

# Star BUSINESS

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## Apec commits to resuming Doha talks

ANN/ VIET NAM NEWS

Apec members committed themselves to the resumption of the suspended Doha round of WTO talks and voiced broad agreement on ways to foster trade and investment in the Asia-Pacific, as the 18th Apec Ministerial Meeting (AMM) concluded in Ha Noi Friday.

In a joint statement, ministers reaffirmed their long-standing commitment to strengthening the multilateral trading system and agreed to explore every avenue to make this happen as quickly as possible, and to put the Doha trade initiatives on a path towards an ambitious and balanced outcome.

They recommended that Apec Economic Leaders issue a Stand-alone Statement on the Doha Development Agenda (DDA) reaffirming Apec's resolve in resuming the negotiation process without further delay.

Ministers emphasised the importance of Apec's contribution to building the WTO's capacity, enabling developing member economies to fully participate in

WTO negotiations so as to enjoy the full benefits of WTO membership and the potential of trade that enhances social and economic development.

Ministers congratulated Viet Nam for its successful completion of the proceedings for accession to the WTO.

"The entry of Viet Nam into the WTO family, while being a milestone in Viet Nam's reform process, would also signify the commitment of the Apec region in furthering the course of trade liberalisation in the multilateral trading system," the statement said.

The considerable progress of the Russian Federation in the WTO accession was welcomed and the importance of efforts to expedite conclusion of these negotiations for Russia's early accession was underlined.

The ministers unanimously approved the Ha Noi Action Plan to implement the Busan Roadmap and elaborated on concrete actions that Apec member economies should take by specific timelines in five key areas: support for the multilateral trading system;

strengthening individual and collective action plans (IAPs/CAPs); promotion of high-quality regional trade arrangements and free trade agreements (RTAs/FTAs); the Busan Business agenda; and economic and technical co-operation (ECOTECH).

Ministers reviewed and endorsed the SOM report on the results of senior officials' meetings throughout the year, commending their efforts.

The ministers endorsed the Apec Reform 2006 Deliverables, which made recommendations to help Apec become more dynamic, effective and responsive to a new environment in the region and the world. They saw this as an important landmark of Apec Viet Nam 2006.

High quality, transparency, broad consistency, and comprehensiveness in free trade agreements (FTAs) were important avenues to achieving the Bogor Goals of free and open trade and investment in the region and ministers were pleased with progress in the development of the Apec model measures for RTAs/FTAs.

## Talks on India-EU trade pact soon

PALLAB BHATTACHARYA, New Delhi

India and European Union will begin negotiations soon for a bilateral investment and trade agreement that would be sealed in two years.

European Union trade commissioner told reporters here on Friday after talks with Commerce Minister Kamal Nath that talks for the "ambitious and wide-ranging" agreement would be held on December 14 when EU's Director General for Trade visits India.

Thereafter, timeframe would be set for the next 12 months and then for another 12 months "at the outside", he said adding the proposed agreement would liberalize trade in goods and services and expedite investment.

On concerns voiced over free trade agreements, Nath said this was due to "miscarriage" of India's FTAs with Thailand and Sri Lanka in the area of agricultural products and this would not occur again in the case of EU which is not seeking market access for such products.

Mandelson termed the proposed agreement with India as a "building bloc" for an ambitious WTO agreement.

He said EU supported India's demand for safeguarding the interests of its subsistence farmers in the WTO talks for a multilateral trade agreement and is seeking clarification from the United States on how

that country's Farm Bill would impact the Doha round of talks.

The EU Trade Commissioner also backed the need a mechanism of designating special products to ensure protection of the livelihood of poor Indian farmers.

He said while US President George W Bush was right in seeking market access in developing countries, Bush could not expect the developing world to take highly-subsidized farm products.

The EU's support to the stand of Group of 20 developing countries including India came as the former has already committed to slashing domestic support to farmers from the current level of 66 billion dollars to 26 billion dollars, Indian officials said.

"We will work together to remove subsidies that lead to distortion....The content cannot be moving from gloom to doom. Content must be ending of structural flaws," Nath said.

Mandelson said the US has to shift from its present stand on farm subsidies because it was at odds with what it had signed at the beginning of the Doha round of talks.

Both India and EU called upon other countries to show flexibility in taking the Doha round of talks forward and suggested that modalities for that be first worked out at the level of officials before Trade Ministers meet to finalize details.

## US housing slump risk to world economy: IMF

AFP, Melbourne

The world economy is in the best shape for nearly two generations but a slump in the US housing market could hurt global growth, International Monetary Fund head Rodrigo de Rato said Saturday.

Speaking ahead of the opening of the Group of 20 (G20) meeting of finance ministers and central bank chiefs here, De Rato said the IMF was not expecting a sharp slowdown in the US economy.

"What we see right now is certainly not a sharp deceleration of the US economy although a risk of an abrupt deceleration of the US economy is certainly one of the risks the world economy is facing now," the IMF managing director said.

The US economy is widely predicted to make a soft landing but questions have been asked about the impact of a rapid cooling of the housing market.

Elsewhere, increasing growth in Europe was expected to continue next year, de Rato said, adding the European Central Bank should maintain a neutral monetary policy.

"We don't see the need of a restrictive monetary policy, certainly not now," he said.

He said the recovery in Europe was expected to strengthen but the growth was not expected to be

dynamic.

"In that regard we see the need for Europe to continue its structural reforms to enhance its growth potential."

The recovery in Japan is also expected to continue, despite weak consumer demand and inflation, along with a continued strong growth in Southeast Asia, China and India, Latin America and sub-Saharan Africa, he said.

Overall, he said the IMF was still forecasting a year of robust and more balanced global growth.

Persistently high oil prices would continue to curb internal

demand in many countries, which would also impact on current account deficits.

"In that respect we see the need for central bankers... to be extremely vigilant on inflationary pressures," he said.

He also urged governments to use the benign economic conditions to undertake the fiscal adjustments needed to help them ride out future downturns.

De Rato added that a failure to complete the Doha round of world trade liberalisation talks would hurt global growth.



PHOTO: BRAC BANK  
Fashion designer Bibi Russell, also the proprietor of Bibi Productions, receives documents of 'Prothoma Loan', a loan scheme of Brac Bank Ltd under the bank's Women Entrepreneurs Cell, from Farzana Chowdhury, head of SME of the bank, at a function recently. Officials of the fashion house and the bank are also seen.



PHOTO: SCANCEMENT  
Masud Corporation, a business house, recently signed an agreement with HeidelbergCement Bangladesh Ltd. Under the deal, Masud Corporation will exclusively use ScanCement brand cement of HeidelbergCement for its Ramna Shopping Complex project. Khandker Shafikul Haque, chief executive of Masud Corporation, and Ramakanta Bhattacharjee, director (M&S) of HeidelbergCement Bangladesh, signed the deal on behalf of their companies.