

Developing nations must cede more in trade talks

Says French minister

AFP, Tokyo

Developing countries such as China need to make greater concessions in global free trade talks to match those already made by the European Union, France's minister for foreign trade said Friday.

The United States also needed to yield more in services, said Christine Lagarde, who was in Tokyo on the final leg of a swing through Asia.

"We certainly feel in Europe that we have made very large concessions. The emerging countries, particularly the large emerging countries -- China for instance -- are going to have to propose concessions," said Lagarde.

Beijing needed to do more to respect WTO rules on intellectual property rights, the minister added.

China has been criticised by the United States and European Union for not doing enough to honour its WTO commitments four years after it joined the 149-nation organisation.

Lagarde's comments came as WTO chief Pascal Lamy said in an interview with the Paris-based International Herald Tribune he was optimistic that a final accord could be struck by the year end in the third round of trade talks.

Lagarde was more cautious but said the trade negotiations were "kicking and alive," adding:

"There's no doubt about it -- we have made progress."

WTO trading nations want to reach agreement by the end of April on customs duties on agricultural produce and industrial goods, an issue that has held up progress toward an overall deal to reduce global trade barriers.

Developing countries such as Brazil have been pushing the EU and US to cut their barriers to commerce, particularly agricultural export subsidies and import tariffs on farm produce.

Brussels and Washington meanwhile want developing countries to open their markets more to industrial goods and services.

"We very much see that the

future of the round lies in willingness to do some hard work, willingness to compromise, but certainly significant and serious offers to be made by the emerging countries," said Lagarde.

Washington also needed to go further, she said.

"The United States offer on services hardly takes stock of what the reality is today for it to be sensible and reasonable," she said.

Separately, Japan said its farm minister Shoichi Nakagawa had left Friday on a three-day trip to France to attend a gathering of agriculture ministers mainly from Europe and Africa on trade liberalization.



PHOTO: STANDARD BANK

The 'Managers' Conference-2006' of Standard Bank Ltd was held recently in Dhaka. Chairman of the bank Kazi Akramuddin Ahmed, directors, managing director and other senior officials were present at the conference.

EU shoe action breaches fair trade: China

AFP, Beijing

China said Friday a European Union plan to impose an anti-dumping duty on imported Chinese shoes breached fair trade principles and "smells of protectionism".

"It violates the principles of fair trade," commerce ministry spokesman Chong Quan said in a statement posted on the ministry's website.

"China urges the European Union ... to once again analyze and assess this case in a reasonable manner, and make a decision in accordance with World Trade Organization (WTO) rules."

EU trade chief Peter Mandelson announced Thursday a plan to impose an anti-dumping duty on imported Chinese and Vietnamese shoes, saying the two nations were engaging in "uncompetitive behavior".

To level the playing field, Mandelson called for a duty that would start in April at 4.0 percent and rise progressively to 19.4 percent for China and 16.8 percent for Vietnam. It can be renewed for five years in October if necessary.

Chong said China's ultra-competitiveness was merely due to taking advantage of its large,

cheap labor force.

"Everybody knows that shoe manufacturing is a labor-intensive industry and China has low labor costs," Chong said.

"There is no dumping in Chinese shoe exports to the European Union and the European charge is baseless."

One year has passed since the EU was forced to put an end to quotas that had kept Chinese shoes from entering the European market and the EU is now anxious to use anti-dumping measures instead, Chong said.

"It clearly smells of protectionism and it is absolutely not in accordance with the current free trade trend following the WTO's Doha round of talks," he said.

"It's also not in accordance with the EU's overall interests and has even led some important EU member countries to publicly oppose this action."

Chong said shoe manufacturing was one of the businesses in China where the market was playing the biggest role, with 98 percent of the enterprises either privately owned or foreign-invested.

"The EU has ignored this fact," he said.



PHOTO: RUPALI INSURANCE COMPANY

Mostafa Golam Quddus, chairman of Rupali Insurance Company Ltd, speaks at the 'Annual Managers' Conference-2006' of the company held recently in Dhaka. Other senior officials are also seen.

Weekly Currency Roundup

Feb 19-Feb 23, 2006

Local FX Market

Demand for US dollar was high in this week and USD remained bullish against Bangladeshi taka.

Money Market

In the Treasury bill auction held on Sunday, bid for BDT 6,738.00 million was accepted, compared with total of BDT 10,138.00 million in the previous week's bid. Weighted average yields remained at the same level.

Overnight call money rate was range-bound throughout the week. Most of the time, overnight call money rate ranged between 10, and 12.00 percent.

International FX Market

In the beginning of the week, the dollar slipped slightly against the euro and other major currencies, extending losses after weak US economic data on Friday. The dollar had retreated against the single currency on Friday after a softer-than-expected US consumer sentiment survey offset a report on wholesale prices that suggested inflation was still a threat. However, market players said the dollar would benefit from expectations that US overnight rates will rise at the Federal Reserve's meeting in March and probably against in May after upbeat testimony from new Fed President Ben Bernanke last week. Market players were also keen to square their books with US markets closed for the President's Day holiday on Monday.

The dollar shuffled in narrow ranges against major currencies during the middle of the week as traders look to see whether US inflation data reinforces expectations for more Federal Reserve interest rate increases. The minutes of the Fed's Jan 31 meeting released on Tuesday showed that officials felt further rate rise may be needed to prevent price pressures from picking up but also said the central bank's policy stance was "close to where it needed to be."

The yen rose against the dollar and euro on Thursday after Bank of Japan's Governor reiterated the central bank would eventually raise interest rates, taking a toll on dollar's yield advantage. Meanwhile, the US Fed is widely expected to boost overnight rates to 4.75 percent in March from the current 4.5 percent, with rates forecasted to reach 5 percent by mid-year.

- Standard Chartered Bank



PHOTO: DHAKA BANK

Mohammad Abu Musa, deputy managing director of Dhaka Bank Ltd, inaugurates a relocated branch of the bank in Khatunganj, Chittagong recently. Other senior officials are also seen.



PHOTO: ONE BANK

Officials of ONE Bank Ltd pose for photographs at a seminar on prevention of money laundering organised by the bank recently in Dhaka. SM Abul Quasem, general manager (Anti Money Laundering Department) of Bangladesh Bank, was present at the seminar.

Oil prices rise in Asian trading

AFP, Singapore

Oil prices rose in Asian trade Friday, bouncing back from recent losses as the market continued uneasy at developments in Iran and Nigeria, dealers said.

At 10:51 am (0251 GMT) New York's main contract, light sweet crude for delivery in April, was up 32 cents at 60.86 dollars from its close of 60.54 in the United States on Thursday.

The contract had traded below the key 60 dollars level Thursday.

"In the short-term we have seen the bottom level already and people don't like to sell below 60," said Tetsu Emori, chief commodities strategist with Mitsui Bussan Futures in Tokyo.

He said concerns over Nigeria and Iran continued to weigh on sentiment while an April switchover to summer-formulated gasoline would also help support prices.

STOCK