

Trade accord signed with Cambodia

BSS, Dhaka

Bangladesh and Cambodia signed a trade agreement yesterday in a bid to help expand and strengthen trade relations between the two countries further and establish the principles of equality and mutual benefit.

Senior Minister of Commerce of Cambodia Dr Cham Prasidh and Bangladesh Ambassador to Thailand and Cambodia Shahed Akhtar signed the deal, said a press release.

Bangladesh is exporting readymade garments, footwear and leather goods, knitwear, pharmaceuticals, tableware, home linen, textiles, sea foods and marine products, tea, potato, jute and jute goods, light engineering products, spices, cosmetics, ceramic and melamine products, and toiletries to Cambodia.

On the other hand, the country imports cotton, edible oil, fertilizer, cliner, staple fibre, yarn and capital machinery from Cambodia.

Shahed Akhtar and Economic Counsellor of Bangladesh Embassy Eakub Ali held several meetings with senior officials of Cambodian commerce ministry and the leaders of Cambodian Chamber of Commerce.

Cambodian businesspeople showed interest in increasing imports from Bangladesh and discussed signing of an MoU between the chambers of the two countries. The Cambodian chamber said a delegation would visit Dhaka soon.

US Senate rejects minimum wage hike

AFP, Washington

Democrats in the Republican-controlled US Senate late Thursday blocked a final vote on a controversial measure that would have raised the federal minimum wage by a little over two dollars over three years.

Democrats denounced the measure as a Republican political stunt because while it would have raised the pay of low wage workers it also slashed estate and gift taxes for well-to-do Americans.

Senate leaders failed to obtain the required 60 votes to shut off debate and bring the bill to vote. That procedural vote was 56 to 42.

The defeat of the bill means that the minimum wage remains unchanged for nearly a decade at 5.15 dollars an hour.

The House of Representatives had passed the bill by an overwhelming margin late last week, but Senate Democrats and US labor interests attacked it.

Republicans had hoped to trumpet the minimum wage hike, which is supported by most Americans, as they return this weekend to their home districts for their summer recess.

Toyota's Q1 profit up 39pc

AP, Tokyo

Toyota reported a 39 percent jump in profit in its fiscal first quarter, with strong vehicle sales around the world keeping the company on a pace to possibly overtake General Motors as the world's No. 1 automaker in coming years.

Toyota's reputation for fuel-efficient cars was proving a boon at a time when drivers are balking at soaring gas prices, analysts said. Toyota Motor Corp., the world's second biggest automaker, is among a clutch of Japanese vehicle companies reporting robust results lately in contrast to the plight of the U.S. automakers.

"Everything is going well for Toyota, especially in North American sales," said Koji Endo, auto analyst at Credit Suisse First Boston Securities in Tokyo.

Endo said that in addition to robust sales of Toyota's smaller models such as the Corolla, the company's light trucks and Lexus luxury models which tend to produce healthier profit margins per vehicle have also been doing well, boosted by the perception that they're more fuel efficient than rival offerings.

Toyota's profit in April-June totaled 371.5 billion yen (\$3.2 billion), up from 266.9 billion yen the same period the previous year, as a weaker yen also helped earnings, adding 100 billion yen (\$871 million) to operating profit.

Quarterly sales surged 13 percent to 5.6 trillion yen (\$49 billion) from 4.98 trillion yen a year earlier, according to the manufacturer, based in Toyota city in central Japan.

BSTI to launch ISO-style certification scheme

JASIM UDDIN KHAN

Bangladesh Standards and Testing Institution (BSTI) is going to introduce an internally acceptable management systems certification scheme to certify the quality of manufacturing goods and food products.

Manufacturers and exporters will be able to use the certification as an alternative to other management systems certificates approved by the International Standards Organisation (ISO), industries ministry sources said.

The scheme will come into force

when the government okays Bangladesh Standards and Testing Institution (management systems certification) regulations.

The scheme will save a huge amount of foreign currency spent by local manufacturers on acquiring different ISO certificates.

A local firm has to spend \$2,000 to \$5,000 depending on products on any ISO certification such as HACCP (hazard analysis critical control points), ISO 9000 and ISO 14000, industry sources said.

A high official of industries ministry said the process of the BSTI certification would be complete by

the end of this year.

The government has already finalised draft regulations on management systems certification recently with assistance from the United Nations Industrial Development Organisation (UNIDO).

Besides, seven officials of BSTI have already received training on management systems certification. ISO, headquartered in Geneva, is a network of the national standards bodies of 157 countries.

ISO certificates help manufacturers and exporters become competitive in the world market.

IMF ready to give emerging economies louder voice

AFP, Tokyo

The IMF is ready to give emerging economies a greater voice starting with immediate changes in September to members' voting powers, managing director Rodrigo Rato said Thursday.

He said the IMF would adopt an ambitious plan to give greater weight to more dynamic economies by rebalancing quotas, which determine how much a member contributes to the fund, its voting rights and access to financing.

But Rato, a former Spanish economy minister, said the plan would have little impact on the actual policy decisions of the International Monetary Fund, which has a mandate to help countries achieve macroeconomic and financial stability.

"It's important, not so much to change the direction of the institution but to give it stronger credibility, that the most dynamic economies

get the representation their real economic weight represents in the world," he said.

Rato said he expected the IMF to agree at its annual meeting in Singapore in September to embark on a two-year programme of reform by taking some important steps, following its decision in April to start drawing up concrete proposals.

"These would include immediate action on quota increases for a few countries whose quotas are most clearly out of line with their weight in the global economy," the IMF managing director told journalists in Tokyo.

"But I would also want our members to agree in Singapore to move during the next two years on more fundamental changes. Those changes would include a further round of ad hoc quota increases for under-represented members following a review of the formula that is used to calculate quotas," he added. Rato declined to say which

countries were likely to see the greatest voting boost although China and South Korea are seen as potential beneficiaries.

At the same time he said it was important to protect the voice and representation of lower income countries by raising the number of basic votes assigned to members regardless of their quota size.

"This is an ambitious and broad programme. My idea is that governors will accept it and make a specific backing of it at Singapore, and that over the next two years it will be implemented by the board and by management," he said.

Long dominated by the United States, European countries and Japan, the IMF has been locked in debate over how to better represent emerging economic heavyweights such as China, which now has fewer Fund votes than Belgium.

Peoples Ins declares 100pc stock dividend

Peoples Insurance Company Ltd has declared a 100 per cent stock dividend for the year 2005.

The dividend was announced at the 21st annual general meeting (AGM) of the company held on Tuesday in Dhaka, says a press release.

Chairman of the company Md Abul Bashar presided over the AGM, which was attended, among others, by directors and other senior officials.

Phoenix Ins okays 25pc stock dividend

Phoenix Insurance Company Ltd has declared a 25 per cent stock dividend for its shareholders for the year 2005.

The declaration of dividend came at the 20th annual general meeting (AGM) of the company held on Wednesday in Dhaka, says a press release.

Chairman of the company Deen Mohammad presided over the AGM, which was also attended by directors, senior officials and shareholders.

Japan to extend anti-dumping steps against US for another year

AFP, Tokyo

The Japanese government has decided to extend for another year anti-dumping tariffs for 15 American products, reports said Friday.

Japan will maintain 15 percent punitive tariffs on US ball bearings and steel products until August 31, 2007 in retaliation against the continued implementation of a controversial US anti-dumping trade law known as the Byrd Amendment, Kyodo News said.

The measures, which originally started last year, will become effective September 1 after the cabinet gives its approval, Jiji Press said.

The punitive tariffs for the coming year from September can amount to as much as 5.9 billion yen (51 million dollars), Jiji said.

The World Trade Organization has ruled as illegal the so-called Byrd Amendment because it distributed funds to US firms affected by unfair trade.

The law enacted in 2000 redistributes US levies on dumping to the US companies that complained. Critics say this puts exporters to the United States at a disadvantage.

The amendment has provoked ire from major trading partners, leading to retaliatory sanctions from Japan, the European Union and Canada.

BA Q1 profit up 72pc

AP, London

British Airways PLC said Friday its first-quarter net profit rose 72 percent as the carrier saw passenger traffic driven by low fares on short-haul routes and strong demand for lucrative business class flights.

But the company warned of tougher conditions in the second half, with fuel and pension costs expected to rise.

Net profit for the three months ending June 30 rose to 150 million pounds (\$282 million), up from 87 million pounds a year earlier.

Revenue rose 12.5 percent to 2.32 billion pounds (\$4.36 billion) from 2.06 billion pounds in the same period a year ago.

"These are good results driven by strong revenue as a result of record seat factors and better cabin mix," said Chief Executive Willie Walsh.

Walsh said low fares on short-haul flights had been "a big success," despite a brutal competition in the market.

But he said market conditions are likely to get more difficult in the second half due to increasing price competition and that yields, or average fares, are likely to decline over the full year.

The company said it had seen a 44 percent rise in fuel costs to 512 million pounds (\$963 million) and noted that fuel costs for the full year are expected to be as much as 600 million pounds (\$1.13 billion) more than last year when the bill came to 1.63 billion pounds (\$3.06 billion).

TRI-NATION GAS PIPELINE

India, Iran, Pakistan to hire consultant for gas pricing

AFP, New Delhi

India, Iran and Pakistan agreed Friday to appoint a consultant to try to resolve a row over the price of Iranian gas to be sold to the South Asian nations through a multi-billion dollar pipeline.

After two days of intense negotiations, Iran stuck to its demand for a price linked to crude oil, while the buyers jointly sought a price band with a floor and ceiling, the Press Trust of India reported.

"The three nations will jointly appoint an international consultant to study the pricing issue," India's Petroleum Secretary M S Srinivasan told reporters in the Indian capital.

Iranian deputy oil minister M.H. Nejad Hosseini said all sides were unanimous on the importance of the seven-billion-dollar project but "the buyers (India and Pakistan) were offering a price which was half the price the seller (Iran) wanted".

India's Petroleum Minister Murli Deora said the consultant would submit its report in four-to-five

weeks after which the officials of the three countries would meet against in Tehran.

"This is the last time we are trying to revive the project," an unidentified official said, according to the news agency.

Pakistan Oil Secretary Ahmed Waqar said Pakistan and India were united on the cost issue and were looking at a price affordable and reasonable to their domestic markets.

"We are pursuing a bilateral (Iran-Pakistan) pipeline and a trilateral (Iran-Pakistan-India or IPI) pipeline parallelly. If for any reason, India does not join the IPI project, Pakistan would go ahead with the bilateral project subject to the price being affordable," he said.

The Iranian minister said Iran and India had alternative markets for sale and sources of supply. While Iran can sell gas to European markets, India has possible gas sources in Turkmenistan and Qatar.

"Decisions (by) each side will be taken in their own national interest," he said.

Deora said India remained committed to the pipeline project.

Sources said an international consultant was needed because there were substantial differences between buyers and sellers on transportation and gas processing costs.

A tripartite expert committee, formed Thursday to look into the pricing issue, failed to resolve differences, with Iran insisting on a transmission cost of 1.2 dollars per million British thermal unit (mBtu), while India and Pakistan suggested one-fourth of this cost.

On gas processing, Iran said 0.4 dollars per mBtu would be charged, but the buyers felt 0.2 dollars was a more reasonable price, sources said.

Tehran has remained adamant on its crude oil price-linked formula, which at 60 dollars a barrel Brent crude price, translates into a price of 7.2 dollars per mBtu - 60 per cent more than what India was willing to pay.



PHOTO: PEOPLES INSURANCE

The 21st annual general meeting (AGM) of Peoples Insurance Company Ltd was held on Tuesday in Dhaka. Chairman of the company Md Abul Bashar presided over the AGM while directors and other senior officials were also present.

EU may take part in Australia trade talks

AFP, Brussels

EU Trade Commissioner Peter Mandelson could take part in a major trade meeting in Australia next month if the United States shows it is willing to budge in world trade talks, his spokesman said Friday.

"We haven't said definitively that we're not going" to the meeting, Mandelson's spokesman, Peter Power, told reporters in Brussels.

"Our position is that it is extremely difficult from a diary point of view, and we just wonder about the value of meetings in the absence of any clear indication from certain parties to these talks that they're prepared to move on the position they had in Geneva," he said, in a clear allusion to Washington.

"If we get such an indication, then clearly that changes the scenario and people will travel. But in the absence of that, there's not much value," Power said.

Australian Trade Minister Mark

Vaile will host meeting of major world trading powers on September 20-22 in a bid to salvage talks on a global free trade deal, which collapsed in Geneva at the end of last month.

In an effort to revive the so-called Doha round of negotiations, Vaile has extended a meeting of the 18-member Cairns Group to include senior US trade officials, World Trade Organization chief Pascal Lamy and Mandelson.

On Thursday, the Australian minister said that the negotiations were "hanging by a thread" because of a deadlock over agricultural subsidies, and singled out the EU for criticism.

An EU official said that Mandelson is scheduled to take part in a strategic seminar in late September with European Commission President Jose Manuel Barroso and Agriculture Commissioner Mariann Fischer Boel.

EU states reject dumping steps for Vietnamese, Chinese shoes

AFP, Brussels

A majority of European Union countries have rejected for a second time new anti-dumping measures proposed by the European Commission on Chinese and Vietnamese shoe imports, a spokesman said Friday.

"It is true that member states ... have not supported two different approaches put forward by the commission to address the issue of injury resulting from the dumping of certain Chinese and Vietnamese leather shoes," he said.

Temporary anti-dumping duties on Chinese and Vietnamese shoes imports are due to expire in October, but member states disagree over whether and how to impose new measures afterwards. Under the temporary action, Chinese-made shoes with leather uppers are subject to a 19.4 percent import duty while a 16.8 percent duty is levied on Vietnamese shoes.

In mid-July, the commission proposed to set quotas for shoe imports with penalties for shipments above the limits instead of new duties, but a majority of states shot the proposal down.

A group of southern EU countries led by Italy found it too generous while more free-market friendly northern countries judging it too harsh.

The commission's new proposal would have extended duties although at a lower rate and its failure has left the EU's executive arm to study its options.

"Anti-dumping measures are extremely sensitive and member states have different views on the subject," said the spokesman, for EU Trade Commissioner Peter Mandelson.

"Our job now is to see if there is a way out of this, to take stock of the situation, and hopefully arrive at a situation where we can command majority support for a particular proposal," he went on.

"However there are clearly no guarantees that this is achievable."



PHOTO: PHOENIX INSURANCE

Chairman of Phoenix Insurance Company Ltd Deen Mohammad speaks at the 20th annual general meeting (AGM) of the company on Wednesday in Dhaka. Directors and other senior officials were also present at the AGM.

Oil prices lower in Asia as hurricane concerns ease

AFP, Singapore

Oil prices were lower in Asian trade Friday on easing concerns over the threat of hurricanes hitting the US Gulf Coast and hopes of an agreement to stop the conflict in Lebanon, dealers said.

Prices were also under pressure from indications suggesting economic growth in the United States, the world's biggest energy user, would slow, they said.

At 2:55 pm (0655 GMT), New York's main contract, light sweet crude for delivery in September fell 21 cents to 75.25 dollars a barrel from its close of 75.46 dollars in the United States Thursday.

Brent North Sea crude for September delivery was down 15 cents to 76.41 dollars. A report from the Institute for Supply Management (ISM) said the US economy's pivotal services sector weakened in July as the ISM index slipped to 54.8 percent from 57.0 percent in June. Services make up the lion's share of activity in the world's biggest economy.

That was less than Wall Street's consensus target of 56.5 percent. "The data showed faster than expected decline in the outlook for expansion," said Dariusz Kowalczyk, an investment strategist with CFC Seymour Securities in Hong Kong.

"That is why commodities includ-

ing energy were beaten today," he said.

On Wednesday, the New York contract had fallen 35 cents to close at 75.46 dollars on easing concerns tropical storm Chris could gain strength and hit vital oil production facilities and refineries in the US Gulf Coast.

The National Hurricane Center in Miami said the storm had weakened north of Puerto Rico, and was on the verge of being downgraded to a tropical depression.

Last year's record-breaking Atlantic season saw 28 named storms, including 15 that became hurricanes.

Barclays Capital analyst Kevin Norrish credited the weakening of Tropical Storm Chris for weakening prices "and also as momentum appears to be building for concerted action on the part of the US, France and Britain to back a truce in southern Lebanon".

French Foreign Minister Philippe Douste-Blazy said on BBC television Thursday he believes "more than ever" a durable ceasefire between Lebanon's Hezbollah and Israel will be in place soon.

"We are working day and night so that a durable ceasefire can take place as soon as possible. I believe it, I believe it more than ever after my trip to the Near East, after coming back from Beirut two days ago," he said.

He declined to give a date for a truce as Paris and Washington worked to narrow their differences at the United Nations over how to achieve a ceasefire in Lebanon.

OIL MAY TOUCH \$100: IRAN Another report from New Delhi adds: Oil cartel Opec's second-largest producer Iran said Friday crude oil prices may touch 100 dollars a barrel on winter demand and geopolitical concerns, according to a report.

"There is still a possibility of crude reaching 100 dollars a barrel due to geopolitical problems world-wide and peaking of winter demand," Iran's Deputy Oil Minister Hadi Nejad Hosseini said, according to the Press Trust of India.

Asked by reporters if Iran would stop oil exports in the event of an attack by the United States over its suspected nuclear programme, Hosseini replied, "I don't think so."

The deputy oil minister was in New Delhi for a meeting with Indian and Pakistan officials aimed at trying to break a deadlock over pricing of gas proposed to be imported by New Delhi and Islamabad through a seven-billion-dollar tri-nation pipeline.