

New round of WTO talks far from certain: Envoys

GENEVA, Oct 19: Senior envoys said yesterday the launch of a full-scale round of global trade negotiations next year was far from certain amid major differences between key trading powers on just what should be included, says Reuters.

The envoys said high-pressure discussions at the World Trade Organisation (WTO) over the past few weeks were still a long way from producing a declaration for ministers to issue at the end of a meeting in Seattle in early December.

"Right now, it doesn't look too good," said one diplomat closely involved in the haggling over a text for the declaration which would normally set out the areas to be included in the talks, dubbed in advance the "Millennium Round".

"At this moment, I would say the chances of a round were anything between 50 and 90 per cent," another source quoted a minister from one European Union member state as saying last week.

Envoy from many of the

WTO's currently 134 member states make little secret of the fact that in the discussions since September positions have scarcely moved on the round's agenda.

While the EU and Japan are insisting on a wide-ranging negotiation including an effort to get talks started on investment and competition policies of WTO member states, the United States is seeking a less ambitious effort.

Many emerging economies are saying they do not want a round as such at all, while several of the 15 members of the Cairns Group of farm produce exporting nations are saying unless their concerns are addressed they will not support one either.

Diplomats said they did not expect progress before trade ministers from 25 "inner core" WTO powers hold pre-Seattle talks in the Swiss city of Lausanne on October 25 and 26, if even then. The Swiss government confirmed the dates on

Monday after diplomats last week said the meeting had been tentatively set for October 23-24.

The Lausanne gathering, to be chaired by Switzerland's Economy Minister Pascal Couchepin, has been called by a group of states across the North-South spectrum who dub themselves "Friends of the Round."

They have invited the four top trading powers, or Quad — the United States, the European Union, Japan and Canada as well as several countries who are less than enthusiastic, including India and Malaysia.

"We have to try to get something the ministers can look at in Lausanne, and hopefully approve, but at the moment I don't think there will be much for them to do," said one diplomat.

A well-positioned EU source in Brussels said new Trade Commissioner Pascal Lamy would not be budging from the "comprehensive round" stance,

while the United States was "playing hardball" with its narrow negotiation preference.

The new round would be the eighth since 1947 when the WTO's predecessor, the General Agreement on Tariffs and Trade or GATT, was set up. All have progressively reduced tariffs on goods, and the last two began a movement into other areas.

The 1986-93 Uruguay Round brought agriculture and services — as well as intellectual property and sanitary issues — under the umbrella with agreement among participating nations that the GATT open trade rules should apply in these areas also.

It was also agreed that new negotiations on agriculture and services would begin by the middle of next year.

But developing countries, who make up the overwhelming majority of the WTO, say they have not yet been able to absorb all the obligations they accepted under the mammoth agreement signed in Morocco in 1994.



Bangladesh Express Co Ltd (BANEX), licensee of Federal Express Corporation (FedEx), opened its world-class FedEx services at Sylhet recently. M Tanveer Madar, Managing Director of BANEX, inaugurated the new outlet. — FedEx photo



Canadian High Commissioner in Bangladesh David Preston along with the senior commercial officer Tanveer ul Islam had a meeting with MCCI President Mahbub Jamil and Secretary-General C K Hyder on bilateral economic issues at the chamber yesterday.

— MCCI photo

EU central bank may raise interest rates this year

FRANKFURT, Oct 19: A majority of analysts, "swayed" by European Central Bank officials' recent hawkish comments and inflation warnings in the bank's latest monthly report, expect the ECB to hike interest rates this year, a Reuters poll showed, says Reuters.

Only four of the 38 analysts questioned today see a move on Thursday while 13 pinpointed the ECB's regular council meeting on November 4 as the date for increasing the 2.50 per cent refinancing rate.

The survey showed a total of 20 economists expect the bank

to nudge up rates by between 25 and 50 basis points before the year's end compare with only ten out of 34 in the last survey.

Analysts are sure rates will rise in the next six months and are scrutinising official comments for clues on timing.

"The ECB has already laid the groundwork for a hike by recent hawkish comments," said Kirit Shah with Sanwa International. "The shape of the Bund curve and dramatic rise in yields already signal strongly that the ECB could be behind the curve if they don't tighten in the fourth quarter."

Those predicting the bank will raise rates this week say it has kept the market on tenterhooks for long enough with hints at increasing concern over inflation and M3 money supply.

On Monday Bundesbank President Ernst Welteke said the euro zone growth outlook was better and monetary expansion was accelerating.

"We are considering whether this period of accommodative monetary policy stance has taken long enough but what we need is some more evidence that will make our conclusions very firm, which will lead us to further action," Duisenberg said after the last ECB meeting.

David Brown at Bear Stearns, who had expected the move to occur at the October meeting, warned there were risks in delaying a rate rise.

There are growing risks that the ECB is overcooking the Eurozone growth pot ... (it) needs to tighten policy as soon as possible to get pre-emptive monetary control back on track.

A third of those surveyed say the need for a rise will be clear by November 4 with strong September M3 growth expected to be released toward the end of October, tipping the balance.

Central bank watchers say September M3 is likely to grow at an annual 5.7 per cent.

"Credit to the private sector will be key for the interest rate move. Households are taking advantage of cheap financing opportunities, which is good in a period of economic recovery, but a problem when growth accelerates as it is at the moment," Alexander Kockerbeck with Dresdner Kleinwort Benson said.

But analysts still expect a large supply shortfall as winter demand rises ahead of deliveries depressed by OPEC output limits scheduled to stay in place until next April.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

The market remains short of a 33-month high of \$24.30 because of concern over OPEC compliance with self-imposed output curbs and a slower-than-

expected decline in onshore stockpiles in industrialised nations.

But analysts still expect a large supply shortfall as winter demand rises ahead of deliveries depressed by OPEC output limits scheduled to stay in place until next April.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

The market remains short of a 33-month high of \$24.30 because of concern over OPEC compliance with self-imposed output curbs and a slower-than-

expected decline in onshore stockpiles in industrialised nations.

But analysts still expect a large supply shortfall as winter demand rises ahead of deliveries depressed by OPEC output limits scheduled to stay in place until next April.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

The market remains short of a 33-month high of \$24.30 because of concern over OPEC compliance with self-imposed output curbs and a slower-than-

expected decline in onshore stockpiles in industrialised nations.

But analysts still expect a large supply shortfall as winter demand rises ahead of deliveries depressed by OPEC output limits scheduled to stay in place until next April.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

The market remains short of a 33-month high of \$24.30 because of concern over OPEC compliance with self-imposed output curbs and a slower-than-

expected decline in onshore stockpiles in industrialised nations.

But analysts still expect a large supply shortfall as winter demand rises ahead of deliveries depressed by OPEC output limits scheduled to stay in place until next April.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

The market remains short of a 33-month high of \$24.30 because of concern over OPEC compliance with self-imposed output curbs and a slower-than-

expected decline in onshore stockpiles in industrialised nations.

But analysts still expect a large supply shortfall as winter demand rises ahead of deliveries depressed by OPEC output limits scheduled to stay in place until next April.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

The market remains short of a 33-month high of \$24.30 because of concern over OPEC compliance with self-imposed output curbs and a slower-than-

expected decline in onshore stockpiles in industrialised nations.

But analysts still expect a large supply shortfall as winter demand rises ahead of deliveries depressed by OPEC output limits scheduled to stay in place until next April.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

The market remains short of a 33-month high of \$24.30 because of concern over OPEC compliance with self-imposed output curbs and a slower-than-

expected decline in onshore stockpiles in industrialised nations.

But analysts still expect a large supply shortfall as winter demand rises ahead of deliveries depressed by OPEC output limits scheduled to stay in place until next April.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

The market remains short of a 33-month high of \$24.30 because of concern over OPEC compliance with self-imposed output curbs and a slower-than-

expected decline in onshore stockpiles in industrialised nations.

But analysts still expect a large supply shortfall as winter demand rises ahead of deliveries depressed by OPEC output limits scheduled to stay in place until next April.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

The market remains short of a 33-month high of \$24.30 because of concern over OPEC compliance with self-imposed output curbs and a slower-than-

expected decline in onshore stockpiles in industrialised nations.

But analysts still expect a large supply shortfall as winter demand rises ahead of deliveries depressed by OPEC output limits scheduled to stay in place until next April.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

The market remains short of a 33-month high of \$24.30 because of concern over OPEC compliance with self-imposed output curbs and a slower-than-

expected decline in onshore stockpiles in industrialised nations.

But analysts still expect a large supply shortfall as winter demand rises ahead of deliveries depressed by OPEC output limits scheduled to stay in place until next April.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

The market remains short of a 33-month high of \$24.30 because of concern over OPEC compliance with self-imposed output curbs and a slower-than-

expected decline in onshore stockpiles in industrialised nations.

But analysts still expect a large supply shortfall as winter demand rises ahead of deliveries depressed by OPEC output limits scheduled to stay in place until next April.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

The market remains short of a 33-month high of \$24.30 because of concern over OPEC compliance with self-imposed output curbs and a slower-than-