

## India calls for Asian free trade area

AFP, Hyderabad

Indian Prime Minister Manmohan Singh envisaged Friday a vast free trade area driving Asia's future economic growth in his opening address at the Asian Development Bank (ADB)'s annual meeting.

"We are linking India into a web of partnerships with the countries of the region through free trade and comprehensive economic cooperation agreements," said Singh.

"This web of engagements may herald an eventual free trade area in

Asia covering all major Asian economies and possibly extending to Australia and New Zealand.

"This pan-Asian FTA could be the future of Asia and will, I am certain, open up new growth avenues," he said.

More than 3,000 delegates including finance ministers, business leaders and representatives from global organisations are attending the ADB's annual board of governors meeting to focus on Asian development challenges.

The prime minister also told the

meeting, which was to focus on expanding free trade and eliminating poverty, that India was committed to expanding economic partnerships in Asia as part of its "Look East" foreign policy.

India has signed agreements with the eight-member South Asian Association for Regional Cooperation (Sarc) and the 10-member Association of Southeast Asian Nations (Asean), as well as individual deals with Singapore and Thailand.

## Brac Bank to collect Canadian visa application fees

Canadian visa applicants in Bangladesh will be able to deposit their visa application fees exclusively at the Brac Bank counter in the Visa Facilitation Services (VFS) centre.

An agreement to this effect was signed recently between Brac Bank Ltd and VFS Bangladesh Pvt Ltd, says a press release.

Imran Rahman, deputy managing director of Brac Bank, and Kaushik Ghosh, country manager of VFS Bangladesh Pvt Ltd, signed the deal on behalf of their organisations.

M Ehsanul Haque, managing director of the bank, and other senior officials from both the sides were also present at the signing ceremony.



PHOTO: A POSITIVE

Imran Rahman, deputy managing director of Brac Bank Ltd, and Kaushik Ghosh, country manager of Visa Facilitation Services (VFS) Bangladesh Pvt Ltd, sign an agreement on behalf of their organisations recently. Under the deal, Canadian visa applicants in Bangladesh will be able to deposit their visa application fees exclusively at the Brac Bank counter in the VFS centre. Senior officials from both the sides are also seen.



PHOTO: UTTARA MOTORS

Uttara Motors Ltd, the sole distributor of Isuzu brand vehicles in Bangladesh, launched Japanese Isuzu rear engine luxury bus in the country at a launching ceremony on Tuesday. Habibullah Khan, a former minister, and Matiur Rahman, chairman and managing director of Uttara Group of Companies, among others, were present at the function.



PHOTO: AKTEL

Ahmad Bin Ismail, managing director of mobile phone operator AKTEL, and Rahat Kamal, director of Nirman International Ltd, a multifaceted business house, pose for photographs at an agreement signing ceremony recently. Under the deal, Nirman has become a corporate client of AKTEL. Other officials were also present.



PHOTO: GRAMEENPHONE

Ethne M Flintoff, officer commanding of The Salvation Army, a social welfare organisation, and Khandaker Omar Farhan, head of Sales (Business Solutions) of mobile phone operator GrameenPhone (GP) Ltd, pose for photographs at an agreement signing ceremony recently. Under the deal, GP will provide complete communication facilities under its 'Business Solutions' package for The Salvation Army. Other senior officials from both the sides are also seen.

## Singapore warns Asean against job protectionism

AFP, Singapore

Singapore warned fellow Southeast Asian countries Friday against resorting to European-style protectionism in order to shield domestic jobs from global market forces.

Prime Minister Lee Hsien Loong told a meeting of labor ministers from the 10-member Association of Southeast Asian Nations (Asean) that the 200 million workers in the region should adapt to rapid changes in the world economy.

"If we resist change and set up barriers to protect our workers, the effect will be counter-productive," said Lee, who underscored the economic challenge posed by Asian giants India and China to Asean members.

"Investors will be deterred from doing business in the region, our economies will stagnate, new jobs will not be created and unemployment will go up."

Singapore, with a native population of just 3.5 million, is one of the biggest importers of foreign labor in Asia.

## G7 statement on Asian currencies downplayed

ANN/ THE KOREA HERALD

Finance ministers from China, Japan and Korea have expressed grave concerns about the excess volatility of Asian currencies but downplayed the significance of a recent statement issued by the Group of Seven nations.

Asian currencies have risen since the G7 on April 21 called on countries in the region to allow their currencies to rise further. Asia's top economic policymakers, however, stressed it is a misunderstanding to believe the G7 statement had called for a further depreciation in the dollar.

Speaking to reporters on the sidelines of the Asian Development Bank annual conference here, Finance Minister Han Duck-soo said that the won's rapid gain against the greenback is "excessive."

"The recent currency movement doesn't seem to reflect our economic fundamentals," he said. He said the three Asian nations have agreed for the need to cope with rapid changes in global currency markets, including the imminent end of U.S. interest rate hikes.

Japanese Finance Minister Sadakazu Tanigaki also reiterated his earlier remarks that the Group of Seven nations didn't seek a weaker dollar. "I have an impres-

sion that currency movements are rather excessive," Tanigaki, who attended the G7 meeting, told reporters here.

Federal Reserve Chairman Ben S. Bernanke and European Central Bank President Jean-Claude Trichet also said the G7 statement didn't call for a weaker dollar.

Some Asian central banks are believed to have sold dollars to prevent their currencies from gaining further. The rapid appreciation of the local currency could hamper the profitability of exporters.

The Bank of Japan recently sold 14.8 trillion yen (\$129 billion) to prevent the currency from appreciating and keep the country's exports competitive. The Bank of Korea officially did not confirm any dollar sale.

The Asia's top economic policymakers on Thursday also agreed to explore ways to create a common currency to boost a new monetary scheme in the region. They also put the question of the under-representation of Asian countries in international financial institutions on the front burner.

The finance ministers will approve steps to bolster Asia's status within the International Monetary Fund and demand the Washington-based institution increase voting rights of Asian nations.

## Weekly Currency Roundup

Apr 30-May 04, 2006

### Local FX Market

Demand for US dollar was stable this week and USD remained almost unchanged against Bangladeshi taka.

### Money Market

In the Treasury bill auction held on Sunday, bid for BDT 4,398.00 million was accepted, compared with total of BDT 1,497.00 million in the previous week's bid. Weighted average yield was almost unchanged.

Overnight money market was high at the beginning of the week and ranged between 17.00 and 20.00 percent. The rate eased by the end of the week and ranged between 11.00 and 12.00 percent.

### International FX Market

The euro reached one-year high on Monday, and then fell slightly only to recover with strong European data offsetting the dollar gains. Euro zone manufacturing growth came in at its highest since September 2000. Strong manufacturing figures for the UK also lifted sterling to a one-month peak against the euro, while the Canadian dollar ran to its highest in almost 30 years against the greenback amid strong oil prices. Recent strong data from the euro zone is raising expectations for further interest rate rises from the European Central Bank, supporting the euro.

In the middle of the week the dollar eased towards a recent one-year low against the euro as investors fretted about the US interest rate outlook. The euro was off earlier highs, but went up slightly on the day and near Monday's one-year peak. Sterling extended gains to an eight-month high. The yen steadied against the greenback, with Tokyo markets shut for a holiday on Wednesday and for the rest of the week. The interest rate outlook has been supportive for the euro, and strong data on Tuesday further cemented expectations of a rate hike, and to a lesser extent for sterling, with expectations of a cut in British rates are fading fast. The Swiss franc hit a two-month high against the euro and approached an 8-month high against the dollar. The Australian dollar jumped to 7-1/2 month highs after Australia's central bank lifted interest rates. The Canadian dollar extended its gains to fresh highs, levels last seen nearly three decades ago.

The dollar rose against the yen and other major currencies on Thursday. The euro slipped against the dollar but held firm against other currencies before a European Central Bank meeting. The dollar has come under pressure in recent weeks on the market view that US interest rates is close to a peak. Japan's Finance Minister Sadakazu Tanigaki said overnight that financial markets had misunderstood a G7 statement last month that investors had taken as a call for the dollar to weaken. The euro was down against the dollar moving off a one-year high struck in the wake of the G7 statement. Asian trade was thin with Japan off on holiday. Japanese markets resume trading on Monday. Sterling hit two-month highs against the euro following strong UK data.

- Standard Chartered Bank

## STOCK