WTO powers rejoin battle as deadline looms

AFP, *Rio de Janeiro*

The United States and the European Union held talks here Friday, joined by Brazil as a spokesman for the developing world, in a bid to unblock the WTO's stalled agenda before an April deadline.

Along with World Trade Organisation chief Pascal Lamy, the richest powers' top trade officials met with Brazilian Foreign Minister Celso Amorim for the latest of a long series of attempts to keep the WTO's ambitious goals on track.

After a vocal protest by about 50 anti-WTO activists, the four officials including US Trade Representative Rob Portman and EU Trade Commissioner Peter Mandelson headed into bilateral meetings and then dinner talks.

Before joining the meeting, which wraps up Saturday, Lamy said both rich and developing nations must make painful concessions if they are to fulfil their promise to enrich the lives of millions of people through freer trade.

"There is no time to lose," Lamy told Sao Paulo business leaders, noting that the WTO has only a month before it is meant to forge the outlines of a comprehensive agreement.

"On each of the three issues -- agricultural tariffs, industrial tariffs and domestic agricultural subsidies -- each of the big actors has to move," he said.

Lamy said the EU must lower its agricultural duties, the United States must cut domestic support for farmers and the G20 bloc of developing countries must open their markets to more industrial goods.

Brazil, with the backing of its G20 partners including India and South Africa, insists that the EU notably must first slash the generous trade protection afforded to its farmers.

But Mandelson, backed to an extent by Portman, retorts that developing nations must grant much greater access to industrial imports and service industries.

In an interview with Brazilian newspaper Valor Economico, Mandelson said the EU was committed to the April 30 deadline, "but we cannot take brutal short-cuts on complex questions".

The EU trade supremo said an offer by Brazil to halve its industrial tariffs was unacceptable to both Europe and the United States. Washington has to improve on its proposals to cut domestic farm support, he said.

Mandelson also said the WTO must not rush matters in a bid to forge a final agreement by the end of this year, before the US Congress regains the right to unpick any trade accord negotiated by the administration.

PHOTO: RANKSTEL

Zakaria Swapan, chief operating officer of Ranks Telecom Limited (RanksTel), and Sudhan Kumar Roy, general manager, project finance of Huawei Technologies Co Ltd, exchange documents after signing an agreement on behalf of their companies in Dhaka recently. Under the deal, Huawei Technologies will supply telecom equipment to the RanksTel for its network expansion in northwest and southwest zones of the country.

PHOTO: EMIRATES

A consignment of garments is being loaded on to an Emirates SkyCargo special freighter at Zia International Airport recently. The consignment was bound for Hamburg. Hanif Zakaria (centre), area manager (Bangladesh) of Emirates, Qazi Javed Karim, cargo controller, and Kheikh Idrish, cargo supervisor, are seen in front of the freighter.

AKTEL sponsors premiere of Spielberg's movie

AKTEL, a leading mobile phone operator, sponsored the premiere of an international movie in Bangladesh titled 'War of the Worlds' on Wednesday.

The premiere was attended by, among others, AKTEL Managing Director Ahmad Bin Ismail and high officials, says a press release.

The movie, directed by Academy Award winner Steven Spielberg, was released in cinemas all over the country.

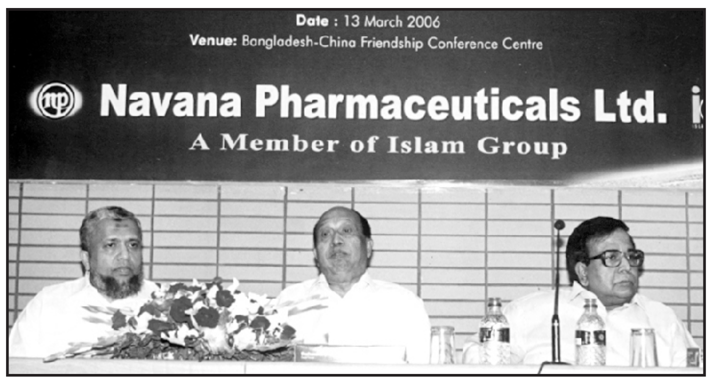

PHOTO: NAVANA PHARMACEUTICALS

The 'Annual Sales Conference 2005' of Navana Pharmaceuticals Ltd, a concern of Islam Group, was held recently in Dhaka. Executive Vice-chairman of Islam Group Azharul Islam, Vice-chairman Asaduzzaman, directors and senior officials were present at the conference.

PHOTO: KARNAPHULI INSURANCE CO

The 'Annual Branch In-charges Conference-2006' of Karnaphuli Insurance Company Ltd was held recently in Dhaka. Chairman of the company Nizamuddin Ahmed was present at the conference, which was presided over by Managing Director Md Aliuzzaman Khan.

Malaysia unveils $54b development blueprint

AFP, *Kuala Lumpur*

Malaysia on Friday unveiled a five-year development plan worth 54 billion dollars aimed at tackling poverty and spurring economic growth in its quest to become the first developed Muslim nation.

The 2006-2010 Ninth Malaysia Plan is the first since Prime Minister Abdullah Ahmad Badawi came to power in 2003 and closes the door on an era of ambitious mega-projects under former premier Mahathir Mohamad.

"The quality of life enjoyed by Malaysians has improved. Nevertheless great disparities in income and wealth still exist, especially between ethnic groups and between rural and urban areas," Abdullah told parliament.

"Malaysia must overcome these myriad challenges astutely and effectively ... we have no time to lose," he said as he released the plan.

The blueprint which focuses on rural development, education and stimulating economic growth, is to be rolled out at a cost of 200 billion ringgit (54 billion dollars), compared to 170 billion ringgit for the previous plan.

At the midway point on Malaysia's path to achieving developed nation status by 2020, it targets economic growth of 6.0 percent over the next five years, and 6.5 percent from 2011 to 2020.

Sucessive five-year economic plans have tried to bridge the wealth gap between urban and rural areas but the government has acknowledged that the divide has only become wider.

Clothing drives Sri Lanka economy to 5.9pc growth

AFP, *Colombo*

Sri Lanka's economy expanded by 5.9 percent last year, up from 5.4 percent the previous year, on the back of higher garment exports, the Central Bank of Sri Lanka said Friday.

Agriculture and telecommunications also added to the higher growth, the bank said in a statement.

It said the fourth quarter of last year recorded a growth of 6.3 percent, maintaining an uninterrupted expansion every quarter since February 2002 when a truce between government troops and Tiger rebels went into effect.

The ceasefire put the breaks on a three-decade-old ethnic conflict which had claimed over 60,000 lives since 1972.

The bank noted that the economy was able to record the high growth rate despite higher international oil prices and stiff competition in the international clothing market for Sri Lanka's exports.

The island's 20 billion dollar economy has also weathered the December 2004 tsunami that killed an estimated 31,000 people and caused some 1.6 billion dollars in damages, according to the bank.

Good rain boosted the country's rice harvest and helped the country generate more electricity using cheaper hydro power.

However, the production of tea, the island's main export commodity, faltered due to excessive rains in the latter part of the year, which also saw prices drop by 7.3 percent in the fourth quarter.

Tsunami rebuilding activities gave the island's construction sector a boost creating extra work.

The telecommunications sector continued its blistering pace, with mobile subscribers increasing by 52 percent and fixed line services by 11 percent during the fourth quarter of 2005, the bank said.

Sri Lanka is banking on higher earnings from tourism, telecoms, infrastructure, and exports of garments and tea to notch a growth rate exceeding six percent this year, treasury secretary P.B. Jayasundera told business leaders last week.

Indian airline takeover clears key hurdle in merger plan

AFP, *Mumbai*

Indian officials have cleared a key obstacle to the country's largest aviation merger between Jet Airways and Sahara Airlines following a dispute over landing rights, reports said Friday.

An aviation committee recommended the full transfer of Sahara Airlines' assets to India's largest domestic carrier Jet Airways including parking bays and landing slots, according to the Press Trust of India quoting sources.

The deal was struck in January but talks had reportedly been stuck over whether the government would approve the transfer.

Saroj Datta, executive director of Jet Airways, declined to comment on the reports. "We have received no official communication," he said in Mumbai.

The decision still needs to be approved by the Indian Government, along with new guidelines on mergers between airlines, according to PTI. They are expected next week.

Merger talks between executives of the two airlines, to create a company with almost half the domestic market, were extended for another three months earlier this week.

Consolidation is expected in the booming Indian airline industry with domestic passengers tipped to increase from some 25 million a year to about 50-60 million by 2010.

A merged entity will increase the competition for carriers like state-run Indian and private-sector Kingfisher Airlines, as well as budget carriers like SpiceJet, Air Deccan and GoAir.