

## US steps up pressure on China to deal with trade tensions

AP, Washington

The Bush administration told China that it will be looking for concrete actions to lower trade tensions between the two nations in advance of a US visit next month by Chinese President Hu Jintao.

Commerce Secretary Carlos Gutierrez, who will hold talks with Chinese officials next week in Beijing, said Thursday his message would be that the administration was looking for China to play a responsible role in the global trading community.

"This is a time for results," Gutierrez said in an interview with The Associated Press. "We will be very candid about our expectations and about where we believe that action needs to take place in order for China to achieve that role as a responsible stakeholder" in the global economy.

Gutierrez is scheduled to leave Saturday for a trip in which he will meet with the country's top economic officials in Beijing to review the agenda for talks in Washington scheduled for April 11 of the U.S.-China Joint Commission on

Commerce and Trade.

At the last meeting in July of that panel, which includes top economic officials of both countries, China made a number of commitments aimed at boosting U.S. exports sales.

Gutierrez said the administration planned to use the upcoming meeting to determine how much progress China has made in meeting those commitments in such areas as reducing barriers to the sale of U.S. and other foreign goods in China and cracking down on widespread piracy of US copyrighted material such as computer pro-

grams, movies and music.

"We will be going over what we agreed to do last year and we will have a status report on the areas where we believe China has delivered and those areas where we believe they still have work to do," Gutierrez said of the discussions he will have with officials next week.

The administration is facing growing pressure from Congress to deal with a U.S trade deficit with China that hit \$202 billion (euro167 billion) last year, the highest amount ever recorded with a single country.



PHOTO: A POSITIVE

Imran Rahman, deputy managing director of BRAC Bank Ltd, inaugurates an ATM (automated teller machine) booth on the bank's Uttara Branch premises in Dhaka recently. Among others, Mamun Rashid, manager (Cards), and Syed Abdul Momen, senior manager (IT), are seen.



PHOTO: SHAHJALAL ISLAMI BANK

M Kamaluddin Chowdhury, managing director of Shahjalal Islami Bank Ltd, and Kazi Saifuddin Munir, chief executive officer and director of IT Consultants Ltd (ITCL), pose for photographs at an agreement signing ceremony on Tuesday in Dhaka. Under the deal, the bank will launch VISA card through Q-Cash Shared ATM & POS Network to provide modern banking services for its clients. Sajjatuz Jumma, chairman of the bank, and Kutubuddin Ahmed, chairman of the ITCL, among others, were present at the signing ceremony.

## Russia unlikely to join WTO before year-end

AFP, Geneva

Russia is unlikely to join the WTO before the final months of this year after missing its springtime goal because of the slow pace of membership talks, Moscow's senior trade negotiator said Thursday.

"We'll do our utmost in order to complete the negotiations this year. By the autumn, I think we'll have a clear understanding of whether we can do it or not," Maxim Medvedkov told reporters after a new round of talks at the World Trade Organisation's headquarters in Geneva.

Russia has regularly shifted the target as it tries to enter the WTO, whose current 149 members set the rules of global commerce.

Moscow had been hoping to join in 2005, but in October Medvedkov acknowledged that accession talks were not expected to end until the early months of this year.

Efforts are now logjammed by highly technical issues in broad negotiations with current members, where the sluggishness contrasts with progress in Moscow's direct talks with individual trading nations, said Medvedkov.

"We are not satisfied fully with what's happening on the multilateral front," he said.



PHOTO: ISLAMI BANK BANGLADESH

Mohammad Abdul Mannan, executive vice president & head of International Banking Wing of Islami Bank Bangladesh Ltd, and Tariq Saad, managing director of TNS Money Transfer Services Ltd, UK, exchange documents after signing a money transfer agreement on Sunday in Dhaka. The deal will help Bangladeshi expatriates in the UK remit their money home easily and quickly.

## EU plays down discord on second day of energy summit

AFP, Brussels

European Union leaders opened a second day of summit talks Friday, downplaying discord over resurgent protectionism in the 25-nation bloc whilst trumpeting agreement on a new joint energy policy.

The heads of state and government were in Brussels for their annual spring economic summit aimed at redynamizing reforms to help revive Europe's long-flagging economy.

But tensions mounted in the run-up to the talks over bids by certain countries to protect their own national enterprises, in defiance of the principles of Europe's single market.

A string of cases has underlined this, including Spanish efforts to block a German energy giant E.ON's hostile takeover bid for Endesa, and French machinations to protect Suez from Italian group Enel.

Tensions over the issue threatened to explode on the eve of the summit, when Italy, deep in campaigning for elections in just over two weeks, sought support for a statement denouncing protectionism.

But Rome withdrew the proposed statement on the eve of the summit, and Austrian Chancellor Wolfgang Schuessel, whose country currently holds the EU's rotating

presidency, insisted there had been no bust-ups

"It was an absolutely calm, substantial and positive debate. Nobody blamed the others, no fights, no turf wars. It was a very good substantial debate," he told reporters at a late-night press conference Thursday.

The only real moment of discord came at the very start of the summit, when French President Jacques Chirac briefly walked out in protest when the head of Europe's employers group UNICE, a Frenchman, delivered a speech - in English.

The other key agenda item in Brussels focuses on plans to forge a joint energy strategy for the 25-nation bloc, caught in the crossfire of Russia's gas price war with Ukraine at the start of the year.

European Commission chief Jose Manuel Barroso said EU leaders had rallied round the plans.

"The European leaders agreed to promote competitiveness, coherence, solidarity and sustainability," he said.

Barroso was vague about details, due to be made public later on Friday, but a draft copy of the leaders' conclusions said the commission would be asked to draw up an "Energy Policy for Europe".



PHOTO: NCC BANK

Md Nurul Amin, managing director of National Credit and Commerce (NCC) Bank Ltd, speaks at a workshop on 'Credit Risk Grading Manual' held recently in Dhaka. Other senior officials of the bank are also seen.

## Weekly Currency Roundup

Mar 19-Mar 23, 2006

### Local FX Market

Demand for US dollar was stable in this week and USD remained steady against Bangladeshi taka.

### Money Market

In the Treasury bill auction held on Sunday, bid for BDT 2,220.00 million was accepted, compared with total of BDT 7,643.00 million in the previous week's bid. Weighted average yield moved little from previous bid.

Overnight call money market was tight and volatile in the week. The rate ranged between 15.00 and 18.00 percent at the beginning of the week. The rate peaked at 30.00-35.00 percent during the middle of the week, before coming down to 15.00-20.00 percent on Thursday.

### International FX Market

The dollar recovered some poise against the euro on Monday after a string of losses, but its advance was capped by a growing view that the Federal Reserve would stop raising US interest rates in the near future. The US currency fell every day last week as a downbeat economic data dented confidence that the Fed would tighten policy again after a near certain quarter-point rise to 4.75 percent at next week's policy meeting. The dollar, which stayed in sight of a seven-week low hit versus the euro on Friday, had also been bruised by expectations the European Central Bank would raise rates in coming months. With a thin data calendar, analysts said focus was fixed on Fed speakers for signals on rate ahead of the FOMCs gathering. With the market focused on rate differentials, investors sold high-yielding Australian and New Zealand dollars on mounting expectations that their rate premiums would narrow.

During the middle of the week, the dollar hit its highest in nearly a week against the yen and held firm against the euro as traders bet on further rate rises following an expected hike at next week's Federal Reserve policy meeting. Strong core producer price data for February on Tuesday and upbeat comments on the economy from Fed Chairman Ben Bernanke have revived expectations for the US central bank to raise rates to 5 percent by May and possibly higher after that. The euro was also under pressure after German Economy Minister Michael Glos said in Tokyo that the European Central Bank did not need to raise interest rates further in the current price climate. The sudden shift in the Fed's policy outlook on Tuesday drove two-year Treasury yields up near five-year highs. The Australian and New Zealand dollars stayed under pressure as investors sour on the high-yielding currencies.

The dollar rose to a one-week high against the euro on Thursday, but remained wedged in recent ranges as investors look to next week's Federal Reserve meeting for clues on how much higher interest rates will climb. This week the dollar has bounced back against other major currencies as investors took upbeat comments on the economy and housing market from Fed Chairman Ben Bernanke as a sign that rates could rise beyond next week's expected increase. Last week the dollar had fallen sharply after soft inflation data suggested to some that the Fed may be close to ending its tightening campaign. The central bank is almost unanimously seen lifting rates to 4.75 percent from 4.5 percent on next Tuesday, but the big question is whether the central bank would raise rates to 5 percent or highest meetings in May and June.

- Standard Chartered Bank

## STOCK