

# Star BUSINESS

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## ADB official calls for Asia-wide FTA

AFP, Manila

Major obstacles block Asia's prospects of becoming a common market, but a region-wide free-trade area is a realistic goal, an Asian Development Bank official said Monday.

The Philippines-based lender said 183 free trade agreements have either been signed or are being proposed or negotiated across Asia, where the share of intra-regional trade has risen to about 55 percent last year from some 40 percent in the early 1990s.

"Given the stalled Doha round of the World Trade Organization talks, it is vital for all Asian countries to continue their efforts to pursue further market opening and structural reforms," said Masahiro Kawai, head of the ADB's regional economic integration office.

He said the ultimate goal should be "consolidating the (various inter-Asian) FTAs (free trade agreements) into a single Asia-wide, best

practices FTA," ensuring the expansion of free trade within the region.

Kawai said the political will is there, with Asia's leaders having expressed support toward a vision of an integrated Asian economy.

Closing the development gap, however, between the relatively developed and the less-developed countries is very important, and regional cooperation in the areas of infrastructure, trade or investment could all contribute to narrowing such a gap, he said.

Kawai said the goal of the 10 members of the Association of Southeast Asian Nations to have a common-market type "Asean economic community" by 2015 falls short of the European Union standard because "free mobility of labor may not be completely there and free movement of capital and money may not be in place."

Aside from trade in goods, the agreement also calls for free trade in services.

A European-type common market is "perhaps still further in the

future, beyond even after 2020," he added.

Kawai said domestic economic issues make up a key impediment to a common Asian market. It would be "very difficult for them to fully open up their markets."

He said countries like China, Laos, Cambodia and Vietnam must resolve these problems, otherwise it would be very difficult for them to fully open up their markets.

The leaders of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, meeting in the Philippines in December to launch an Asean Economic Community by 2015, have "crucial issues they need to address and resolve for this vision to materially move forward," Kawai said.

"They need to clearly define what they mean by Asean economic community and what constitutes the Asean economic community," he said.

## Oil prices up on cuts by 2 Opec nations

AP, London

Oil prices fluttered around \$63 a barrel Monday as traders worried about whether production cuts by two key producing nations were harbingers of further restrictions by other Opec members.

On Friday, Venezuela said it would reduce oil output by 50,000 barrels a day to try to stem the recent fall in crude prices. Nigeria on Saturday said it was cutting oil exports by 5 percent, which the state-owned oil company described as a routine seasonal reduction.

By midday in Europe, light, sweet crude for November delivery rose 7 cents to \$62.95 a barrel in electronic trading on the New York Mercantile Exchange. The contract rose 15 cents on Friday to settle at \$62.91 a barrel. November Brent crude on the ICE futures exchange in London rose 10 cents to \$62.58 a barrel.

Heating oil futures gained 0.082 cents to \$1.7617 per gallon while gasoline prices added 0.66 cent to \$1.5605 a gallon. Natural gas futures fell 3.4 cents to \$5.586 per 1,000 cubic feet.

Petromatrix analyst Olivier Jakob said speculation about Opec cuts urged prices higher, while the market was "torn between the macro players wanting to be long on Opec policy and the micro players wanting to be short on the ever deteriorating fundamentals."

While the 11-member Organization of Petroleum Exporting Countries decided earlier this month to hold to a 28 million barrel a day output quota, many traders say the group would like to rein in production if crude-oil futures drop much lower than \$60 a barrel.

"The market seems to have reached a floor in the low-\$60s due to the widespread feeling among traders that Opec may be galvanized to control output or cut production if prices are below \$60 a barrel," said Victor Shum, an analyst with Purvin & Gertz in Singapore.

The cuts announced by Nigerian National Petroleum Corp. take 115,000 barrels of crude oil a day from Nigeria's current Opec quota of 2.3 million barrels daily. The reduction was to begin on Sunday. Refiners often decrease their output to conduct maintenance during the slow season.

Venezuela, a major oil supplier to the U.S. and a founding member of Opec, is already thought to be producing well below its Opec quota around 2.5 million barrels a day instead of the 3.2 million barrels it reports to the cartel.

## Japan, KSA to launch talks on investment

AFP, Tokyo

Japan said Monday it will begin two days of talks with Saudi Arabian officials here Thursday on ways to strengthen investment ties with the oil-rich Gulf nation.

"Japan would like to enhance the

investment environment with Saudi Arabia and Saudi Arabia is likely to seek active investment from Japan including in the auto industry," said an official at Japan's foreign ministry.

Japan also began talks last month with Saudi Arabia and five

other oil-rich Gulf nations on a free trade agreement.

Japan imports 75 percent of oil from the six nation Arab group, the Gulf Cooperation Council (GCC) -- Saudi Arabia, Bahrain, Kuwait, Oman, Qatar and the United Arab Emirates.



PHOTO: BTI

MM Hossain, director (HR & Administration) of Building Technology & Ideas (BTI) Ltd, a real estate company, and Khandaker Omar Farhan, head of Direct Sales of 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 BTI.



PHOTO: BANGLALINK

The 44th 'Banglalink Point' of the mobile phone operator was opened in Pabna recently. Senior officials of the company, among others, were present at the inauguration.

## India, South Africa ink partnership pact

AFP, Pretoria

Indian Prime Minister Manmohan Singh and South African President Thabo Mbeki on Monday signed a sweeping pact to cement ties between the regional powerhouses which serve as spokesmen for the world's have-nots.

Singh's visit coincided with the centenary celebrations of Mahatma Gandhi's passive resistance movement launched in South Africa which ultimately helped liberate both countries.

"This is a most satisfying visit for me personally as it coincides with Gandhi's 137th birthday today," Singh said after signing the strategic partnership with Mbeki in South Africa's administrative capital.

"Both our countries face the common problem of ensuring that the fruits of development reach them who need them the most," he told a joint press conference.

South Africa, India and Brazil have formed a bloc which fights against global trade inequalities and espouses the cause of the developing world.

The Pretoria agreement was followed by the signing of a pact on cooperation in education and another between Indian Railways which runs one of the world's biggest networks and South African railway company Spoornet.

The declaration listed "energy, tourism, health, automobiles and auto components, chemicals, dyes,

textiles, fertilisers and information technology" as "priority sectors."

It said bilateral trade, standing at some four billion dollars last year, according to Indian estimates, should "at least treble by 2010."

Mbeki, lauding the long history of "friendship, solidarity and togetherness" with India, the world's first country to sever ties with the apartheid regime, said both sides needed to work on "bringing more content to this relationship."

He said both countries agreed on key international issues including the need for United Nations reforms and the restructuring of the Security Council.

Singh, meanwhile, said he solidly backed South Africa's bid for a seat on the Security Council, saying it deserved it "by virtue of its standing, its role and was eminently entitled to take that place."

Singh, who was accompanied by a high-powered business team including Ratan Tata, chief of India's Tata group -- a big investor in South Africa -- was due to address a meeting of South Africa's top businessmen later in Monday.

He was then set to visit a Johannesburg jail and meet with anti-apartheid icon Nelson Mandela before being hosted at a formal banquet by Mbeki.



PHOTO: ISLAMI BANK BANGLADESH

Mohammad Abdul Mannan, deputy executive president & head of International Banking Wing of Islami Bank Bangladesh Ltd, and Athipet Muralidhar Rao, director of Milfa Sterling Exchange Ltd (Wallstreet Forex London), UK, exchange documents after signing a remittance agreement recently in London. Under the deal, Bangladeshi expatriates in the United Kingdom will be able to send their money home quickly through the branches of the bank.



PHOTO: PARTEX FURNITURE INDUSTRIES

Badar Uddin Ahmed Kamran, mayor of Sylhet City Corporation, inaugurates 'Partex Gallery' of Partex Furniture Industries Ltd in Sylhet city recently. Senior officials of the company, among others, were present.