

WTO gathering fizzles out

AFP, Geneva

A crucial World Trade Organisation session fizzled out Saturday, as a long-standing rift between rich and poor countries appeared to deepen in the Doha Round negotiations on tearing down barriers to global commerce.

"There is no need to pretend that this has not been a failure," said India's Minister of Commerce, Kamal Nath, after three days of fruitless discussions at the WTO.

"We came to the conclusion that there is just not any negotiating space, because there is really a difference of perception," he told journalists, adding that he would be

leaving the organisation's Geneva base later Saturday.

Brazil and India, who steer the powerful G20 bloc of developing nations, had faced off with other WTO heavyweights including Australia, the European Union, Japan and the United States, during talks which began Thursday.

A compromise among the six players is regarded as the key to resolving the near five-year-old deadlock at the 149-nation WTO, because their diverse economic interests are at the heart of disputes over how to shake up world trade.

Failing to narrow differences is nothing new at the WTO.

The Doha Round has swung regularly from near-collapse to revival since it was launched in the Qatari capital in 2001 with the goal of slashing trade barriers and helping developing economies accelerate economic growth.

Negotiations were originally meant to finish in 2004, but the end-date was later pushed back to December 2006.

The specific aim of the latest meeting was to reach a deal on the mathematics for cutting farm subsidies and customs duties levied on imports of agricultural and manufactured goods. An accord on that issue is a crucial step towards a final trade treaty.

WTO has two weeks to settle spats: EU

AFP, Geneva

Trading nations are running out of time to salvage the floundering Doha Round talks on liberalising global commerce, European Union Trade Commissioner Peter Mandelson warned on Saturday.

"If we don't turn things around in the next two weeks, we will not make a breakthrough this summer and then we will be facing defeat," Mandelson told reporters after three days of fruitless World Trade Organisation negotiations.

The 149 members of the WTO had given themselves until the end of June to reach an interim deal on the calculations for cutting rich countries' farm subsidies and customs duties, as well as import tariffs levied on manufactured goods by emerging economies such as Brazil and India.

But they missed their target because of persistent differences over the relative concessions required of different members, with negotiators refusing to budge unless others shifted position first.

"The key pieces of the jigsaw will have to be in place by the end of July," when members plan to hold a new session.

Pioneer Ins approves 15pc cash dividend

Pioneer Insurance Company Ltd has approved a 15 per cent cash dividend for its shareholders for the year 2005.

The dividend was approved at the 10th annual general meeting (AGM) of the company held on Tuesday in Dhaka, says a press release.

Chairman of the company AKM Rahmatullah presided over the AGM, which was attended, among others, by directors Syed Manzur Elahi, M Anis Ud Dowla, Tapan Chowdhury, Mohammed Nasirullah, Syed Nasim Manzur, Md Khalequzzaman, Arif Dowla and MA Mazed and Managing Director RN Das.



PHOTO: UNITREND

Western Union, a global money transfer company, organised a network convention for Arab Bangladesh (AB) Bank Ltd, one of its business partners in Bangladesh, on Wednesday in Dhaka. Kaiser A Chowdhury, president and managing director of the bank, and Debshankar Mukhopadhyay, country manager (Bangladesh) of Western Union, among others, were present at the conference.

GLOBAL TRADE TALKS

Developing countries form united front

AFP, Geneva

About 100 developing countries in the World Trade Organisation on Saturday formed a united front to defend the development thrust of global trade talks, but said they were optimistic that agreement could be reached by the end of the month.

Several overlapping negotiating groups including the G20 group of developing and emerging nations, African countries, Caribbean and Asian nations, poorest countries and cotton producers released a joint statement as a crucial WTO meeting in Geneva fizzled out.

They insisted that the Doha round must stick to the original mandate laid out when the talks started nearly five years ago in the Qatari capital, by dealing "in a meaningful and comprehensive manner" with "the development needs and concerns of developing countries."

"Any attempt to renegotiate or rewrite these would not be acceptable," the statement warned.

The venture followed talks involving the WTO's 149 members which failed to bridge gaps between trading powers over access to markets for agriculture and industrial goods.

Representatives of developing nations underlined the need for progress on eliminating trade-

distorting subsidies for agriculture in rich nations "that threaten the lives of millions of poor farmers."

There was also concern at US objections to measures aimed at granting some poor countries the right to protect special products or sectors of the economy crucial to their livelihoods.

"At this crucial moment in which the success of the round is hanging on almost a kind of a knife's edge, it's important to show that a large group of developing countries are not only united, but they are united around concrete proposals," said Brazil's foreign minister, Celso Amorim.

However Amorim emphasised that the group were ready to negotiate despite the failure of the meeting aimed at settling formulas for cutting subsidies and tariffs in a trade deal due for the end of the year.

"We all know that July will be really the crucial month of the possibility of still finalising the round within the foreseeable future," Amorim said.

"On a personal note, I'm still optimistic we can get there, it will not be easy, it will require a lot of political vision."

India's Minister of Commerce Kamal Nath concurred: "While I am disappointed I am still optimistic".



PHOTO: A POSITIVE

Brac Bank Ltd opened two ATM (automated teller machine) booths on Green Road and Bailey Road in Dhaka recently. Managing Director and CEO of the bank Imran Rahman inaugurated the ATM booths while other senior officials were present.

Weekly Currency Roundup

June 25 June 29, 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 8,095.00 million was accepted, compared with total of BDT 1,270.00 million in the previous week's bid.

Overnight money market was steady throughout the week. The call money rate remained unchanged throughout the week and ranged between 6.50-7.00 percent.

International FX Market

At the beginning of the week, the dollar rallied to two-month highs against the euro and the yen on Friday and posted its third straight week of gains against the basket of major currencies, boosted by firming expectations that the Federal Reserve will boost interest rates. The euro rallied by half a percent against the dollar in early European trade on Monday, in jittery markets ahead of an expected US rate rise. There is a growing expectation the Federal Reserve will raise rates again in August. A sell-off in emerging markets also helped the liquid US dollar last week. The euro got a fresh boost after the central bank governor of the United Arab Emirates told Reuters that it plans to convert 10 percent its currency reserves into euros although a timetable has not been put in place.

In the middle of the week, the euro briefly hit a fresh record high against the yen and edged up versus the dollar on Tuesday after strong German data and hawkish comments from ECB officials raised the prospect of faster rate hikes in the euro zone. But the single currency soon gave up the gains, with investors unwilling to commit to big positions ahead of the key Federal Reserve meeting later this week. The ECB has raised rates three times since last December to 2.75 percent and had been expected to hike twice more this year. The dollar fell to intra-day lows against the yen after the deputy governor of China's central bank was cited by the official Financial News as saying countries around the world should gradually rely less on the dollar for trade and their foreign exchange reserves. The dollar was stronger across the board on Wednesday ahead of the Federal Reserve meeting. The euro was down 0.17 percent against the dollar and lost 0.8 percent versus the yen. The euro climbed to its highest against the yen on Tuesday -- its strongest since it was first launched in 1999. Investors are betting that the ECB will step up the pace of monetary tightening after hawkish comments from policymakers and surprisingly strong confidence data.

At the end of the week, the dollar hovered near a 2-month high against the yen and held steady versus the euro on Thursday as investors awaited the Federal Reserve meeting. Because of the Fed vigil, the euro has been unable to benefit from hawkish rhetoric from European Central Bank policymakers. In Japan, dealers said the furor over Bank of Japan Governor Toshihiko Fukui's investment scandal on insider trading continued to weigh on the yen. Analysts believe that the BOJ will raise rates from near zero -- possibly as early as next month -- regardless of Fukui's fate.

- Standard Chartered Bank



PHOTO: PIONEER INSURANCE

The 10th annual general meeting (AGM) of Pioneer Insurance Company Ltd was held on Tuesday in Dhaka. Chairman of the company AKM Rahmatullah presided over the AGM, which was attended, among others, by directors and other senior officials.



PHOTO: NAVANA GROUP

Navana Petroleum Ltd, a concern of Navana Group, and Engineers' Auto Tech Ltd recently signed a joint marketing agreement. Under the deal, Engineers' Auto Tech will exclusively market energy giant Chevron Corporation's Caltex brand lubricants and other related services to its customers. Saiful Islam, director of Navana Group, Faisal A Chowdhury, director (Operations) of Navana Petroleum, Md Faruk Hassan, managing director of Engineers' Auto Tech, and Imal Fonseka, general manager of Chevron Global Lubricants, among others, were present at the signing ceremony.

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