

China, US to use WTO debacle to speed Asian free trade deals

REUTERS, Singapore

Size matters. That is what china and the United States will find if they accelerate negotiation of bilateral or regional free trade agreements in the wake of the collapse of the World Trade organisation (WTO) talks.

It will not be economic interests alone but also political imperatives that drive a race by China, the United States and latecomer Europe to sign country-to-country deals after the weekend failure in Cancun, said regional analysts.

"This involves the high politics of foreign policy," said Razeen Sally, a trade expert with the London School of Economics.

"My bet is that these FTAs in the region are going to revolve more around China than Japan," he said.

Analysts expect the big trading powers to wield the biggest clout.

"The US initiative is likely to speed up ... It will be China-ASEAN

(Association of South East Asian Nations), India-ASEAN, Japan-ASEAN. But the ones that really count are China-ASEAN," said Sally.

He cited two primary reasons -- China's ambition to boost its regional role and its desire for market access that will have been spurred by the failure of talks in Cancun.

"They have ambitions to be a major power in the region and this is one way to do this," Sally said. "And they want market access and now, after Cancun, they will want insurance policies."

China will not be the only big power looking to leverage its clout to into a country-to-country or regional free trade agreements (FTAs)

The United States already has one FTA signed and sealed in Asia -- with Singapore -- and a second, with Australia, is due by the end of the year. Negotiations on more could gather momentum as Washington

sees a way to boost trade and expand its influence.

Few doubt that such agreements come at a political cost.

Singapore, a US ally in the war on Iraq, saw its FTA signed in May while Chile, which was opposed, was made to wait. US Trade Representative Robert Zoellick has said it was unlikely New Zealand, which did not support the war, would be granted an FTA.

Asked in June if FTAs were used to reward allies, Zoellick said: "It's also the case where clearly on the non-economic side it helps to have a positive and friendly relationship."

While both China and the United States see political and economic advantages from country-to-country FTAs, trade experts say these deals also help to push the case for greater free trade and thus, in the long run, should help the WTO goals.

"These are done in the spirit of wanting to encourage

multilateralism," said Wang Gungwu, director of the East Asian Institute at the National University of Singapore.

"Instead of sitting on our hands we can be seen to be doing something to increase the flow of trade in this part of the world," he said.

Wang saw more chances of FTAs between China, the United States and the European Union and the 10 countries that make up ASEAN than in northeast Asia where political difficulties and agricultural protectionism are drawbacks in Japan and South Korea.

The hurdles posed by northeast Asia's cosseted farmers cannot be underestimated. When Japan signed an FTA with Singapore, goldfish and cut flowers had to be excluded. Japan has made virtually no progress with Thailand, also a major rice producer.

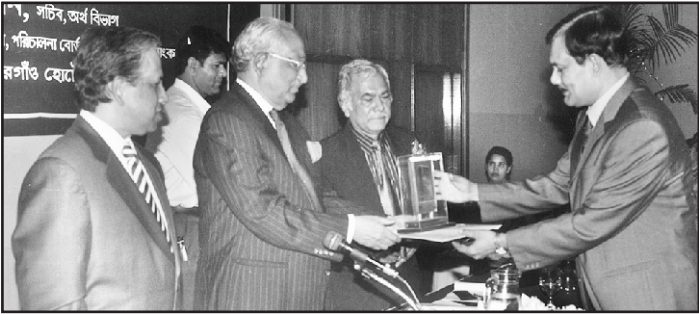


PHOTO: TECHNO TEXTILE MILLS

Finance and Planning Minister M Saifur Rahman hands over a certificate and crest of Best Borrower Award-2003 of Bangladesh Shilpa Bank to Syed Monzurul Huq, chairman and managing director of Techno Textile Mills Ltd, at a award giving ceremony in Dhaka recently. Bangladesh Bank Governor Fakhruddin Ahmed is also seen.



PHOTO: TRANSCOM ELECTRONICS

Transcom Electronics Limited Marketing Manager Arshad Haque, National Sales Manager A Kader Khan, Product and Sales Support Manager Azharul Islam and Area Manager (Dhaka south) Billal Hossain pose for a photograph at the light dealers award ceremony-2003 of Transcom Electronics, concern of Transcom group, in Dhaka recently.

CURRENCY

The following is yesterday's forex trading statement by Standard Chartered Bank

Sell		Currency	Buy		
TT/OD	BC	TT-Clean	OD-Sight-Dec	OD-Transfer--	
58.7500	58.8000	USD	57.8200	57.6502	57.5812
62.0044	62.0614	EUR	64.5271	64.3376	64.2606
95.0834	95.1443	GBP	92.1420	91.8713	91.7613
39.6269	39.6606	AUD	37.5830	37.4726	37.4278
0.5072	0.5076	JPY	0.4897	0.4882	0.4876
42.8926	42.9291	CHF	41.6211	41.4988	41.4492
7.2170	7.2231	SEK	6.7425	6.7227	6.7148
43.3835	43.4205	CAD	42.0907	41.9671	41.9168
7.5398	7.5462	HKD	7.4062	7.3844	7.3766
34.6889	34.7175	SGD	32.8653	32.7688	32.7296
16.1268	16.1405	AED	15.6161	15.5702	15.5515
15.7913	15.8048	SAR	15.2963	15.2514	15.2331
9.2736	9.2815	DKK	8.4653	8.4405	8.4304

Exchange rates of some currencies against US dollar					
Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor.kroner	NZ dollar
45.775	57.73	95.085	40.665	7.3465	0.6334
Malaysian ringit...					
3.80					

Local Interbank FX Trading:			Local Money Market:		
The local interbank foreign exchange market was active Monday. Dollar was stable against the Bangladeshi taka as higher demand for import related payments was offset by boosted supply by remittances.			Money market was steady. Liquidity condition remained stable in the market. Call money rate remained unchanged today and ranged between 2.75-3.00 per cent		



PHOTO: GRAY WORLDWIDE

Syed Manzur Elahi, chairman of Apex Tannery Group, inaugurates a showroom in Chittagong recently. Nasim Manzur, managing director of Apex Tannery Group, and Abdullah-AI Mosadeque, general manager, are also seen.



PHOTO: DHAKA BANK

Shahed Noman, managing director of Dhaka Bank Limited, presides over the business review meeting of the bank held on Saturday at the head office in Dhaka. Khondker Fazle Rashid, deputy managing director, Majedur Rahman, senior executive vice president, and senior executives and managers of the bank are seen in the picture.

Thai govt raises 2003 growth forecast

AFP, Bangkok

Thailand's economy grew 5.8 per cent in the second quarter, pushing the full-year forecast to an impressive 5.8-6.2 per cent as the kingdom continues a recovery that has seen it march ahead of its neighbours.

The government's economic advisory body said the 2003 forecast was raised from an earlier projection of 4.5-5.5 per cent as Gross Domestic Product (GDP) jumped 6.2 per cent year-on-year in the first half to June.

National Economic and Social Development Board (NESDB) chief Chakramon Phasukvanich said the second-quarter performance was good given the negative impact of the Severe Acute Respiratory Syndrome (SARS) outbreak on the region.

"GDP growth in the second quarter was higher year-on-year but slowed down from the first quarter because of SARS, which affected the tourism industry. Nonetheless, growth of GDP remained satisfactory," he said.

SHIPPING

Chittagong port

Berthing position and performance of vessels as on 15/9/2003

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import Disch
J/1	Amanat Shah	GI	Yang	Cla	31/8	20/9	1790
J/2	Pagan	GI (pulse)	Yang	MTA	27/8	16/9	1724
J/3	Boswa Delapan	Rice(P) WT	Kaki	Kaki	Able	3/9	1 5 / 9
J/5	chopol-2	Rice(P)	Kaki	SSTL	2/9	17/9	932
J/6	Funiu Shan (Liner)	GI	Sing	Prog	12/9	19/9	1633
J/7	Tolmi	Wheat(P)	Mund	Pil (BD)	5/9	15/9	1697
J/9	Pioneer Runner	VEE	Sing	JF	14/9	16/9	1043
J/10	Kota Singa	Cont	Sing	Pil (BD)	12/9	16/9	302
J/11	Kota Naga	Cont	Sing	Pil (BD)	11/9	15/9	329
J/13	QC Star	Cont	P.Kel	QCSL	12/9	15/9	
CC/2	Banga Borat	Cont	Sing	BDship	13/9	16/9	361

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port call	Local agent	Cargo	Load port
Qing Jiang (Liner)	15/9	Inchr	BD Ship	GI	--
Mardios	15/9	P Kel	RSL	Cont	Sing
AL Muztuba	15/9	Hald	Cla	Wheat (G)	--
JA Gang	15/9	Chenn	TOSL	Rice(P)	--
Ocean Pride	16/9	Yang	PSAL	GI	Sung/Mun
Banga Biraj	17/9	P Kel	BD Ship	Cont	Sing
Induruwa Valley	18/9	Kaki	Able	Sup (P)	--
Marne	16/9	--	JF	For Visit	--
Banglar Moni	16/9	Sing	BSC	Cont	Sing
Sittwe (Liner)	17/9	Yang	Everett	GI (ST.C)	--
Maganda	17/9	Oita	Litmond	GI	--
Lady East	17/9	--	PSAL	Clink Anw/Mar/Uniq	--
Banga Bijoy	18/9	--	Baridhi	Cont	col
Orient Excellence	18/9	--	PSSL	Cont	Sing
Banglar Shikha	20/9	Sing	BSC	Cont	Sing
Qurania Smile	19/9	Colum	SSST	Wheat(G)	CTG
Sivitta wave	18/9	Indo	Uniship	Clink	Ryal
Kota Cahaya	18/9	Sing	Pil (BD)	Cont	Sing
Wang Jae San	19/9	BKK	GPSL	Sugar	--

Tanker due

Performance-9	15/9	Mala	MTCL	CPOL (RM/8/3)
Tirta Niaga-II		16/9	Indo	USL CPO (RM/4)
Salamat-1	15/9	Bush	OLM	Bitumen (Bulk)RM/3
Gaz Master	18/9	Viza	MBL	W/Ld Ammonia

Vessels at outer anchorage Vessels ready

Slam Bhavas	CPO	SADA	Rainbow	14/9
Banga Biroel	Cont	--	BDship	R/A(11/9)
QC Honour	Cont	P.Kel	QCSL	15/9
Chada Naree	UREA	Sing	MBL	15/9
Sea Elegance	Cont	Sing	PIL(BD)	15/9

Vessels not ready

Pathein	Pulse/Rice	Yang	Total	3/9
Athina	R.Phos	Hamr	BMA	8/9
Atlantic Diamond	WT/Peas	Norc	Mutual	11/9
Banga Bonik	Cont	Col	Baridhi	12/9
Guo Shun	Fert (BAG)	Sing	Unique	13/9

Vessels awaiting employment / instruction				
Banga Lanka	--	--	Baridhi	R/A (1/9)
Sea Emperor	--	--	H&SL	R/A (14/9)

The above are yesterday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by Dhaka.

STOCK