsement by the other 141 states.

Africa opens trade talks ahead of WTO meet

AFP, Nairobi

African trade ministers began meeting here Thursday to set a common agenda ahead of next month's crucial World Trade Organisation (WTO) meeting in Cancun, Mexico, with agriculture high on the agenda.

"Frank and detailed discussions in the area of agriculture will enable us understand each other's views, resolve differences and contribute to efforts of finding a way forward," Global Coalition for Africa (GCA) co-chairperson Frene Ginwala at the start of the two-day meeting in the Kenyan capital.

"We have to strengthen our capacity in trade negotiations by working together and agreeing to set up a team to negotiate on behalf of all member states," she said.

The WTO meeting, set for September 10-14, is designed to give a boost to flagging trade talks known as the Doha Round, launched in the Qatari capital in 2001 and aimed at achieving a new global accord by January 1, 2005.

"Frank and detailed discussions

during this meeting and in the area of agriculture will enable us understand each other's views, resolve differences and contribute to efforts of finding a way forward," she added.

Agricultural subsidies in the prosperous West are one of the most contentious points of the Doha Round, and Africans, including the GCA participants, have lobbied US and European Union officials to create a more level playing field for their products.

Ginwala urged Africans to pool their expertise at the regional and sub-regional levels with a view to developing joint negotiation skills.

"Progress made in the ongoing negotiations has not been encouraging and the story of the current round is mostly one of the misused deadlines, unmet expectations and failure to live up to commitments," Ginwala said.

She said subsidies not only distorted trade but also carried severe social costs, hurting African producers both on the international market and at home.



PHOTO: THE CITY BANK

The City Bank Managing Director Abbas Uddin Ahmed speaks at the opening session of a six-day-long 'Import Financing' course for officers of the bank held at the bank's training institute recently. Bangladesh Bank General Manager Mahfuzur Rashid and The City Bank Deputy Managing Director AHM Nazmul Quadir are also seen.

Weekly Currency Roundup

August 23-August 28, 2003

Local FX Market

The US dollar became slightly stronger against Bangladeshi taka. It remained stable in the beginning of the week. Increased demand slightly strengthened the US dollar by the end of the week.

Money Market

Bangladesh Bank borrowed BDT 2,965 million by the treasury bill auction held on Sunday, compared with BDT 11,930 million in the previous week's bid. The weighted average yield of 28-D t-bill was slightly down by 1 bps from the previous rate to 6.57 per cent. The yield of 2-Y and 5-Y t-bills also dropped by 75 & 50 bps respectively to 9.00 per cent and 9.50 per cent.

The call money rate eased this week. In the beginning the week the rate ranged between 4.00 and 4.25 per cent. It eased slightly and the rate fell to 3.00-3.50 per cent by the end of the week.

International FX Market

In the beginning of the week, the euro recovered from Friday's multi-month lows against the US dollar and the yen as dealers waited to see if economic data this week would justify the recent shift from bonds into growth oriented equity markets. Trade was thin as London was closed on Monday. The yen held close to Friday's one-month high against the dollar with Japan cyclically sensitive economy is expected to gain from global upturn.

In the middle of the week the battered euro steadied above multi-month lows on the dollar and the yen, pausing to consolidate after a recent fall that shaved as much as five cents off the single currency's value versus the greenback. No major economic data releases were scheduled from the Euro Zone or the United States on Wednesday, while debt markets, whose losses helped drag the euro lower this month, were also quiet ahead of a large US treasuries action. Meanwhile, yen investors turned their attention to an upcoming weekend visit by US Treasury Secretary John Snow to Japan and comments by Japan's top financial diplomat criticizing recent currency market volatility.

Euro slipped towards this week's four-month low on the dollar and five-month low on the yen by the end of the week as profit-taking on recent dollar gains subsided in anticipation of upbeat US economic numbers. The dollar has risen 10 cents on the euro since June as investors shifted out of defensive trades in Euro Zone. Market is awaiting second estimate of second quarter GDP growth, which is expected to provide strong number for the US.

At 1515 hour on Thursday, euro was at 1.0871/75, GBP at 1.5696/99 and yen at 117.42/47 against dollar. -- STANDARD CHARTERED BANK



PHOTO: RANGS ELECTRONICS

Richard Thong, senior sales executive (Asia Regional Marketing) of Sony Singapore, formally opens a relocated sales service centre of Rangs Electronics Limited on TA Road in Brahmanbaria on Wednesday. Rangs Electronics Director Beanus Hussain is also present.



Dato' Ezanee AB Aziz, managing director of TMIB, the service provider of Aktel phone, and Idris Mohd Noh, managing director of Bengal Tiger Cement Industries Limited, exchange documents after signing an agreement in Dhaka on Sunday. Under the deal, Bengal Tiger Cement Industries Ltd has become a corporate client of Aktel.

India's pharma industry relieved on drugs pact collapse

AFP, New Delhi

India's pharma industry breathed a sigh of relief Friday as a United States backed drugs pact fell through at the eleventh hour during hectic World Trade Organisation (WTO) parleys in Geneva.

"The drugs pact clearly represented the clout of the US pharma lobby and would have ensured one way or the other that the poor paid more for generic medicines," said D.G. Shah, secretary general of the Indian Pharmaceutical Alliance (IPA).

World trade ministers had agreed in Doha, Qatar, in November 2001 that poorer states that are unable to manufacture medicines would be allowed to import cheap generic drugs.

While the Doha declaration set out to give access to medicines for all, it meant setting aside patent laws protecting huge multinational companies.

"The Doha declaration set out to give the poor access to medicines. But this (US-backed) pact would have only gone against its spirit by fettering exports by laying down conditions," said P.S Khanna, member of the Organisation of Pharmaceutical Producers of India (OPPI).

August inflation index may dip to all time low

Bank of Thailand warns

ANN/The Nation

The Bank of Thailand (BoT) has warned that August's core inflation index is likely to dip to an all-time low of below 0.1 per cent mainly because of continuing decline in home rents.

BoT Chief Economist Atchana Waiquamdee rushed to soothe concerns yesterday, saying that while core inflation may slide to zero per cent it would not put the country into deflation because the falling rents have not resulted from lack of demand.

The core inflation index, which was first set up in 1985, has ranged below one per cent so far this year.

Rental rates make up to 20 per cent of Thailand's core inflation index. But reducing interest rates was not the right medicine to prop up sagging rents, Atchana told reporters in a monthly press conference.

She explained that Thai household debts had not reached a dangerous level and that room remained for

increases without any risk in the event of domestic interest rates going up. The index's decline would not restrict growing domestic consumption.

Data from the National Statistics Department showed that Thai household debts amounted to B82,000 each on average, and accounted for 54 per cent of net income.

However, all related parties should not allow household debts here to rocket as South Korea had, she said, adding that Goldman Sachs estimated that Korea's household debts stood at 110 per cent of income.

"We cannot say what is the maximum household debt, but we cannot let it rise as in Korea, which saw household debts move up from 70 per cent to over 100 per cent. Thailand's household debts went up 10 per cent from 45 per cent over the past couple years, but the increase is not regarded as too much," Atchana said.

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