

WTO chief seeks urgent US, EU concessions in trade talks

AFP, Nairobi

The director general of the World Trade Organisation (WTO), Pascal Lamy, appealed on Friday for the United States and European Union to further slash agricultural subsidies and tariffs to unblock stalled talks on liberalising global commerce ahead of an end-April deadline.

Lamy warned that negotiators currently steering WTO farm trade

discussions in Geneva could not make headway unless the EU and US made fresh concessions.

"There remains a need for movement by the big players," he told a meeting of African Union (AU) trade ministers in the Kenyan capital, Nairobi.

"More needs to be done and it is for the US to accept big cuts in agriculture subsidies," Lamy said.

"For the EU, Japan and others, they should accept what the US will

have to accept in terms of subsidies plus real cuts in agricultural tariffs."

"Not that what is on the table is nothing, but it is insufficient to reach an agreement," Lamy said, referring to US and EU proposals offered ahead of an April 30 deadline to reach a framework deal on a comprehensive pact.

"It is absolutely important these heavyweights... help us make steps forward in regard to modalities," he said. "We now need figures."

African nations have been at the forefront of efforts by developing countries to try to force the US and EU to drop agricultural subsidies as part of WTO talks aimed at tearing down barriers in global trade.

They argue the payments put African farmers at a huge disadvantage in the global marketplace. But they face resistance from EU and US officials, who are demanding greater access for their industrial and service sector goods.



PHOTO: SARINA CRUISE

Shahid Hamid, executive director of Sarina Cruise, a venture of Sarina Group, speaks at a press conference in Dhaka on Wednesday to announce the launch of Sarina Cruise. Sarina Cruise Director Sabera Sarwar Nina and Managing Director Golam Sarwar are also seen.



PHOTO: STAR

Rubaba Dowla Matin, acting head of marketing of GrameenPhone, cuts a cake to mark the '1 year of djuice' at Bangladesh-China Friendship Conference Centre in Dhaka yesterday.

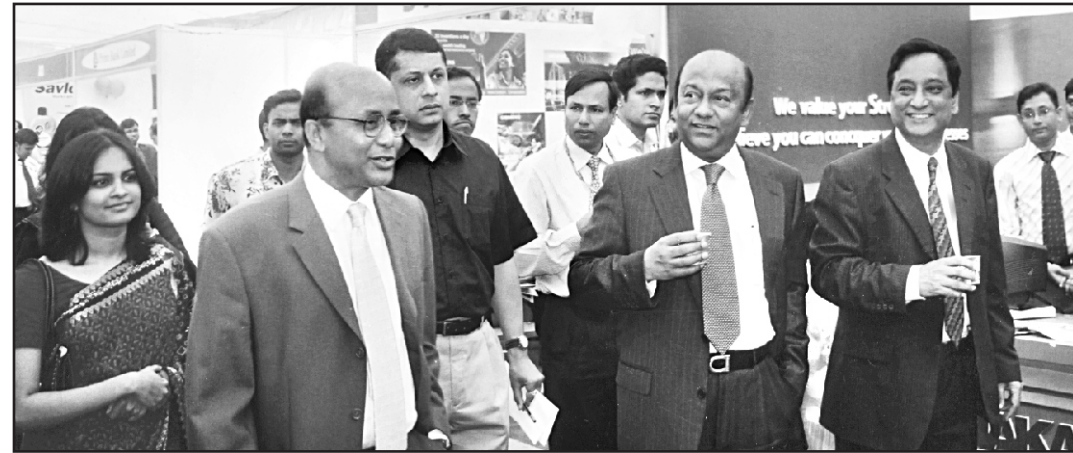


PHOTO: DHAKA BANK

President of Metropolitan Chamber of Commerce and Industry (MCCI) Latifur Rahman visits the stall of Dhaka Bank Limited at IBA Career Fair 2006 at the IBA Institute of Dhaka University recently.



PHOTO: A POSITIVE ADVERTISING

Imran Rahman, deputy managing director of Brac Bank Limited, and Shaheed Sarwar, general manager (marketing and international procurement) of Shohagh Paribahan (Pvt) Ltd, sign an agreement on behalf of their respective organisations recently. Under the deal, passengers of 'Shohagh classic service' will enjoy a wide range of products and services of Brac Bank with some special discount and privileges. Ehsanul Haque, managing director of Brac Bank, and Faruk Talukdar Sohel, managing director of Shohagh Paribahan, were also present.

India invites Chinese firms to invest in power sector

PTI, Beijing

Aiming to provide 'power to all' by adding 100,000 megawatt capacity by 2012, India Thursday invited Chinese power industry majors to invest in the country.

The Government of India has envisaged capacity addition of 100,000 MW by 2012 to meet its mission of power to all, Secretary, Ministry of Power, RV Shahi said during a road show in the Chinese capital.

Shahi, leading a nine-member delegation, told senior Chinese power industry leaders that India needed huge capacity addition during 10th & 11th Five-Year Plan periods, which is not feasible from the ongoing and proposed new projects already identified.

As such, there is need to develop large capacity projects at the national level to meet the requirements of a number of states under the competitive bidding guidelines dispensation, he said.

He assured Chinese investors that they could actively participate in the global bidding process.

Explaining the government's seven 'Ultra Mega Power Projects,' Shahi said these projects, when commissioned, will substantially reduce power shortage in the country.

Weekly Currency Roundup

Apr 09-Apr 13, 2006

Local FX Market

Demand for US dollar was soft in this week and USD became weaker against Bangladeshi taka.

Money Market

In the treasury bill auction held on Sunday, bid for BDT 7,691 million was accepted, compared with total of BDT 6,272.00 million in the previous week's bid.

Overnight money market was stable in the beginning of the week and ranged between 12.00 and 17.00 percent. The rate increased by the end of the week and ranged between 25.00 and 30.00 percent.

International FX Market

The dollar eased on Monday on profit-taking after Friday's data-induced spike, but stayed above last week's seven-month low against the euro, bolstered by a view that the Federal Reserve has room to raise rates at least once more. March US payrolls data last week hardened expectations that the Fed will lift its funds rate for a 16th straight time to 5 percent at its next meeting in May, pushing the dollar up around one percent against the euro on Friday. US President George Bush said the jobs report was evidence of an overall economic resurgence "that is strong and broad and benefiting all Americans". The jobs outcome also convinced more investors that the central bank would raise rates again after May, but as future monetary policy depends on incoming economic data, investors hesitated to chase the dollar much higher.

The dollar moved away from this week's one-month high against the yen and steadied versus the euro on Wednesday ahead of US trade data which could rekindle concerns about the dollar's structural problems. Economist expects the trade gap to have narrowed in February from a record in the previous month, but investors remained on alert for a wider deficit which could push the dollar lower. Geopolitical concerns over Iran and perceptions that the Federal Reserve could be coming to the end of its monetary tightening, even if recent jobs data suggested it still had some room to maneuver, also kept the US currency on the back foot.

The dollar steadied on Thursday, keeping much of the previous day's gains, though some traders said the market was getting ready to take profits from the currency's recent rise ahead of the Easter holiday weekend. The dollar firmed after the US trade deficit for February came in narrower than expected at \$65.7 billion on Wednesday, the third widest on record but below economists' estimates of \$67.5 billion. Uncertainty about the timing of the end to the Federal Reserve's tightening cycle and when the Bank of Japan will raise interest rates also stilled the dollar. The Fed is expected to raise rates in May and possibly again after that, but expectations are growing that the US central bank will then end its tightening cycle. Some dealers said investors may also have become cautious about buying the dollar ahead of a Treasury Department report due next week on foreign capital flows into the United States, which have helped to finance the huge US trade deficit.

- Standard Chartered Bank

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