

Africa slams EU-US plan for farm reform

REUTERS, Johannesburg

Africans Friday slammed a joint United States-European Union plan for world farm reform, but feared that a lack of negotiating muscle from the continent could leave in place subsidies that hurt poor farmers.

Officials and experts said under a proposal submitted by the two trade giants to the World Trade Organisation on Wednesday, Africans might still struggle to compete on world markets against cheap, subsidised sugar, beef and cotton from the West.

"The outcome of it, I must say, is quite disappointing," said Xavier Carim, South Africa's chief director of trade negotiations.

Africans had regarded as a key development a previous pledge by world trade ministers to wipe out one category of farm subsidies -- those tied to exports -- which were seen as the most damaging to developing nations.

But this week's US/EU proposal - which aimed to jump-start the stalled Doha round of trade talks ahead of a summit next month in

Cancun, Mexico -- talked about eliminating some export subsidies and unspecified reductions in others.

Officials also bemoaned that there was no mention of capping levels or tightening criteria for overall farm support by rich nations, which runs at more than \$300 billion a year.

Although poor nations have lately been more aggressive in challenging their industrialised counterparts than during the previous Uruguay round of trade talks, a lack of unity and resources in Africa still hampered that effort, experts said.

Africa's chances of forming a coherent view on the new proposals were compromised by the continent's lack of economic integration, they said.

"I strongly believe that Africa will be exploited by the big powers," said Manga Mugwe, chairman of the Kenya Association of Manufacturers.

A lack of trade negotiating, expertise in Kenya, the major economy on the continent's east, was another problem, independent

economist Robert Shaw said.

"When you look at the number and quality of people on the US and EU negotiating teams, the delegations of countries like Kenya do not compare favorably," he said.

Analyst Ike Eneagwali of Nigeria's Lagos Business School was gloomy about Africans seeing any concrete changes from any new trade pact.

"As long as the imbalance in the relationship between the developed and developing countries remains, it would be difficult for us to assert ourselves," he said. "It is a question of the dogs would bark but the caravan marches on."

One activist, however, saw a ray of hope in some concessions for the two trade giants in the proposal, seen as a response to growing disquiet among poor nations.

"The developing countries were very angry ... there was a build-up of anger which was probably sensed in both Europe and North America," said Joachim von Braun, director general of the International Food Policy Research Institute (IFPRI).

Among other concessions, the EU and US proposal held out the

prospect of scrapping export subsidies in a limited number of commodities "of particular interest to developing countries".

"They are sending a signal, not a very satisfying signal, but nonetheless a signal that they are willing to negotiate seriously," von Braun said.

Rich-nation farm subsidies hit African farmers especially hard in sugar, beef, cotton, fruit and vegetables.

"Some of our people in the SACU (Southern African Customs Union) market, our beef producers, have been knocked out by subsidised EU beef," Carim said.

EU exports have also hurt tomato farmers in Senegal while four million West African cotton farmers are threatened by US subsidies pushing down world prices, officials say.

Sub-Saharan Africa, the world's poorest region, would see annual gains of \$3.3 billion if rich countries ended their domestic farm support, according to Washington-based IFPRI.

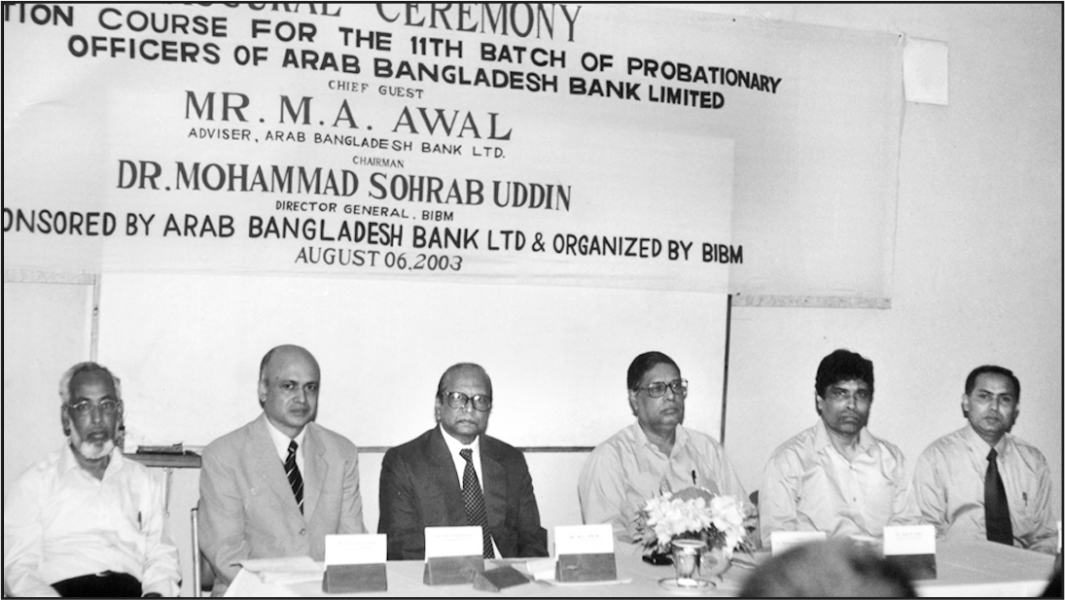


PHOTO: AB BANK

Among others, M A Awal, advisor, Md Sirajul Islam, head of HR of Arab Bangladesh Bank Limited, and Mohammad Sohrab Uddin, director general, and Sujit Saha, director (Training) of BIBM, pose for a photograph at the inaugural ceremony of a month-long induction course for the 11th batch probationary officers of Arab Bangladesh Bank Limited in Dhaka recently. A total of 24 participants from different branches of the bank attended the course.

WTO states clash over widening trade talks

REUTERS, Geneva

World Trade Organisation (WTO) states clashed Friday over whether to widen global free trade talks to include issues such as investment and competition policy as demanded by the European Union and some others.

African countries and India were very vocal in rejecting the four so-called "Singapore" issues.

"India said there was not time and they would mean an additional burden for developing countries," a trade official told journalists after a closed-door negotiating session.

When they launched the Doha Round of free trade negotiations two years ago, WTO trade ministers put off deciding on the Singapore issues, so-called because they were first raised at a WTO meeting there in 1996 until their next conference.

That conference takes place in Cancun, Mexico, in September and it has turned into a potentially crucial session for the future of the round, with a whole

raft of difficult decisions still to be taken, including on reforming farm trade.

The European Union, Japan, Switzerland and South Korea, all of which are under pressure to open up their farm markets, have repeatedly said that they consider the Singapore issues as vital to the success of the round. They say that WTO accords on all four, but particularly investment, would create a more level playing field for international investors, do away with unnecessary red tape and deter corruption.

Trade facilitation is a term referring largely to simplifying and standardising customs procedures, tackling a special red-tape and sometimes corruption problem which export and import companies say costs them huge sums annually.

Many, but by no means all, developing countries oppose the widening of the global talks, arguing that poorer states are not in a position to undertake the expensive investment in equipping and training such commit-

ments would involve.

Backed by non-government organisations (NGO), they also say that any WTO accord on investment could excessively restrict a government's freedom to decide on what sort of investment was best for its own economy.

Before a final decision on launching formal negotiations can be taken in Cancun, trade envoys are supposed to reach agreement in Geneva on a framework for what they should include: the so-called "modalities" to ease the ministers' task.

On Friday, several African states urged members to recognise that no deal could be struck and to send the issues back to the various WTO committees which have been battling unsuccessfully with them for years.

But the president of the WTO's executive General Council, Uruguay's envoy Carlos Perez del Castillo, who is chairing the pre-Cancun negotiations, rejected their call, saying that only ministers could take such a decision.

US power outage spoils mountains of food

REUTERS, New York

US supermarkets and restaurants Friday began throwing away mountains of spoiled vegetables, meats and dairy products, while others were counting on backup generators to minimise losses from the largest power outage in North America's history.

Meanwhile, many families across the Midwest and Northeast had to scrounge as thousands of soup kitchens remained shuttered or offered only canned goods and other nonperishable fare.

Tons of food went bad. "We have to throw out any kind of product whose integrity could have been compromised," said Rich Savner, a spokesman for the Pathmark Stores Inc chain which operates more than 100 supermarkets in the New York, New Jersey and Philadelphia areas.

Pathmark, whose rivals include

Stop & Shop Supermarket Co, a unit of the Netherlands' Royal Ahold NV, said it used 1,000 pounds (450 kg) of dry ice overnight to prevent ice cream, milk and meat from wasting. Most grocers carry insurance for such spoilage, but it cannot compensate for lost customers, sales and profits.

The nation's largest hunger relief organisation, America's Second Harvest, said it feared up to 15 million pounds (6.8 million kg) of perishable food had spoiled in the freezers of its affiliates in New York, New Jersey, Michigan and Ohio.

The group feeds hundreds of thousands of poor people through a network of free-food pantries and soup kitchens, including over 1,000 in New York City. "This is a disaster," said Susan Hofer, a spokeswoman for the organisation. "We need help to restock fruits, vegetables, fish, poultry and dairy products."

Faith Weiner, a spokeswoman for Stop & Shop, said her Northeast grocery chain was combing its 340 stores to see what belongs in the dumpster. She said the company had dispatched refrigerated trucks to some stores, which "hopefully helped minimise the damage."

About 25 Meijer supermarkets in the Detroit area were operating with generators on Friday and another six were closed, said John Zimmerman, a spokesman for the family-owned chain.

Zimmerman said power at some of the stores may be out through the weekend. "We are hearing from 24 to 72 hours. So we have a long way to go," he said.

The affected Meijer stores are trying to move perishable foods to community food banks, many of which also have no power.

New York City health authorities urged families and businesses to

discard refrigerated, perishable foods that go more than a just few hours above the proper temperatures. Across Manhattan, restaurants and delis heeded the call by either dumping or giving away their wasting merchandise.

Abdalla Alaur, the chef at Wonderfood in Manhattan, offered free broiled chicken on a tray in hopes of getting rid of the food before it spoils. "I have \$10,000 of meat that will spoil. I don't think I'm going home," he said.

Maxie's Delicatessen, near Times Square, tossed out eggs and boxes of ham, roast beef, turkey and salmon.

Jay Shim, owner of Green Symphony restaurant, said he swallowed losses of \$2,000 when he was forced to throw out his entire hot food buffet -- everything from baked risotto to salmon baked in Dijon carrot sauce.

Thailand accounts for 15pc of Honda's global production

ANN/THE NATION

Thailand now accounts for over 15 per cent of Honda's global production, with exports of motorcycles, automobiles, power products and components this year expected to be worth more than Bt42 billion.

The latest numbers - released yesterday by Asian Honda Motor Co -- show an increase of 129 per cent over Honda's 2002 made-in-Thailand exports of Bt18.43 billion, making this the 17th year of increased exports since the company founded local production lines in 1987.

Company officials expect Honda's operations, which directly employ 6,000 Thai workers, to produce some 2.7 million motorcycles, automobiles and power products this year. This represents over 15 per cent of the Japanese firm's planned global output of 17.4 million units.

Total investment to increase local production capacity this year will amount to Bt2.4 billion, the statement said.

China to recruit foreigners to manage SoEs

AFP, Beijing

China will launch a global search for talent in its latest attempt to spruce up its laggard state-owned enterprises, official media said Saturday.

A group of six unidentified state-owned companies have been selected for the experiment, and the worldwide head-hunt will start in the second half of the year, the Xinhua news agency said.

The practice will gradually spread to other state-owned enterprises, said Li Yizhong, deputy director of the State Asset Supervision and Administration Commission.

"This is the orientation of our leadership restructuring at state-owned enterprises," he said.

"We believe state-owned enterprises must absorb the most outstanding talents from around the world to become strong players in the international market."

Blackout throws global air travel deeper into chaos

AFP, Washington

Blackouts plunged global air travel into chaos Friday, paralyzing major North American airports and cancelling hundreds of flights for thousands of passengers.

"It is a mess, to put it mildly," said Tim Wagner, spokesman for the world's biggest carrier, American Airlines.

American Airlines scrapped 141 flights Thursday and another 182 on Friday. That number could grow as we assess the situation, especially at Kennedy and LaGuardia, Wagner said.

The worst-hit destinations were New York's John F. Kennedy and LaGuardia airports, Detroit and Cleveland, airlines said.

The Federal Aviation Administration said "groundstop" orders barring incoming flights to seven major airports, including the three largest serving New York and two in Canada, had been lifted.

Air traffic control was operating normally, with some areas such as New York using backup power, FAA spokesman Paul Turk said.

But airports were still crippled.

"The FAA is saying that the airports are open. That is technically true, because their runways and power are working," Wagner said.

But electricity outages were still

keeping critical workers away, freezing security screening machines and preventing fuelling of aircraft, airlines said.

"Once power is fully restored to those airports, from that point it is a matter of four to six hours before flights begin operating again," Wagner warned.

Costs would soar to hundreds of millions of dollars, said Avmark aviation consultancy President Barbara Beyer.

"This is peak travel season," she said.

US airlines, battered by a sluggish economy, then the September 11, 2001 attacks, and then the Iraq war, had hoped to turn a profit in the July-September quarter, Beyer said.

"This is real blow to them."

As the air system cranks back up, departures from affected airports would come first, Wagner said.

Arrivals at the affected airports would be allowed only gradually when officials were sure that the power was consistent.

"If the power is going to go out again, we don't want to put a lot more people in there (in the affected airports)," Wagner said.

Northwest Airlines said it had cancelled 216 flights on Thursday, mostly those connecting with Detroit.

"We don't know about today," said Northwest spokeswoman Mary Stanik.

"We do have power in our terminal at Detroit, so we will be on a limited schedule today. We are going to do our best."

US Airways scrapped 33 flights Thursday and 64 so far Friday. The airline said 100 flights may be cancelled by the end of the day.

"We have some power restoration at La Guardia. But many of the systems are still offline including phones and computers, so we are working to manually check in customers for flights that we hope will depart later this afternoon," said US Airways spokeswoman Amy Kudwa.

United Airlines said it had escaped the worst, with 60 flights cancelled so far Thursday and Friday combined.

But Richard Nelson, spokesman for United's parent, UAL Corp., acknowledged "there are problems."

"People are having trouble getting to work. It is going to be a while before things are restored at those airports just because you have got to get people there. You don't have personnel to operate the airports."

Singapore unemployment rate may hit 8.5pc

AFP, Singapore

Singapore's unemployment rate could worsen, possibly matching levels now seen in Hong Kong if the city-state does not take steps to cut costs, Senior Minister Lee Kuan Yew said in remarks published Saturday in the Straits Times.

"If we stay on our old course, our unemployment will go up from 4.9 to 8.5 per cent as in Hong Kong with 300,000 unemployed," he said late Friday.

Singapore's unemployment rate is at 20-year highs with 85,000 people, or 4.9 per cent of the workforce, with the economy hit severely by the Iraq war and the Severe Acute Respiratory Syndrome (SARS) epidemic.

Prior to those two episodes, Singapore was already struggling to recover from the 2001 recession and battling competition from emerging economies with significantly lower costs, particularly from China.

But the trade-dependent Southeast Asian state still has a bright future provided it takes immediate action to lower business costs, cuts taxes and wages and retrains its workforce, Lee said.

"If we take action now, by next year, the worst of retrenchments will be over and employment will grow again," said Lee, Singapore's first prime minister who is widely credited for leading the former British colony into one of Asia's wealthiest economies.

Installation of Transcom Beverage workers' union

The installation of the newly elected office bearers of the Transcom Beverage Limited and Beverage Distribution Limited Workers' and Employees' Union was held on Thursday in Dhaka.

Gopal Chandra Saha, president of the union, chaired the function while Jamal A Naser, general secretary of the union, conducted it, says a press release.

Golam Quddus Chowdhury, executive director, and Golam Habib, personnel manager of the company, were also present.



PHOTO: HSBC

Adil Islam, corporate banking head of HSBC in Bangladesh, and Md Mobarak Hossain, managing director of Paradise Cables Ltd, sign an agreement on credit facility in term loan and working capital in Dhaka recently.

CURRENCY						
Following is yesterday's forex trading statement by Standard Chartered Bank						
Sell	Currency		Buy			
TT/OD	BC		TT Clean	OD Sight Doc	OD Transfer	
58.7500	58.8000	USD	57.8200	57.6502	57.5812	
67.1101	67.1672	EUR	64.1975	64.0090	63.9324	
94.6933	94.7738	GBP	91.4597	91.1910	91.0819	
39.5329	39.5665	AUD	37.4038	37.2939	37.2493	
0.4972	0.4976	JPY	0.4804	0.4789	0.4784	
43.1351	43.1718	CHF	41.7775	41.6547	41.6049	
7.1380	7.1441	SEK	6.7345	6.7148	6.7057	
42.7211	42.7574	CAD	41.3828	41.2612	41.2118	
7.5424	7.5488	HKD	7.4044	7.3826	7.3738	
33.7392	33.7679	SGD	32.8653	32.7688	32.7296	
16.1264	16.1401	AED	15.6156	15.5698	15.5511	
15.7909	15.8043	SAR	15.2959	15.2510	15.2327	
9.1692	9.1770	DKK	8.4988	8.4739	8.4637	
Exchange rates of some currencies against US dollar						
Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	Malaysian ringit
45.95	97.725	97.05	41.625	7.3826	0.5901	3.80
Local Interbank FX Trading:						
The local interbank foreign exchange market was subdued yesterday. Dollar ended almost unchanged against Bangladeshi taka.						
Local Money Market:						
Liquidity position remained stable in the local money market. Call rate remained in the same range between 3.75 and 4.25 percent.						
International Market:						
This memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable. While all reasonable care has been taken in its preparation, no responsibility or liability is accepted for errors of fact or any opinion expressed herein.						
The international market was closed yesterday due to weekend. The dollar rose modestly on Friday against major currencies as the impact slowly to recede. The dollar crept higher after US July industrial production showed a stronger-than-expected rise of 0.5 percent. At the close of New York on Friday, euro was at 1.1253/57, GBP at 1.5958/63 and yen at 119.17/19 against dollar.						

ReadyCash Raffle Draw Winners

The latest ReadCash Raffle draw was held at ReadyCash Bangladesh office at Dhanmondi in Dhaka on Thursday, says a press release.

Prizes	Name of Winners	Card No
China Junction Chinese Free Lunch for Two	Ahsan Habib	
5047980000048266		
Meal in the Box Free Lunch for Two	Mohammad Obaidullah	5047980020002825
Kena Kata free Gift Box	Rezwanul Ahsan	5047980010019804
Obsession free Gift Box	Shaheda Banu Pupa	5047980000048313

Winners can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. ReadyCash encourages its cardholders to read The Daily Star and the Daily Prothom Alo on every Sunday or call our Customer Service at 8123850, 8130497, and

KL won't oppose port tie-up with Singapore

ANN/ THE STRAITS TIMES

The Malaysian government will not object to a possible tie-up between the Port of Tanjung Pelepas (PTP) and its rival port in Singapore, saying that strategic alliances were needed to compete in a global market.

Second Finance Minister Jamaluddin Jarjis said yesterday that the government would not frown upon any proposed deal between the operators of the ports, and suggested that even a move by Singapore to take a stake in the Johor port would be acceptable to the Malaysian leadership.

"Establishing a corporate alliance is a strategic choice. If there are opportunities for them to create alliances, it is for them to decide," he said.

But would the Malaysian government object to Temasek Holdings (the parent of port operator PSA Corp) taking a stake in PTP?

He replied: "In a global world, one has to create alliances for a strategic win-win situation. It is for them to decide who they want to be with, from which country. We leave it to them."

Sources told The Straits Times that the thinking in government on this issue was being guided by a realisation that the PTP strategy of offering huge discounts to entice shipping lines across the Straits of Johor could not be sustained indefinitely.

It was hurting the bottom line of PTP and complicating the decision to expand the operations of the port.

BNP Paribas to invest \$ 45m in Indian arm

REUTERS, Goa, India

The Indian arm of French bank BNP Paribas SA will receive \$45 million in capital investment from its Paris-based parent to expand its asset base, a senior bank executive said.

BNP Paribas approved the investment earlier this week, Ravi Chikhlikar, chief general manager and head of fixed income and treasury of its Indian operations, said yesterday on the sidelines of a seminar on the foreign exchange market.

The Indian unit will receive \$30 million by way of an equity investment and the remaining \$15 million as subordinated debt that will mature in at least 10 years.

"We will draw down the funds as and when required. We plan to bring in \$5-\$10 million immediately," Chikhlikar said without specifying an exact date.

The Indian unit has capital of three billion rupees (\$65.4 million), of which around \$15 million is in the form of subordinated debt, he added.

Chikhlikar said the Indian operation was looking to expand its asset base by stepping up lending to top-rated companies and by increasing its investments in fixed income markets, including derivatives.

He said that the bank's ratio of capital to risk-weighted-assets was more than nine per cent, but the capital infusion would not hike it because of the expanded asset base.

Singapore launches bid to boost education exports

AFP, Singapore

Singapore on Saturday unveiled a blueprint aimed at lifting its education exports and capturing a slice of the burgeoning demand for higher education in Asia.

There are now 50,000 full-fee paying foreign students enrolled in schools here and the "Global Schoolhouse" blueprint hopes to raise the figure to between 100,000 and 150,000 by 2012, Trade and Industry Minister George Yeo said.

It is hoped that the blueprint will increase the education sector's contribution to gross domestic product from 3.6 per cent to five per cent in the next decade, he said.

"Our objective is to make Singapore a 'Global Schoolhouse' providing educational programmes of all types and at all levels... that attracts an interesting mix of students from all over the world," Yeo said.

"We hope that with the development of the private education market, the total education sector can grow to about five per cent of the economy in the next decade or so."

"If we can double or triple the number of international students in Singapore to 100,000 or 150,000, there will be all kinds of spin-offs for our economy," Yeo added.

Restaurants, shops and the rental market will benefit from greater demand, he said.

There are now at least 1.8 million foreign students pursuing higher education outside their home countries with 45 per cent of them from Asia, mainly China, India, Japan and South Korea.