

## E Asia FTA to top agenda of Asean meet

ANN/ THE NATION

Economic ministers will discuss the preparation of the East Asia Free Trade Agreement during the upcoming Asean meeting before seeking endorsement from leaders by the end of the year.

Caretaker Deputy Prime Minister Somkid Jatusripitak, who will represent Thailand at the Asean Economic Ministers' meeting from next Tuesday to Friday (Aug 22-25) in Kuala Lumpur, said on Tuesday the FTA will be at the top of the agenda.

Asean economic ministers are set to meet with their counterparts from China, Japan and South Korea to get an update on the study of the prospective FTA.

Asean ministers will submit their recommendation to the leaders for their summit this year. If the leaders endorse the proposal, they will proceed with the world's biggest

FTA, covering almost two billion people.

Asean ministers will also have separate meetings with ministers from India, Australia, New Zealand and the US. They plan to discuss the Asean-US Trade and Investment Framework Arrangement (TIFA) with the US trade representative. TIFA is a step towards the creation of an FTA. The stalemate in the World Trade Organisation's multilateral trade negotiations has prompted countries to shift their attention to bilateral FTA talks to pry open the markets of their trading partners.

Apiradi Tantraporn, director-general of Trade Negotiations Department, said the Asean ministers would discuss tighter integration of their service sectors under the framework of the Asean Economic Community. The move is part of Asean Vision 2020, which aims to turn Asean into a borderless

region. Asean Vision will include cooperation in economic, political and social spheres.

The Asean Free-Trade Area has been progressing smoothly as countries agree to cut tariffs on goods by 2010. They plan to expand the cooperation into investments.

Somkid said Asean ministers will also discuss recommendations to eliminate non-tariff barriers for goods within Asean; agree to increase the number of goods subject to speedy tariff cuts, in which Thailand proposed tapioca in the programme; and endorse the road map to improve logistics in the region.

Ministers will also discuss the institutionalisation of Asean cooperation with the eminent persons group. These recommendations will be forwarded to the Asean summit taking place in Cebu in the Philippines in December.

## Dollar steady ahead of US consumer price data

AFP, London

The dollar held steady against major rival currencies on Wednesday as dealers readied for more US inflation numbers.

The euro traded at 1.2793 dollars in midday European trading, compared with 1.2785 dollars late on Tuesday.

The dollar stood at 116.08 yen, from 116.11 yen.

Foreign exchange traders will closely watch the US consumer price index (CPI) for July, due for release later Wednesday, for further clues on US inflation and the Federal Reserve's interest rate outlook.

However, Callyon currency analyst Mitul Kotecha warned: "We do not expect the data to significantly alter expectations for US rates unless the outcome is far higher than expected."

Analysts expect the Fed to keep interest rates at 5.25 percent in the short-term. The central bank earlier this month halted its two-year tightening cycle amid slowing US economic growth.

The greenback had fallen on Tuesday after an unexpected slip in core US wholesale inflation.

The US Labor Department said the headline producer price index (PPI) rose a scant 0.1 percent in July from June. But the core rate -- excluding food and energy -- fell surprisingly by 0.3 percent.

Wall Street analysts had anticipated the core PPI rate to rise 0.2 percent and the headline rate to increase 0.4 percent.

"Expectations for today's July CPI release have been pared back too, though we do not expect to see a similarly benign report," Kotecha added.



PHOTO: CBCL

MJC Amarasuriya, chairman of Commercial Bank of Ceylon Ltd (CBCL), speaks at a customers' get-together recently while S Renganathan, the bank's country manager in Bangladesh, looks on.



PHOTO: UNITREND

Chairman of Rahimafroz Group Afroz Rahim, Group CEO Samir Asaf and Director Mudassar M Moin, among others, are seen at the Annual Sales & Marketing Conference '06 of Rahimafroz Distribution Ltd held recently at Rajendrapur in Gazipur.



PHOTO: SHAHJALAL ISLAMI BANK

Shahjalal Islami Bank Ltd organised a daylong workshop on 'Foreign Exchange Position & ACU Mechanism' for the foreign exchange desk officers of different branches of the bank recently in Dhaka. Managing Director of the bank M Kamaluddin Chowdhury and Deputy Managing Director Muhammad Ali, among other senior officials, were present at the inaugural session of the workshop.

## Oil prices fall for 3rd day in a row

AFP, London

Crude prices dipped on Wednesday as a fragile Middle East ceasefire entered its third day, and ahead of the latest market update on energy stockpiles in the United States, dealers said.

In London, Brent North Sea crude for September delivery fell 34 cents to 73.46 dollars per barrel in electronic trading. The contract expires at the close.

New York's main contract, light sweet crude for delivery in September, sank 11 cents to 72.94 dollars per barrel in electronic deals before the official opening of the US market.

Crude futures have now lost approximately two dollars since the start of the week, and have shed more than five dollars since August 7, when London Brent struck a historical record of 78.64 dollars.

Traders said that the key factor this week was the ceasefire deal between Israel and Hezbollah, which began on Monday after one month of conflict.

"Many traders had been concerned that fighting in the region could spread to other countries in the region, such as Iran, that produce a large proportion of the world's oil," said Sudden analyst Michael Sudden.

"However, despite the recent slide, the market is not expected to fall too far as a result of supply problems in Nigeria... and Alaska."

British energy giant BP's announcement Friday that it would keep pumping oil from its Prudhoe Bay field in Alaska was also a relief for the market after the sharp run-up in prices in recent weeks, dealers said.

BP will maintain about half the output at Prudhoe Bay, the largest oil field in the United States. The field normally produces 400,000

barrels per day of crude -- or about 8.0 percent of total US output.

Many oil market analysts do not envisage a return to full production before next year.

Traders are also on edge about the ongoing nuclear energy crisis with key crude oil producer Iran.

Dealers said further price falls could be limited by concerns over Iran, where the Islamic republic has until August 31 to halt its uranium enrichment and reprocessing activities or face sanctions.

Iran is the world's fourth-largest crude oil producer and traders fear Iranian energy supplies will be affected if Tehran refuses to back down from international pressure to halt its nuclear programme.

Iranian President Mahmoud Ahmadinejad on Tuesday rejected a UN Security Council resolution demanding Tehran halt its sensitive nuclear work.

Later Wednesday, traders will zero in on the latest weekly snapshot of crude inventories from the US Department of Energy (DoE).

Market expectations are for gasoline or petrol reserves to drop by 1.8 million barrels. Crude stocks are expected to fall by 1.3 million barrels.

The partial shutdown of Prudhoe Bay was widely expected to have an impact on the figures.

OPEC has meanwhile lowered its estimate for world oil demand in 2006, with demand now expected to grow by 1.3 million barrels per day (bpd) to average 84.5 million bpd, the cartel said in a report.

"This represents a downward revision of 80,000 bpd from last month's figure due to an unexpected decline in OECD consumption in the second quarter of this year," the Organization of Petroleum Exporting Countries said in its monthly report for August.



PHOTO: GRAMEENPHONE

Kaiser Tamiz Amin, executive vice president and chief operations officer of Brac Bank Ltd, and Mir Rashedul Hossain, deputy head of Corporate Sales of mobile phone operator GrameenPhone (GP) Ltd, pose for photographs at an agreement signing ceremony recently. As per the deal, GP will provide complete communication facilities under its 'Business Solutions' package for the bank. Senior officials from both the sides are also seen.



PHOTO: BANGLALINK

Visitors crowd the recently opened 31st 'Banglalink Point' of the mobile phone operator at Goal Chamot Mor in Faridpur.

## Delhi, KL agree to sign MoU on manpower

PTI, Kuala Lumpur

India and Malaysia on Tuesday agree to initial a landmark MoU that would protect thousands of Indians seeking employment in this Southeast Asian country from unscrupulous agents and middlemen.

"We have to prepare a draft which will be approved by both the countries working out details like working conditions for workers, minimum wage, recruitment procedures, conditions of employment etc," visiting Minister for Overseas Indians Vayalar Ravi told PTI after meeting Malaysia's Human Resource Development Minister Fong Chan Onn.

"I hope the Memorandum of Understanding (MoU) can be signed during Fong's visit to India in

October this year," Vayalar Ravi added.

He noted the Malaysian minister had also expressed anguish over the exploitation of Indian workers by these agents and middlemen who dupe the workers promising them fantastic jobs and high salaries.

"The purpose of my visit was centred around the more than 140,000 Indian workers here," Ravi said, adding he wanted to push for the long due MoU on labour and had succeeded. "It will come through I am confident," he added.

Vayalar Ravi on Monday evening met Works Minister Samy Vellu to discuss the issue of Indian workers and it was decided that a Malaysian government body will be the sole agency to recruit Indian workers seeking employment in Malaysia.

## Pak expats send \$4b home in 2005

APP, Islamabad

Pakistanis in Bahrain and around the world sent over \$4 billion home last year, a "significant" contribution to their country's economy, said Pakistani Ambassador to Bahrain Ifkhar Hussain Kazmi.

He paid tributes to the "hard work and productivity" of the Pakistani community in Bahrain, as Pakistan marks its Independence Day.

"The Pakistan community in Bahrain is about 45,000 people, including families and they belong to a variety of professions and businesses -- there are professionals, doctors, engineers, skilled workers and semi-skilled workers also," he said.

"They are very productive citizens and we are proud of them -- they have done a lot of good work and they have contributed to the economic development of Bahrain and earned respect and goodwill for Pakistan in this country."

Key developments for Pakistan-Bahraini relations include an upcoming meeting of the Joint Economic Committee, an investment promotion and protection agreement between the two countries -- and a Pakistan-GCC Free Trade Agreement.

Pakistan's economy and international trade is being fuelled by widespread political and economic reform, he said.

"In the field of economy the figures are very impressive -- particularly in the last four or five years." Our workers' remittances, which they have been sending to Pakistan, totaled over \$4bn, which is quite significant," said Kazmi.

"Between Bahrain and Pakistan, the volume of trade is around \$125 million each year, and our exports to Bahrain range between \$40m to \$45m.

"We mostly import petroleum products and some aluminum related items. At public sector level, we have a Joint Economic Committee (JEC) -- its next session

will be held in the first quarter of next year in Islamabad."

"It's a good forum between our two countries that was established a long time ago and essentially it seeks economic, trading and investment co-operation between Pakistan and Bahrain."

"We're also going to shortly sign an agreement on the promotion and protection of investment between Pakistan and Bahrain -- we're already negotiating that agreement."

"Pakistan and the GCC countries are shortly also going to sign a Free Trade Agreement, which is being negotiated by the government of Pakistan and the GCC secretariat in Riyadh."

## Singapore to advise Russia on special economic zones

AFP, Singapore

Singapore will advise Russia on setting up special economic zones under a pact signed with Moscow, the city-state's ministry of trade and industry said late Tuesday in a statement.

Singapore has developed economic zones in some of Asia's fastest growing economies including China, India and Vietnam and in June Singapore signed a pact with Indonesia to establish another three such zones.

Trade and Industry Minister Lim Hng Kiang, currently on a working visit to Moscow, signed the deal with Russia's Minister of Economic Development and Trade German Gref.