

Star BUSINESS

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WTO BRAZIL MEET

Support LDC demand for free market access

Dhaka urges G-20

STAR BUSINESS REPORT

Bangladesh urged G-20 member countries to support LDCs' demand for duty-free and quota-free market access under WTO.

Commerce Minister Hafizuddin Ahmed made the request Saturday at a meeting of the G-20 countries being held in Rio de Janeiro, Brazil, according to an official handout.

The meeting is aimed at resuming the negotiation on the Doha Development Agenda suspended amid widespread differences among the WTO member-states in July this year.

The members of the World Trade Organisation reached an agreement through multilateral approach in its sixth Ministerial Conference in Hong Kong to provide the least developed countries with duty-free and quota-free access to the developed and developing countries.

The minister urged the G-20 members to support implementing this commitment immediately in a meaningful manner.

Addressing the meeting he said,

"The developing countries are not responsible for the temporary suspension of the Doha negotiations".

Bangladesh is attending the two-day meeting, which began on September 9, as a coordinator of the LDC group, the world's poor-country club comprising over 40 nations.

African-Caribbean-Pacific (ACP), Small and Vulnerable Group and African Union (AU) are also attending the meeting of G-20 (including Brazil, India and China) with Brazil's Foreign Minister Celso Amorim in the chair.

"Our countries are deeply committed to multilateralism and to the WTO. We want this meeting to give a strong signal that we want the resumption of the negotiations", he said, urging the group of 20 developing countries in WTO negotiations to advance the development dimension.

The Bangladesh commerce minister apprised the G-20, which coordinates agriculture negotiations for the developing countries, that agriculture of Bangladesh, as

also of other LDCs, is not only for trade but vital for livelihood of the people mostly living in rural areas.

He also urged the G-20 countries to provide the LDCs with duty-free access to their markets.

"South American countries are currently in the process of creating the structure to provide duty-free market access to the LDCs," the Brazilian Foreign Minister, Amorim, told the meeting.

Ambassador and Permanent Representative in Geneva, Switzerland, Dr. Tawfiq Ali was also present at the meeting as a member of the Bangladesh delegation.

The G-20, a group of developing countries to coordinate negotiating positions on agriculture, is meeting in Rio de Janeiro, the port city of Brazil. There are 23 members in this group. The LDC group, which Bangladesh is coordinating, has been invited to the meeting.

SME fair from today

STAR BUSINESS REPORT

A weeklong fair of small and medium enterprises (SME) kicks off in Dhaka today focusing on establishing an effective linkage between entrepreneurs and customers to boost the potential sector.

Prime Minister Khaleda Zia is scheduled to inaugurate the show at Bangladesh-China Friendship Conference Centre. Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) is organising the third edition of the fair.

Organisers said there will be a total of 111 stalls and nine pavilions at the fair to showcase products such as readymade garments, frozen food, tea, jute products, ceramic, light engineering products,

furniture, electrical goods, poultry and fisheries food, fertiliser, fruits, spices, gift items, handicrafts, medicines, leather and leather goods, plastic products, handloom products, medical equipment, cosmetics, sanitary items, fashion-wear and herbal products.

"Besides, there will be separate meeting places for buyers and sellers, which will help the participants popularise their products," said Mohammad Ali, senior vice-president of the FBCCI, at a press briefing in Dhaka yesterday.

The fair will remain open from 9:00am to 9:00pm during the weekdays while from 10:00am to 10:00pm on the weekends and other holidays.



President and Managing Director of Bank Asia Ltd Syed Anisul Huq, among others, poses for photographs with the four recipients of the bank's higher studies scholarship for the session 2005-06 at a function on Thursday at the Tarail branch, Kishoreganj, of the bank.

4 students of Tarail upazila get Bank Asia scholarship

Bank Asia Ltd gave away scholarships to four students of Tarail upazila of Kishoreganj on Thursday, says a press release.

President and Managing Director of the bank Syed Anisul Huq handed over the scholarships to the recipients at a function where Upazila Nirbahi Officer of Tarail upazila, among others, was present.

The bank has introduced the scholarship programme in the rural areas where it has branches. Students of engineering, medical science, agriculture, genetics, computer science, physics, business studies, etc are entitled to the scholarships for higher studies.

The scholarships are for a period of four-five years and the amount is Tk 2,000 per month and a lump sum amount of Tk 10,000 is given annually for tuition fees and purchase of books.

Correction

In a news item headlined 'Dhaka Int'l Mobile Phone Fair kicks off today', published on this page yesterday, it was inadvertently mentioned that the fair would be held on September 10. In fact, the fair will begin on October 10. We regret the mistake.

CURRENCY

Following is Sunday's (September 10, 2006) forex trading statement by Standard Chartered Bank

Major Currency Exchange Rates		Exchange Rate of Some Currencies			
	BC Sell	TT Buy			
US dollar	69.55	68.45	Per USD	BDT per Currency	
Euro	89.69	85.54	Indian rupee	46.07	1.50
Pound	131.12	126.17	Pak rupee	60.45	1.14
Australian dollar	53.61	50.57	Lankan rupee	102.45	0.67
Japanese yen	0.61	0.58	Thai baht	37.45	1.84
Swiss franc	56.21	54.36	Malaysian ringgit	3.66	18.84
Swedish kroner	9.45	8.79			
Canadian dollar	62.65	60.46			
Hong Kong dollar	8.95	8.79			
Singapore dollar	44.70	43.32			
UAE dirham	19.09	18.49			
Saudi riyal	18.69	18.11			
Danish kroner	12.33	11.15			
Kuwaiti dinar	237.13	235.02			

USD Forward Rate Against BDT		
	Buy	Sell
1 M	68.54	69.65
2 M	68.66	69.76
3 M	68.81	69.94
6 M	68.99	70.518

* All currencies are quoted against BDT
* Rates may vary based on nature of transaction
* The forward rates are indicative only 2 and fixed dated

Local Market
FX: Local inter-bank FX market was subdued on Sunday because the international markets were closed for the weekend. The demand for USD remained stable, but the volume of cross currency transactions was limited. The USD fell slightly against the Bangladeshi taka.

Money Market
Money market was active on Sunday. Call money rate remained unchanged and ranged between 6.50-7.00 percent.

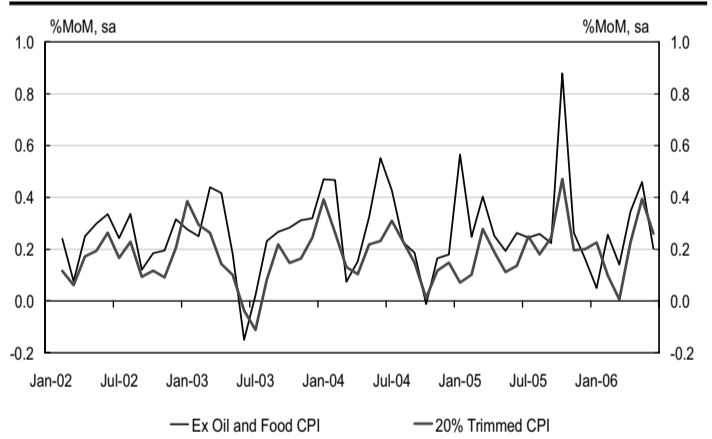
International Market
The international markets were closed on Sunday. The dollar rose to six-week highs on Friday as dealers aimed at technical targets and positioned for the risk that the Federal reserve may have to raise interest rates again to keep inflation at bay. Solid US economic data and warnings on inflation from Federal Reserve officials this week have also lent the dollar some support. Although analysts expect the Federal Reserve to keep interest rates on hold this month, dollar bulls have not given up hope for more rate rises in coming months. The euro was last down 0.5 percent on the day and down 1.3 percent on the week. The Sterling also slipped 0.6 percent on the day. Against the Swiss franc, the dollar was up 0.4 percent. The dollar was also up 0.4 percent against the yen on the day. One of the biggest losers this week has been the New Zealand dollar, which has slumped almost 3 percent and extended losses on Friday after the country's finance minister voiced concern over the currency's recent rise.

A close look at Asian performance: Citigroup's economics takeout (Sept 2006)

Asia Chart Summary

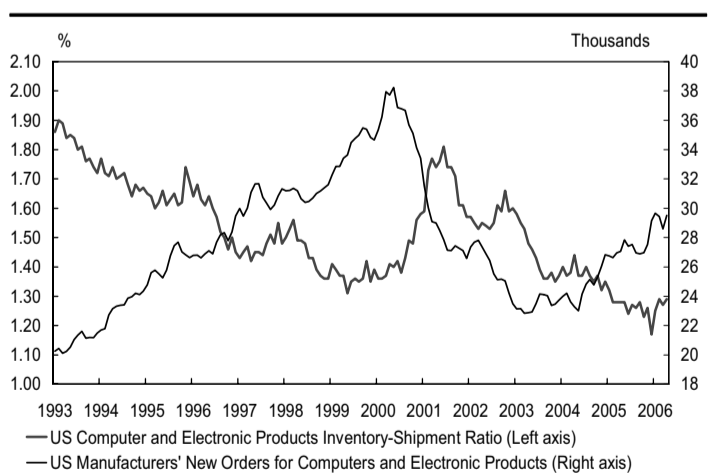
(CONTINUED FROM SEPT 10)

Incoming data suggest that upside risks for inflation are somewhat less than previously thought

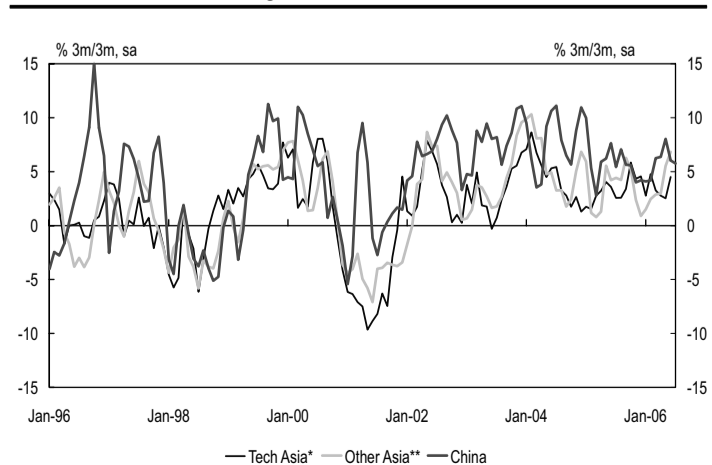


Note: Asia- Hong Kong, India, Indonesia, Korea, Philippines, Singapore, Taiwan, Thailand

New US orders continue to rise, and the inventory to shipment ratio does not imply an inventory overhang



The export outlook probably dimmed slightly, especially with an expected moderation in global tech demand

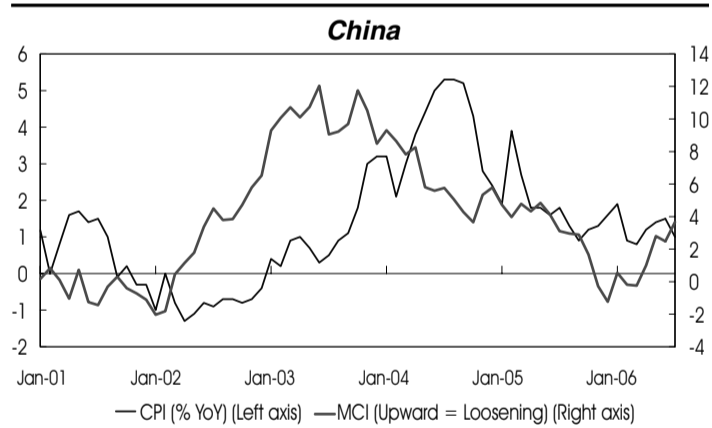


Note: Tech Asia - Malaysia, Philippines, Singapore, Taiwan; Other Asia - India, Korea, Thailand

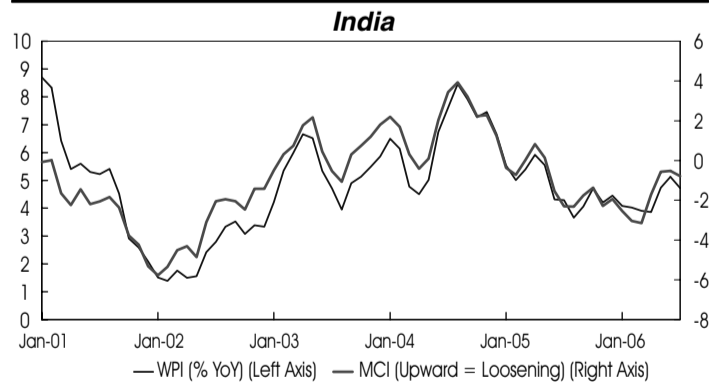
Source: Citigroup calculations based on data collected by CEIC Data Company Limited.

CPI vs Citigroup MCI

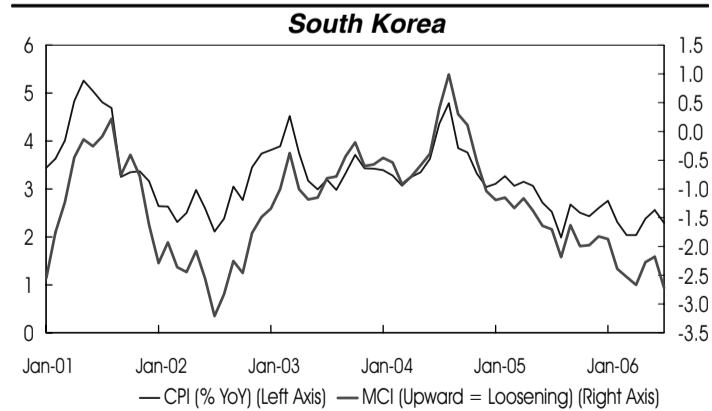
Besides recent lending and deposit rate hikes, we expect another reserve requirement ration hike



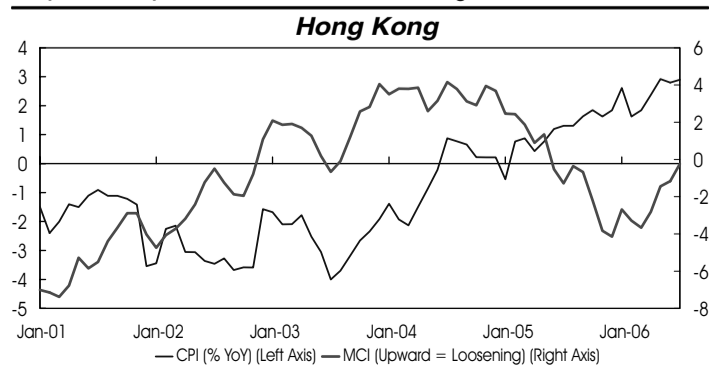
RBI hiked the reverse repo and repo rate by 25bps each last month. We expect another 25bps in 3Q FY07



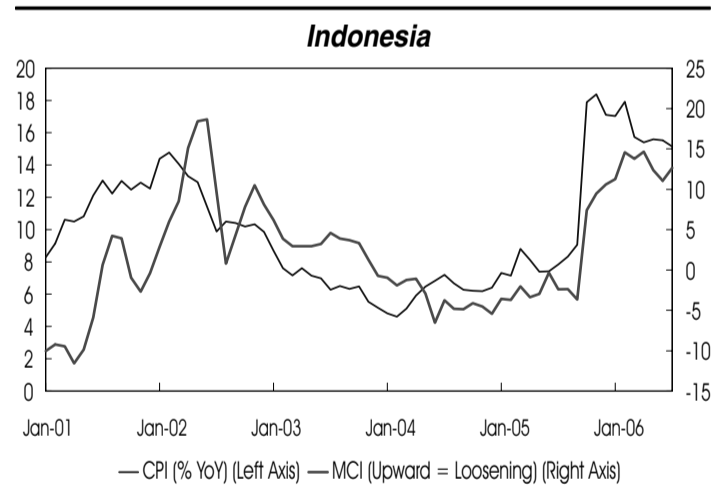
BOK likely keep the call rate at 4.50% amid stable inflation



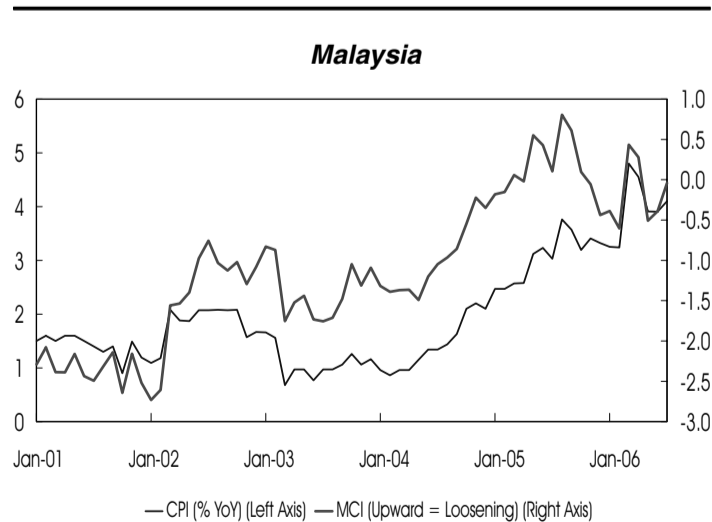
Excess liquidity and the Fed's pause in policy tightening likely to keep the HKD prime rate stable in the coming months



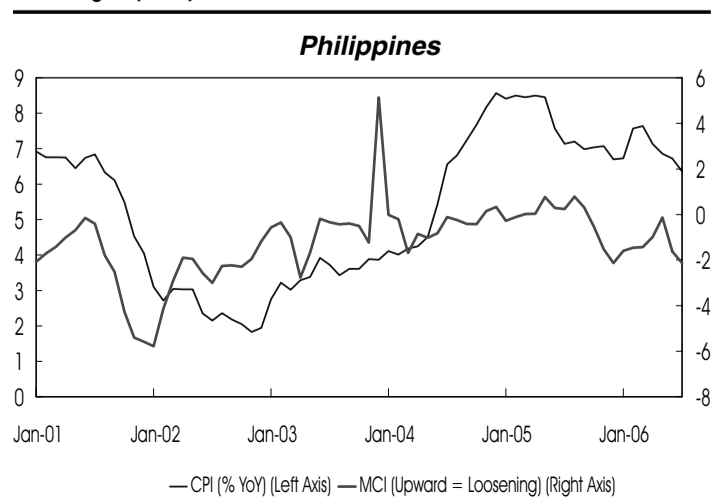
BI cut its policy rate by 50bps in early August. We expect another 50bps cut in the next month or so



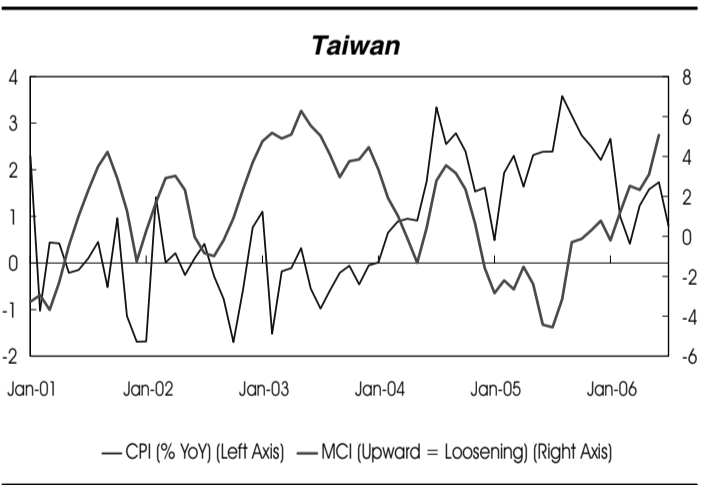
We expect an OPR hike in November but this is dependent on export recovery; if failed to materialize, rate hike would have to be pushed out to 2007



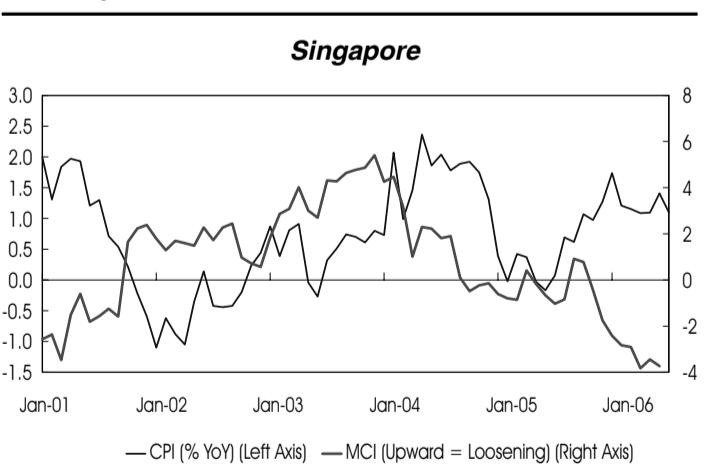
Improving inflation should strengthen the impression of an unchanged policy rate outlook for 2H06



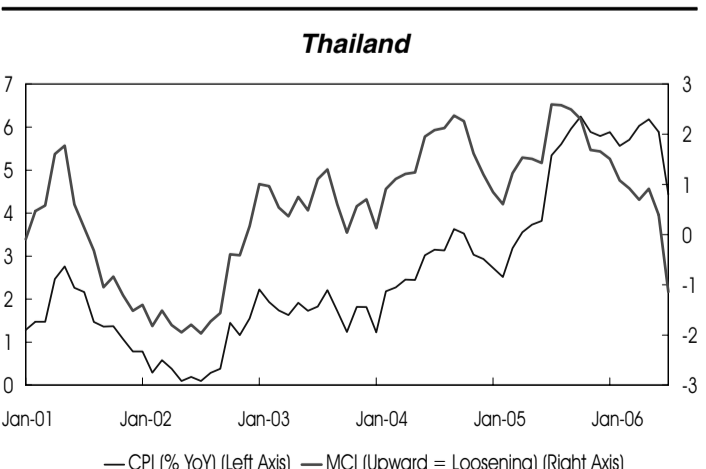
We expect another CBC rate hike of 12.5bps for 3Q06 but see a lower probability for further hikes



MAS will probably continue to resist excessive trade-weighted SGD strength that could hurt export competitiveness



Sharp core inflation improvement and the Fed's rate pause would likely help keep the policy rate at 5%.



Note: See 'Asia Economic Outlook and Strategy: Measuring Monetary Conditions' February 2005
Source: Citigroup calculations based on data collected by CEIC Data Company Limited.

(TO BE CONTINUED)