

US clashes with Chirac as WTO talks founder

AFP, Washington

The United States Thursday attacked a hardline position taken by French President Jacques Chirac on the WTO's deeply troubled campaign to free up world trade.

US officials said remarks made by Chirac during a visit to Brazil were unhelpful to the World Trade Organisation's uphill battle to forge a

global deal this year.

The European Union has given conflicting signals in recent days on its willingness to make further concessions on the WTO's "Doha" round, said Jason Hafemeister, the US Trade Representative's chief WTO negotiator.

But for Chirac to argue that the EU has done everything it can on agricultural trade "would be a prob-

lem, as that's not going to be adequate" to unblock the Doha round, he told reporters.

The EU has been cast as the villain in the WTO talks due to its refusal to go further in cutting the generous subsidies it gives to its farmers.

Big developing countries such as Brazil and India, however, are also under pressure from the EU and

United States to bring down their commercial barriers in return for farming reform in the rich blocs.

The French leader, the EU's most ardent defender of the farming lobby, said after talks with Brazilian President Luiz Inacio Lula da Silva that the 25-nation bloc could go no further without concessions from others.

Europe "is not in a position to take a single step further" on agricultural reform when others "haven't made a single step towards Europe on industry and services", Chirac told a joint news conference in Brasilia with Lula.

Chirac also called on Brazil to join with Europe "to levy friendly pressure on the Americans to make them more reasonable" over the "excessive" export support given to US farmers.



Chairman of The City Bank Ltd Din Mohammad inaugurates the relocated Manikganj branch recently. PHOTO: STAR



Partex Furniture Industries Ltd opened its 25th 'Partex Gallery' on Fazlul Hoque Road in Sirajganj recently. District Commissioner of Sirajganj Aminul Bor Chowdhury and Police Super Md Shahadat Hossain inaugurated the branch. Ashfaque-Ul-Kabir, general manager (Marketing) of the company, among others, was present at the inauguration. PHOTO: PARTEX FURNITURE INDUSTRIES



SM Shafiuzzaman, president of Bangladesh Association of Pharmaceutical Industries (Bapi), and Khandaker Omar Farhan, head of Direct Sales (Business Solutions unit) 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 Bapi. PHOTO: GRAMEENPHONE



Magician Jewel Aich picks a coupon to name the winner of a brand new car under a promotional campaign of Singer Bangladesh Ltd styled 'Singer Baishakhi Blast' at a raffle draw programme held on Thursday. Winners of 10 other prizes were also selected through the raffle draw. Senior officials of the company were present at the programme. PHOTO: SINGER

Raffle draw of 'Singer Baishakhi Blast' held

The raffle draw programme of a promotional campaign of Singer Bangladesh Ltd styled 'Singer Baishakhi Blast' was held on Thursday in Dhaka.

Magician Jewel Aich and Chief of Program of private television channel RTV KM Haroon conducted the raffle draw to pick the winners of eleven attractive prizes, including a brand new car, says a press release.

Nipa, a housewife from Moghbazar in the capital, was the winner of the brand new car. Other prizes include a 125 CC motorcycle, an 80 CC motorcycle, an air conditioner, a refrigerator, a washing machine, a colour television, a DVD player, a microwave oven, a rice cooker and a radio cassette recorder.

Among others, Director & COO of Singer Bangladesh Ltd Hamim Rahmatullah, Marketing Director Sajidur Rahman Khan and Marketing Services Director Mokbul Ahmed were present at the programme.

Singer Bangladesh launched the month-long campaign from April 1, 2006.

LOAN BUSINESS

Bank of China sees double-digit growth over next 3 years

AFP, Hong Kong

Bank of China, whose 9.7 billion dollar Hong Kong IPO attracted huge interest, said Friday it expects its corporate loan business to record growth of 10-12 percent yearly over the next three years.

Chairman Xiao Gang said the corporate loan growth of China's second-largest lender, had been in single digits in the past three years.

"Through risk management and enhancing our customer base, we expect our corporate loan (segment) to grow 10-12 percent year-on-year in next three years," Xiao said told reporters after the annual general meeting of the bank's Hong Kong unit.

He added that the bank's retail loan growth is expected to grow about 18-20 percent yearly over the same period.

Xiao said China's recent economic austerity measures for the property market are not going to affect loan growth for mainland property developers.

"Our loans offered to property developers in China account for only 6.8 percent of our total loans, which should be much lower than the average 14.8 percent of other banks in the country," Xiao said, adding that its property loans will have potential to expand further.

Commenting on the overwhelm-

ing investor response to Bank of China's IPO, the world's biggest in six years, Xiao said the successful offering reflects the fact investors are confident in China's economic development, as well as in the bank's brand name.

The bank will begin trading next Thursday.

Xiao said, in response to a question on Bank of China's working relationship with its BOC Hong Kong unit, both parties will complement each other.

Bank of China currently owns 65 percent of BOC Hong Kong (Holdings).

"The two banks have different customer and market base... I don't think the parent's listing will affect BOC Hong Kong's business in China... they will create a synergy effect through cooperation," said Xiao, who is also chairman of BOC Hong Kong.

BOC Hong Kong vice chairman He Guangbei added that the bank is discussing with parent Bank of China to develop a QDII (qualified domestic institutional investor) business.

Xiao also added that parent Bank of China's plan for its own A-share offering on the mainland should be done as soon as possible, but the timing of the listing will depend on market conditions and government regulations.

Weekly Currency Roundup

May 21-May 25, 2006

Local FX Market

Demand for US dollar was stable in this week and USD rose slightly against Bangladeshi taka.

Money Market

In the Treasury bill auction held on Sunday, bid for BDT 2,895.00 million was accepted, compared with total of BDT 1,589.00 million in the previous week's bid. Weighted average yield was unchanged.

Overnight money market was more or less steady throughout the week. The call money rate was high at the beginning of the week and ranged between 14.00 and 17.00 percent at the beginning of the week and ended the week on 13.00 and 14.00 percent.

International FX Market

The dollar began the week by recovering from losses sustained during the previous week as risk-averse investors moved capital out of commodities into safer assets such as US treasuries. The yen was under pressure against the dollar after the Bank of Japan suggested interest rates would not rise from their current near-zero levels any time soon. The euro pared losses earlier when European Central Bank Governing Council member Klaus Liebscher said the bank was concerned about the big upside risks to inflation within the euro area. The dollar gained ground on Monday, hitting a two-week high against the yen, boosted by volatility in global equity and commodity markets as investors switched from riskier assets into cash. The dollar's gains against the yen were most pronounced. The Fed, the BOJ and the European Central Bank are all due to hold monetary policy meetings in June. Of the three, the ECB is most likely to boost rates next month.

In the middle of the week, the yen rose against the dollar and the euro on Tuesday. The S&P announcement hit the market as the dollar struggled to extend gains after hitting a two-week high against the yen on Monday. The yen was also supported by comments from Bank of Japan Governor, who said the BOJ will adjust interest rates gradually. Investors were looking for clues on whether the Fed will hike rates from the current 5 percent in June. The dollar rose 15 percent against the yen and the euro last year thanks to a succession of US interest rate hikes. The euro rose to session highs against the dollar on Wednesday. The dollar rose earlier, particularly against the yen, as a report of possible human-to-human transmission of bird flu in Indonesia aggravated a shakeout in dollar-funded emerging market positions.

By the end of the week, the dollar edged lower against other major currencies on Thursday. The dollar had been bolstered in the previous session by upbeat. The revised US first quarter GDP is due with investors expecting the annual rate to be revised up. The biggest mover among the majors was the New Zealand dollar, which gained more than half a percent against the US currency. Given the uncertain outlook for interest rates in the world's biggest economy, markets have been increasingly volatile in recent weeks. The euro was also supported by news that Russia has decided to invest substantial amount of its stabilization fund in euro, with another big chunk going into dollars and the remaining into sterling.

- Standard Chartered Bank

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