

Star BUSINESS

E-mail: business@thedailystar.net

WTO warns of impending failure in global trade talks

AFP, Geneva

World Trade Organisation chief Pascal Lamy said Friday that trade talks were courting a total failure that would erode a 60-year effort to prop up global economic growth with free and fair trade.

He repeated a warning about the potential "fatal" impact of impending US legislation on the stalled talks, in an article for the Wall Street Journal.

"We have only a few months to rescue these negotiations," Lamy wrote, urging the WTO's most influential members to "go the extra mile".

"There comes a time in every

negotiation where failure looms. For the Doha round of global trade negotiations that times has nearly arrived," he said.

"Like a progressive malady, a failure in the global trade talks will erode the multilateral trading system that has underpinned the global economy for nearly 60 years," the WTO's Director General said.

In July, Lamy suspended the talks launched in the Qatari capital Doha in 2001 due to ongoing deadlock over the bid by the 149-nation WTO to expand organised free trade by reducing subsidies, tariffs and other barriers to commerce.

Key trading powers, including

the United States, the European Union, major developing countries Brazil and India, and agricultural exporting nations are largely at loggerheads about opening up farming markets.

Lamy warned last week that the US Congress's decision on the 2002 Farm Bill and its "extremely generous subsidies", which are due to expire next spring, would have a "decisive" impact on the Doha talks.

He also highlighted the expiry of US presidential "fast track" authority on trade issues next summer.

Oil prices steady

AP, Singapore

Oil prices were steady Friday as the market awaited economic cues and evidence of Opec's recently announced output cut.

Light sweet crude for December delivery rose 2 cents to \$57.90 a barrel in Asian electronic trading on the New York Mercantile Exchange. December Brent crude on London's ICE Futures Exchange gained 6 cents to \$57.93 a barrel.

Prices had fallen Wednesday and Thursday after a weekly report showed a climb in U.S. crude oil inventories. According to the U.S. Energy Information Administration, U.S. crude oil inventories rose by 2 million barrels to 334.3 million barrels in the last week.

That was largely due to crude imports bouncing back up by 599,000 barrels per day from the previous week, when imports dropped off significantly.

Inventories of distillates, which include heating oil and diesel fuel, fell by 2.7 million barrels to 141.3 million barrels. Gasoline inventories fell by 2.8 million barrels to 204.6 million barrels. Furthermore, the EIA said demand for these products has recently accelerated.

The drops in product inventories were larger than anticipated, but the market wasn't too rattled, given that the report indicated that refiners are boosting production and fuel demand is still going strong.

"U.S. inventory figures initially appeared to be bullish due to higher-than-expected draws of distillates and gasoline, but eventually higher refinery runs stopped the uptrend," said Vienna's PVM Oil Associates.

Oil traders are watching to see how quickly the 11 members of the Organization of Petroleum Exporting Countries move to cut production after announcing that as a group they would reduce output by 1.2 million barrels a day starting Nov 1.

ITUC demands reform of IMF, WTO

AFP, Vienna

The new global trade union ITUC demanded radical reform of the International Monetary Fund, World Bank and World Trade Organization to focus on human rights, in its programme adopted here on Friday.

The new force, the International Trade Union Confederation (ITUC) representing 168 million workers, laid out an action plan calling for deep changes to globalisation in favour of the poor.

Its programme also calls for a global trade system, which protects developing countries and for the World Trade Organization to adopt social targets.

The ITUC said in its programme, approved here on the last day of its founding congress, that it wanted to "fundamentally change globalisation so it will work in favour of workers, the unemployed and the poor".

ITUC said it would work for "a fundamental reform of the International Monetary Fund, the World Bank and the World Trade Organization... to recognise the primary importance of human rights".

It said that "honouring union rights is a pre-condition to justice in the workplace, in society and in the world", adding that it would "fight" any violation of union rights.

It also called on the international community to conduct "a basic strategy for sustainable development".

The programme said: "Since its creation... the WTO has represented a model of trade liberalisation that cannot last, that increases the exploitation of workers and inequalities in terms of development."

Briton Guy Ryder, who was elected on Friday to be secretary general of the ITUC, added in a speech distributed in advance: "(Our) goals are ambitious. Fundamental change in the global

economy. Social transformation. Universal respect of the fundamental rights of working people."

The new body is a response to decades of feuding within the union movement and embraces 306 national unions in 154 countries, although 42 million unionists in Communist-affiliated bodies refused to participate on the grounds that ITUC was compromising with the established economic system.

The ITUC has a central policy objective of tackling globalisation and what it sees as the damaging effects of the opening of markets and increased competition on ordinary workers.

But it does not however reject the benefits of trade.

"Poorly organised, international trade can be destructive, but well directed, it can boost development and jobs," Kristian Weise, an international labour expert with the ITUC, said.

The general secretary of the French union CFDT, Francois Chereque, said: "On the one hand, G8 trade unions say 'we must resist globalisation to preserve jobs'. On the other hand, trade unions in developing countries are demanding 'a just distribution of wealth'."

Chereque said he hoped that the ITUC, rather than "adding up its aggravations", would be able to organise "a calm debate to develop new trade regulations that will preserve jobs in the North while allowing the South to achieve wealth".

Weise said that "the idea that protecting countries in the North would save jobs results from a misunderstanding", adding that jobs lost in relocations make up "only a very small percentage of total jobs".



PHOTO: DBBL

Md Yeasin, managing director of Dutch-Bangla Bank Ltd (DBBL), hands over on behalf of the bank a Dhaka-Stockholm return air ticket to a physically challenged nutritionist of the country's leading NGO Brac, Sharmin Akbari, who will pursue higher studies in public health in Sweden. The ticket was given at a function held recently in Dhaka.

Weekly Currency Roundup

October 29-November 02, 2006

Local FX Market

Demand for US dollar was stable in throughout the week and USD rose marginally against Bangladeshi taka.

Money Market

In the Treasury bill auction held on Sunday, bid for BDT 7370.00 million was accepted for this week.

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

International FX Market

The dollar fell to a one-month low against a basket of major currencies on Friday after the government reported a slowdown in US economic growth in the third quarter that was more dramatic than expected. In late trading in New York it registered its biggest monthly fall against a basket of currencies since May. The week began as the yen rose towards a one-month high against the dollar on Monday after soft US growth data and as traders looked to the release of a Bank of Japan economic outlook report for clues about when Japanese interest rates will climb further. The euro fell off the record high hit against the yen on Friday. The yen showed little reaction to data showing Japanese industrial production fell 0.7 percent in September from a month earlier, a result mostly in line with a median market forecast for a decline of 1.0 percent.

In the middle of the week, the yen steadied against the dollar on Tuesday after closely watched Bank of Japan report did little to change market expectations that the central bank would wait until next year to raise interest rates. In its twice-yearly outlook on the economy and prices, the BOJ reiterated that it would gradually adjust rates based on economic and price conditions, a message that was echoed by BOJ Governor Toshihiko Fukui. The dollar steadied against major rivals on Wednesday, consolidating falls to one-month lows after Tuesday's below-forecast Midwest business activity data hardened expectations for US interest rates to stay on hold for now. The euro was holding steady against the dollar, having hit its highest in just over a month on Tuesday.

- Standard Chartered Bank



PHOTO: RB GROUP

Prof Md Ashraf Haque of Department of Electrical and Electronic Engineering of Rajshahi University of Engineering and Technology, speaks at a seminar on 'd4ta digital technology in Walton colour TV' organised by RB Group, an electrical and electronics products and automobiles marketing company, recently in Dhaka. SM Nurul Alam Rezvi, managing director of the company, and Ilias Kanchan, senior deputy director, among others, were present.

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