

## China Aviation's chief wants his pay package cut

ANNI/The Straits Times

In an unprecedented move, the chief executive-cum-managing director of China Aviation Oil (CAO) has asked that his remuneration package be slashed, citing the benefit that will accrue to shareholders. And his request has been granted.

In a statement yesterday, the company said its directors recently approved a new service agreement for 42-year-old Chen Jiulin.

Chen, whose remuneration of \$4.9 million last year was highlighted in a recent article in The Straits Times, said he had not anticipated that his pay would reach such heights when he signed his service agreement.

The agreement, signed in 2001, links his pay to the company's profits. Chen turned the once loss-incurring company to one with healthy profits in no time, sending his pay soaring.

He told The Straits Times that he had first thought of proposing a lower remuneration package earlier this year.

## Global mobile phone sales set to hit 450m this year: Siemens

AFP, Frankfurt

Global demand for mobile phones is expected to grow by 10 per cent this year, with the total number of handsets sold rising to 450 million worldwide, the head of Siemens' mobile phone division, Rudi Lamprecht, said in a newspaper interview published on Friday.

Previously, Siemens had been expecting the global mobile phone market to grow by five per cent in 2003.

"At the beginning of the year, we'd been expecting the market to grow by around five per cent to 420-435 million handsets," Lamprecht told the Financial Times.

"Now we're expecting more of a recovery and Siemens is well-positioned to take advantage of that," he said.

Lamprecht said he was confident sales of Siemens' mobile phones would grow faster than the market for the fifth year in a row.

## Tough trade disputes mar run-up to Cancun talks

REUTERS, Brussels/Geneva

Trade suits against EU restrictions on biotech food imports and heavy European subsidies for sugar farmers reignited tough disputes Friday just two weeks before talks on freeing up global commerce.

The assault on two of the most sensitive areas of European Union agriculture policy came as the World Trade Organisation (WTO) gears up for talks in Cancun, Mexico, which could decide if the Doha Round of trade negotiations ends on time in 2004.

Officials in Geneva said the WTO had launched a probe into the EU's refusal to accept most genetically modified organisms (GMOs), which Washington says violates trading rules.

The United States, backed by Canada and Argentina, says that the Europeans, who have not allowed new genetically modified crops to be imported or grown in the EU's 15 member states since 1998, have shown no willingness to end the embargo.

But the EU denies that it is in

breach of WTO rules. The investigation, which will begin with a ruling by a panel of three trade judges, could take up to 18 months.

At the same time, officials said the WTO had launched a probe into complaints by Brazil, Australia and Thailand that the EU was illegally subsidising its sugar industry.

The three accuse the EU, the world's largest sugar exporter, of Mexico, which could decide if the Doha Round of trade negotiations ends on time in 2004.

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It says Australia has the right to set an appropriate level of protection and ensure its status as free from many animal and plant diseases prevalent in the rest of the world, but should not use this to block imports unfairly.

Agriculture is key to the success of the Doha Round and one of the main goals of the Cancun meeting will be to set a framework for how the farm talks proceed.

The struggle is between heavy subsidisers like the EU, United States and Japan, and those calling for much more open markets such as exporting nations Australia and Canada.

One other issue which negotiators were working to wrap up before Cancun was a deal on access to cheap medicines.

A deal had appeared within their grasp until unexpected differences emerged on its interpretation, forcing the WTO to suspend a session of its executive General Council in the early hours of Friday.

## IMF quota still tilted to rich nations

AFP, Washington

The International Monetary Fund said Friday it had made no changes in the organization's quotas, or voting shares, of its 184 member countries despite considerable sentiment for reform.

The quotas are the shares held by the member countries and correlate as well to the weight in votes at the IMF and the organization's budget. These quotas are based on the economic output of the various countries.

An IMF statement said there was "broad support ... for a formula that is simpler and more transparent than the traditional formulas."

In addition to economic output, the statement said, many members saw a need to include factors such as capital flow and reserves, but that data from many members does not

exist.

"A number of directors considered ... the need for a political decision by the membership to secure quota shares that would strengthen the representation of developing countries in the Fund ... A few other directors called for a better representation of transition countries in the Fund."

But the statement said "the required majority does not exist" to reform the structure of the IMF.

Under the current IMF structure, the United States holds 17.16 per cent of the voting shares, followed by Japan (6.16 per cent) and Germany (6.02 per cent). Britain and France each hold 4.97 per cent.

The remaining shares are divided among 19 administrators that represent blocs of countries. For example, the administrator for Africa holds a 1.16 per cent share.

## Japan, China irritants to top Snow's Asia visit

AFP, Washington

During his visit to Asia this week, US Treasury Secretary John Snow must wrestle with twin problems that confounded several of his predecessors -- Japan's comatose economy and an uneasy trade relationship with China.

Snow will face a skeptical audience abroad, and must appease a hostile constituency among organised labor and Congress at home, with criticism peaking over alleged currency manipulation by Japan and China.

Billed a chance to spread the economic gospel of open markets and growth orientated policy, Snow's three-nation tour will begin in Tokyo between September 1 and 2.

He then moves on to Beijing on September 2-3 and wraps up his visit by joining fellow finance ministers for Asia Pacific Economic Cooperation (APEC) forum meetings at the Thai resort of Phuket.

In Tokyo, Snow will face a conundrum that recent US treasury secretaries have been unable to adequately answer: should he gently prod, or try to shock Japanese

leaders into drastic action to revive a debt-mired economy?

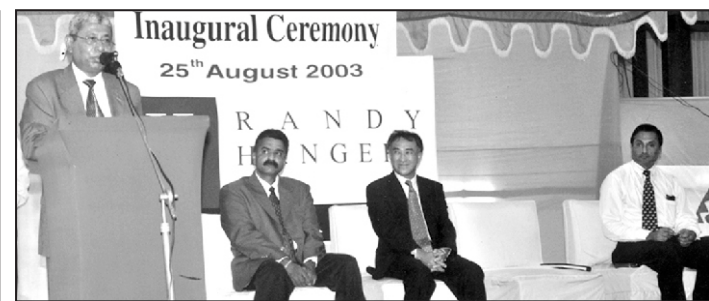
In a major policy speech in June, Snow signaled that he would be patient, gently comparing Japan's current malaise with the sluggish US economy of the 70s, and recalling how US managers looked to Japanese firms for lessons in how to beat stagnation.

His suggestion to the Japan Society that Tokyo try to replicate the "flexibility" of the US system was carefully worded, so as not to recall what conservatives say was the hectoring US tone towards Japan during the Clinton administration.

"I'm not here to preach American answers to Japanese problems. I'm here to say we believe in Japan, and that we believe that Japan will take actions to overcome obstacles, and return to a position of economic leadership in the world," he said.

With the cost of reconstructing Iraq seemingly ballooning by the hour, Snow is also likely to take the chance to gauge future Japanese financial support.

He is also certain to renew firm US backing for Prime Minister Junichiro Koizumi, who has staked his career on economic revival.



Brig General (Retd) M Mofizur Rahman, executive chairman of Bangladesh Export Processing Zone Authority, speaks as chief guest at a function to mark the commercial production of Asia Plastic Bangladesh Limited at Dhaka EPZ on Monday.

## ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle draw was held at ReadyCash Bangladesh office at Dhanmondi in Dhaka on Thursday, says a press release.

Prizes	Name of Winners	Card No
China Junction Chinese free lunch for two	Md Ruhul Amin Molla	5047980010022546
Meal in the box free lunch for two	Md AB Siddique	5047980000048817
Kena Kata free gift box	MA Kamal Tinku	5047980000048796
Obsession free gift box	SM Wahid Satter	5047980000048813
Liton's Snacks free meal box	Hamidur Rahman	5047980000048826

Winners can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. ReadyCash encourages its cardholders to read The Daily Star and the Daily Prothom Alo on every Sunday or call our Customer Service at: 8123850, 8130497, and 8125294-7.

## CURRENCY

Following is yesterday's foreign exchange rate statement by Standard Chartered Bank

Sell	BC	Currency	Buy	TT Clean	OD Sight Doc	OD Transfer
58.7500	58.8000	USD	57.8200	57.6502	57.5812	
65.5474	65.6032	EUR	62.6595	62.4765	62.4007	
93.6123	93.6919	GBP	90.3958	90.1303	90.224	
38.8220	38.8550	AUD	36.7041	36.5963	36.5525	
0.5067	0.5071	JPY	0.4894	0.4879	0.4874	
42.2844	42.3204	CHF	40.9664	40.8461	40.7972	
7.0331	7.0390	SEK	6.6396	6.6201	6.6121	
42.6962	42.7326	CAD	41.3591	41.2376	41.1882	
7.5423	7.5487	HKD	7.4042	7.3824	7.3736	
33.6985	33.7272	SGD	32.8262	32.7297	32.6906	
16.1284	16.1401	AED	15.6155	15.5698	15.5511	
15.7913	15.8048	SAR	15.2959	15.2510	15.2327	
8.9512	8.9588	DKK	8.3082	8.2838	8.2739	

Exchange rates of some currencies against US dollar						
Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	Malaysian ringit
45.79	57.75	96.83	41.145	7.5089	0.5785	3.80

**Local Interbank FX Trading:** The local interbank exchange market was subdued on Saturday as the international market was closed. Dollar remained almost unchanged against Bangladeshi Taka.

**Local Money Market:** Money market remained stable yesterday. Liquidity position remained stable in the local money market. Call money rate remained unchanged and ranged unchanged between 3.50 and 3.75 per cent.

**International Market:** International market was closed on Saturday.

The dollar slumped against the major rivals on Friday amid thinning volumes as traders got ahead of the long US Labor Day holiday weekend. Dollar plumbed three-month lows against the yen, falling 1 per cent against the Japanese currency, the Swiss franc and Australian dollar. The dollar's sag against the yen was driven mainly by the surprising news that the Bank of Japan had not intervened to weaken the Japanese currency.

At the closing of New York on Friday, euro was at 1.0987/89, GBP at 1.5774/79 and yen at 116.95/00 against dollar.



Yahya A Zahed Khondker, CEO of Ultra Corporation, distributor for Black and Decker home appliances, speaks at the company's Dealer Meet-2003 held in Dhaka recently. Usman Ghani, representative of Black and Decker overseas, is also present.

## STOCK