

EU to push for duties on China, Vietnam shoes

AFP, Brussels

EU trade chief Peter Mandelson is to ask the European Commission to agree next week to impose anti-dumping duties on Chinese and Vietnamese leather shoes, despite divisions among EU countries, his office said Thursday.

The announcement that Mandelson will make his proposals to the European Commission on March 22 came after a meeting of an EU committee that gathers trade experts from the EU's 25-

member states.

"Following a second exchange of views with (EU) member states today in the anti-dumping committee, the European trade commissioner is now in a position to recommend to the European Commission that it adopt his proposals for provisional measures," the EU executive said a statement.

Last month Mandelson called for a "progressive duty" to be applied on imported Chinese and Vietnamese leather shoes after

finding evidence of dumping.

The commissioner called at the time 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 and which could be renewed for five years in October if found necessary.

Children's shoes are not covered by the duties under Mandelson's proposals.

He accused Chinese and Vietnamese authorities of offering unfair state aid in the form of soft

loans, tax breaks and low rents and overlooking doubtful accounting.

However, member states are divided over the issue and were unable to give a clear backing Thursday to the commission's proposals although there was not a majority against them either.

"In today's meeting member states expressed a wide range of views, both in favour of stronger provisional measures and in favour of more restricted action," the commission said.



PHOTO: PGCL

The sixth annual general meeting (AGM) of Pashchimanchal Gas Company Ltd (PGCL), a company of Petrobangla, was held recently in Dhaka. Md Emdadul Hoque, chairman of the company and joint secretary (Admn/Ops) of Energy and Mineral Resources Division, presided over the meeting where M Musharraf Hossain Bhuiyan, chairman of Petrobangla, and shareholders, directors and senior officials of the PGCL were also present.



PHOTO: A POSITIVE

Officials of BRAC Bank Ltd and International Office Machines (IOM) Ltd pose for photographs at a memorandum of understanding (MoU) signing ceremony recently in Dhaka. Under the MoU, the bank will finance customers who buy personal computers, laptops, scanners, printers and all computer accessories from the IOM.



PHOTO: GRAMEENPHONE

Toufiq M Seraj, managing director of Sheltech (Pvt) Ltd, a real estate company, and Mir Rashedul Hossain, deputy head of Corporate Sales of GrameenPhone (GP) Ltd, among others, pose for photographs at an agreement signing ceremony recently. Under the deal, GP will provide complete communication facilities under its 'Business Solutions' package for Sheltech.



PHOTO: CITYCELL

Kazi Mansur-Ul-Huq, managing director of Eastern Hospital & Medical Research Centre (EHMRC), and Sharif Shah Jamal Raj, head of Corporate Sales & Corporate Customer Care of mobile phone operator CityCell, exchange documents after signing a corporate agreement recently. Md Sharif Hossain, EHMRC chairman, and other senior officials from both the sides were present at the signing ceremony.

China supports HK's economy

ANN/THE STRAITS TIMES

Beijing has sent a strong signal that it will continue to back Hong Kong and does not wish to see cut-throat rivalry amid mounting economic competition among the city and neighbouring Guangdong and eastern Shanghai.

Hong Kong was explicitly mentioned for the first time in China's latest national development blueprint - endorsed by the National People's Congress (NPC) on Tuesday (March 14) - which laid out the city's role as a conduit for foreign funds into the mainland.

While Hong Kong has always been highly regarded by the central government as a financial hub, its maiden inclusion in the 11th Five-Year Plan is seen as an attempt by Beijing to bring it closer into the fold and boost cooperation among Chinese regions.

In recent years, Hong Kong has been facing increasing challenges and competition from the mainland's fast-developing cities and regions.

Analysts note that Shanghai is in talks to build a Disney theme park, even though Hong Kong opened its Disneyland last September.

As Hong Kong plans a giant infrastructure - a 50km bridge - linking the city with Macau and western Guangdong's Zhuhai, Guangdong province itself is said to be also planning a mega tunnel to link up its south, which will marginalise Hong Kong's bridge plan.

G8 ministers push nuclear solution to energy puzzle

AFP, Moscow

Energy ministers of the powerful Group of Eight countries were divided here Thursday on how best to ensure global energy supplies, with Russia and the United States favouring nuclear power and others backing short-term investment increases in oil resources.

Russian President Vladimir Putin appealed for unity on energy policy. "Russia calls for unity in efforts by the world community to resolve these problems," he told the meeting of G8 energy ministers.

In a final statement, the ministers from Britain, Canada, France, Germany, Italy, Japan, Russia and the United States, meeting under Russian chairmanship, appealed for strong development of nuclear energy for peaceful purposes in countries so wishing, in order to meet their long-term energy needs.

"For those countries that wish, wide-scale development of safe and secure nuclear energy is crucial for long-term, environmentally sustainable diversification of energy supply," the statement said.

Russia currently holds the rotating G8 chairmanship. But Andris Piebalgs, the European Union's energy commissioner, said the G8 members' approaches varied greatly.

"Germany is progressively stopping its nuclear power stations, France is strongly in favour of nuclear energy and the United Kingdom is currently in the process

of reviewing its energy policy," he said.

The statement underscored that diversification -- of energy sources, suppliers and consumers as well as delivery methods and routes -- was crucial to ensuring that the world's growing appetite for energy was met.

The 11-point communique also called for development of new energy technologies but admitted that fossil fuels such as oil, gas and coal "will remain the basis of the world energy industry for at least the first half of the 21st century."

And it called for market-oriented approaches to boosting energy supply as well as significant investment in new means of producing, transporting and processing energy resources.

"I think it's very difficult to see a common view on nuclear energy in the G8," said Piebalgs.

Energy experts in both Russia and the United States have been formulating plans for a global nuclear energy system that would be run by leading nuclear powers but make nuclear energy available to paying customers anywhere on a closely-controlled basis.

Putin on January 25 announced an initiative for establishment of an international network under United Nations supervision for production and sale of nuclear fuel on a "non-discriminatory" basis.

Weekly Currency Roundup

Mar 12-Mar 16, 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 7,643.00 million was accepted, compared with total of BDT 8,437.00 million in the previous week's bid. Weighted average yield increased by 15 bps for 364-D t-bill.

Overnight call money rate showed an increasing trend this week. The rate ranged between 10.00 and 12.00 percent. It started to increase from the middle of the week and ended the week at 12.50-14.50 percent.

International FX Market

On Monday, the euro rose to a one-month high versus the yen and a one-week high versus the dollar, boosted by news that the UAE's central bank is considering putting more of its reserves into euros. The bank said on Sunday it was looking to convert up to 10 percent of its foreign exchange reserves from dollar into euros-double the target it had previously set. The reserves are estimated at \$23 billion in December and are held almost entirely in US dollar. The dollar retreated from a one-month high against the yen and a 10-week high versus sterling, which it hit at the end of last week after the news of a 243,000 rise in February non-farm payrolls boosted US rate hike expectations. The euro also hit a seven-month high versus sterling and a 2-year high versus the Swiss franc.

In the middle of the week, the dollar stayed close to a one-week low hit earlier against the euro, with investors looking to a raft of US data for clues on how much further the Federal Reserve is likely to raise interest rates. The US currency stagnated after falling around 1 percent against the yen and the euro on Tuesday due to a view that US rates have nearly peaked at a time when euro zone rates are rising and even Japan is moving towards tighter monetary policy. Speculation on the US outlook was sparked after a report by influential consulting group Medley Global Advisors said the Fed was likely to raise rates to 4.75 percent from 4.5 percent, but any tightening beyond that was far less assured. The dollar was also bruised by data showing a plunge in US retail sales in February and a record current account deficit in the fourth quarter.

Elsewhere, sterling sank to day's lows versus both the euro and the dollar after a worse-than-expected employment report rekindled market expectations for a possible interest rate cut.

The yen fell on Thursday after the Bank of Japan governor said it was too soon to raise rates from near zero, suggesting the cost of borrowing is unlikely to rise yet while US and euro zone monetary policies are tightened. BOJ Governor Toshihiko Fukui's comments, coming after the central bank abandoned its super-loose monetary policy last week, drove the yen down to the day's lows against the dollar and the euro. With markets still very focused on interest rates, investors were looking ahead to US inflation data at 1330 GMT, with core prices forecast to rise by an annual 2.1 percent in February. The Federal Reserve is widely expected to raise rates later this month and again in May from the current 4.50 percent.

- Standard Chartered Bank

STOCK