

OECD in bid to pave way for new WTO talks

REUTERS, Paris

Ministers from industrialised nations sought ways Wednesday to avoid another Seattle-style flop at a key world trade meeting later this year which has already been preceded by new transatlantic tensions.

The ministers from the "rich club" of OECD countries are trying to iron out their differences ahead of the next meeting of the World Trade Organisation's 140 member nations in the Gulf state of Qatar in November.

European Trade Commissioner Pascal Lamy said he did not expect tensions between the European Union and the United States to overshadow the wider push to launch a new WTO round of trade talks in Doha, the Qatari capital.

Earlier this week, US Trade Representative Robert Zoellick said the EU's threat to impose \$4 billion worth of sanctions on US goods in a row over an export tax programme would be like "using a nuclear bomb" on the global trading system.

But Lamy, speaking at a meeting of trade ministers at the Paris-based Organisation for Economic Co-operation and Development (OECD), asked: "Do these bilateral trade frictions impact on the cli-

mate? I don't think so".

He said Washington had created "some momentum" ahead of the Doha meeting and there were positive signals from other governments.

"This does not mean that we would have today an agreement on the agenda of the round," Lamy said.

He said progress in November was vital amid "danger signs" of a slowdown for the world economy and improving access for goods from developing countries would also help relieve poverty.

"It is just unacceptable that one in five people on this planet live on less than \$1 a day and half our citizens live on less than \$2 a day," he said in a speech at the OECD meeting.

Poor countries have long complained that despite increasing free trade, their exports of goods like farm produce, textiles and clothing remain impeded by high subsidies.

The minister for industry and commerce of the African nation Altima Toure, said poor countries were mistrustful of how free trade would benefit them, fearing they could not begin to compete until their crumbling infrastructure was modernised.

"We need concrete measures to create confidence among de-

veloping countries," she said.

Lamy said he was encouraged that ministers had agreed there was no need to pre-negotiate items to be discussed in Qatar, which was seen as one of the reasons the attempt to launch a WTO round in Seattle failed.

Trade tensions between the United States and the EU could come to a head as early as next week when a WTO panel is due to rule on whether the US Foreign Sales Corporation (FSC) programme represents an illegal subsidy.

If it does, the EU could seek WTO authorisation to slap sanctions on US goods worth up to \$4 billion a year.

The WTO has already ruled in favour of the EU on a previous FSC programme and Brussels says the new version is no better than the old one.

The two sides recently reached agreement on a long-running dispute over banana trade, but the EU is concerned about possible new US restrictions on steel imports from Europe and elsewhere.

Last week, the EU sent letter to Washington saying it was "very concerned" about such a move at a time when the world economy was slowing.

Putin calls for closer EU-Russia ties

AFP, Moscow

President Vladimir Putin played the European card against Washington on Thursday, calling for closer ties between Russia and the powerful 15-nation bloc at an EU-Russia summit in Moscow.

"I believe that European countries have every reason to see Russia as a reliable and prospective partner," Putin said opening talks with a delegation led by Prime Minister Goran Persson of Sweden, current president of the EU.

"Russia is ready to search together with the EU for joint responses to any global threats and challenges, as well as ways to solve regional conflicts," he told his European guests in the Kremlin's Catherine Hall.

Both sides are keen to expand energy cooperation. The plan is to increase Russian energy supplies to European Union and ensure a flow of EU investments and technologies into the Russian fuel and energy sector.

EU expansion into the former Soviet sphere of influence in Eastern Europe and its consequences for Russia were to feature prominently at the summit, including the future of Kaliningrad and questions of transit.

Russia is concerned that the enclave could become entirely surrounded by EU member states, if its neighbours Poland and Lithuania join the European Union after 2003.

economic changes in Russia are opening the way for new possibilities in dialogue" on trade and investment with the European Union, the Russian president said in televised remarks from the Kremlin.

Russia-EU trade added up to 58 billion euros (51 billion dollars) last year, an increase of more than 40 per cent on the 1999 figure.

But Moscow is pushing for the EU to stop its anti-dumping investigations against Russian steel exporters, denouncing them as "discriminatory."

It also wants the European Investment Bank to extend its operations in Russia and for Brussels to back Moscow's bid to join the World Trade Organisation.

The Moscow talks would "focus on matters of economic cooperation that are important for the entire world community," EU foreign policy supremo Javier Solana was quoted as saying before the summit by ITAR-TASS.

Putin told the European leaders that his country's economy was on the mend and deserved greater foreign investment.

"The positive political and

CURRENCY

American Express Bank Ltd foreign exchange rates (indicative) against Taka to major clients.

Currency	Selling TT & OD	Selling BC	Buying TT Clean	Buying OD Sight Export Bill	Buying OD Transfer
US Dollar	54.300	54.3300	53.8500	53.6970	53.6250
Pound Stg	77.9694	78.0124	76.7416	76.5236	76.4210
Deutsche Mark	24.9868	25.0006	23.9428	23.8747	23.8427
Swiss Franc	31.5588	31.6762	30.9198	30.8320	30.7907
Japanese Yen	0.4445	0.4447	0.4333	0.4321	0.4315
Dutch Guilder	22.1762	22.1885	21.2496	21.1892	21.1608
Danish Krone	6.4708	6.4744	6.4385	6.3205	6.3120
Australian \$	29.0559	29.0720	27.7712	27.6325	27.5954
Belgian Franc	1.2115	1.2121	1.1608	1.1575	1.1559
Canadian \$	35.6627	35.6824	34.6614	34.5630	34.5166
French Franc	7.4502	7.4543	7.1389	7.1186	7.1090
Hong Kong \$	6.9758	6.9796	6.8905	6.8709	6.8617
Italian Lira	0.0252	0.0253	0.0242	0.0241	0.0241
Singapore \$	30.3678	30.4045	29.4600	29.3763	29.3369
Euro	48.8700	48.8970	46.8280	46.949	46.6323
Saudi Rial	14.5179	14.5260	14.3191	14.2765	14.2593

Bill buying rates

TT Dua	30 Days	60 Days	90 Days	120 Days	180 Days
53.7512	53.3665	52.9181	52.4696	52.0212	51.1243

US dollar London Interbank Offered Rate (LIBOR)

TC Buying (USD)	TC Selling (USD)	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
53.6250	54.4000	USD	4.08125	4.03000	4.00000	4.09000	4.20000
Cash	Cash	GBP	5.25750	5.22836	5.21203	5.21844	5.24875
Buying (USD)	Selling (USD)						

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Tha Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
46.942/46.950	61.48/61.54	45.31/45.34	3.7995/3.8005	11320/11360	13019/13020

Amex notes on Thursday's market

The high demand for US dollar in the inter-bank USD/BDT market persisted as the nationalised banks and the private banks have to make huge import payments while there are comparatively less exports and incoming remittances. The average call rate fell to 8.5-9.25 per cent from yesterday's 10-11 per cent as the Taka liquidity increased further today.

The euro rose as much as a 1/4 per cent against the dollar and the yen today, with traders citing a variety of reasons including possible mergers and acquisitions activity and talk of European central Bank bids. The dollar, which hit one-week lows against the euro, was also on the retreat against the yen after a Japanese press report got traders talking anew about the risk of intervention to stem yen weakness. The Swiss franc opened little changed in routine trading today ahead of Swiss producer and import price data due later today. The pound firmed very slightly against the dollar and the euro immediately after a much stronger-than-expected UK retail sales report. UK retail sales rose 0.6 per cent on the month in April.

At around 0914 GMT the exchange rates of major currencies against USD were GBP/USD 1.4308/1.4310, USD/CHF 1.7344/1.7354, USD/JPY 123.11/123.21, EUR/USD 0.8830/0.8835.

Bank Asia signs EEF co-op deal with BB

Bank Asia Limited signed a co-operation agreement with Bangladesh Bank at Bangladesh Bank Head Office in the city on Wednesday to use Equity and Entrepreneurship Fund (EEF) to encourage investors in the risky but otherwise promising sectors, says a press release.

Syed Anisul Huq, Managing Director of Bank Asia, and Ziaul H Siddiqui, Executive Director of Bangladesh Bank, signed the accord on behalf of their respective sides.

Under this agreement, Bank Asia, as an Agent of Bangladesh Bank, will extend equity support to the projects in software industry, food processing and agro-based industry sectors.

The signing ceremony was attended, among others, by Bank Asia Executive Vice-President, Erfanuddin Ahmed, and Vice President Nasirul Hossain.

Senior officials of EEF Unit of Bangladesh Bank were also present.

Japan Tobacco profit falls on easing domestic demand

Japan Tobacco Inc. (JT) on Thursday announced a 14.0 per cent drop in net profit for the fiscal year which ended to March as domestic demand for tobacco fell, the company said Thursday.

Its net profit fell to 43.7 billion yen (364 million dollars) from 50.8 billion yen a year earlier.

Revenue rose 3.0 per cent to 4.50 trillion yen but pre-tax profit fell 5.4 per cent to 132.1 billion yen, the company said in a statement.

"The entire tobacco market decreased due to the continuing severe economic situation and retail price increases in 1997 and 1998," JT said.

The amount of tobacco sold here decreased by 5.3 billion sticks from a year earlier, JT said.

US senator presses Bush on Vietnam trade deal

Reuters, Washington

The top Democrat on the Senate Finance Committee urged President George W Bush Wednesday to send a historic US-Vietnam trade agreement to Congress for approval.

"That agreement was a long time coming (and) provides a sound foundation on which to establish commercial relations," Montana Sen Max Baucus said at a confirmation hearing on Bush's nominees for several top government jobs.

Although the agreement enjoys wide support in Congress, the Bush administration has not sent it to lawmakers for a vote.

Last week, US Trade Representative Robert Zoellick said he was waiting to hear from the US embassy in Hanoi about concerns some US lawmakers have raised about religious freedom in Vietnam and certain trade issues.



Syed Anisul Huq, Managing Director of Bank Asia, and Ziaul H Siddiqui, Executive Director of Bangladesh Bank, exchange the EEF Co-operation Agreement to extend equity support from Equity and Entrepreneurship Fund (EEF) to encourage investors in the risky but otherwise promising sectors.

US House okays bill with UN dues payment

Reuters, Washington

The US House of Representatives Wednesday easily approved a wide-ranging bill authorising US foreign policy activities, including a payment of \$582 million in US arrears to the United Nations.

The bill authorising fiscal 2002 and 2003 activities of the State Department and related agencies sailed through the House on a 352-73 vote even though several contentious amendments were added during two days of debate.

Airports all across Germany were affected by the pilots' walkout, and the number of services affected was likely to increase sharply during the course of the day, spelling chaos and disruption of tens of thousands of passengers.

Cockpit said that the extent of the disruption was expected to match similar action about a week ago which grounded more than 900 flights and left around 30,000 disgruntled passengers looking for alternative means of travel.

But Lufthansa insisted that more flights would be able to take off this week owing to the extensive contingency measures it had taken to limit the disruption.

Cockpit, which represents around 90 per cent of Lufthansa's 4,200 pilots, had called another 24-hour walkout on Thursday after pay talks with management broke down in acrimony.

The talks were abandoned Wednesday after pilots rejected

another improved offer from management, but each side blamed the other for the lack of any breakthrough.