

# G-22 may seek own FTAs, says Manila

AFP, Manila

Developing countries may seek individual bilateral free trade agreements (FTAs) with rich nations following the failure of the World Trade Organisation (WTO) talks in Cancun, Mexico, Philippines Trade Secretary Manuel Roxas said Friday.

Members of the G-22 bloc or Group of 22 developing countries would, however, continue their fight to force rich countries led by the United States and the European Union to open up their farm sectors and end domestic subsidies, Roxas said.

While there is cooperation, it "does not preclude the G-22 (members) from undertaking individual or regional arrangements on their own," Roxas told a Foreign Correspondents Association of the Philippines (FOCAP) forum.

"There is no country that will uphold the primacy of G-22 interests over their own national interests," the trade chief said. "So G-22 is a tool, we ally with them, we look forward as best as we can, but we are not (unrealistic)."

"We are hard-nosed practitioners of negotiation and the international statecraft that says each country will

pursue their own national interests the best way they can," he said.

G-22 members "will continue to push for the agenda that we espoused, which is a substantial reduction leading to the phaseout of subsidies, discipline imposed on domestic support and substantial market access provided to developing nations."

"(But) as I said, that goes as far as it does. On a broader scale, the G-22 is not the be-all and end-all of negotiations."

Roxas noted that within the WTO there are already various alliances pushing for other issues such as

those dealing with competition and investment policies and tariff reductions.

"This is part of an ongoing process where we sort out difficulties and we engage our trading partners in a continuous dialogue to open up opportunities for ourselves," Roxas said of FTAs.

"Bilateral or regional FTAs are always a part of a country's armory ... for economic development," he said, noting that ASEAN, for example as a regional bloc, is negotiating free trade deals with economic powerhouses China and Japan. 1



PHOTO: TM&amp;B

Data Ezanee Ab Aziz, managing director of TM International (Bangladesh) Ltd, the owning company of the AKTEL mobile phone, and Rezaur Rahman, managing director of Bengal Airlift Ltd, pose for a photograph at an agreement signing ceremony in Dhaka on Wednesday. Under the deal, Bengal Airlift has become a corporate client of AKTEL mobile phone.



PHOTO: UNITED AIRLINES

Spiro J Deligiannis, director of Strategic Planning for Pacific South of United Airlines, along with award winning top passenger and cargo agents and executives of United Link Ltd, local general sales agent (GSA) of United Airlines, poses for a photograph at a ceremony held in Dhaka recently.

## India plans developing bloc talks to map out WTO strategy

AFP, New Delhi

India is organising a meeting of 22 developing countries' trade ministers to map out a strategy in the wake of the failed World Trade Organisation (WTO) talks in Cancun, a report said Friday.

The Hindustan Times said India wanted to cement the bond within the so-called G-22 grouping that banded together in Cancun to press the developed world to phase out farm subsidies which run at nearly one billion dollars a day.

The government is seeking to host a meeting of trade ministers from G-22 countries to finalise a common approach towards trade talks on agriculture scheduled to be held by the WTO General Council at Geneva before December 15 this year, the newspaper reported.

It added, citing unnamed sources, that New Delhi would offer to serve as the secretariat for the G-22.

It said Brazilian Foreign Minister Celso Amorim would visit New Delhi next month to discuss the alliance with Indian Commerce Minister Arun Jaitley.

New Delhi sees the emergence of the G-22 as an unexpected success coming out of the collapse of global trade talks in Cancun.



An official speaks at the handing over ceremony of Rangs Garden Palace, a residential project of Rangs Properties Ltd, in Dhaka recently. Clients and officials of the company were present at the function.

## Weekly Currency Roundup

September 20-September 25, 2003

### Local FX Market

The US dollar was stable. Dollar got slightly weaker in the middle of the week due to increased flow of remittances. By the end of the week, dollar got stronger because of higher demand for import.

### Money Market:

Bangladesh Bank borrowed BDT 12,432 million by the treasury bill auction held on Sunday, compared with BDT 11,700 million in the previous week's bid. The weighted average yield of 28-D T-bill was down by 22 bps from the previous rate to 5.11 per cent. The yield 5-Y T-bills dropped by 5 bps to 8.90 per cent.

The call money rate was volatile this week. In the beginning of the week, the rate ranged between 2.00 and 2.25 per cent. The rate shot up to 10-11 per cent in the middle because of mismatch of maturity of T-bill. The rate stabilised by the end of the week and ranged between 5 and 6 per cent.

### International FX Market

The yen staged a meteoric rally to near three-year highs against the dollar in the beginning of the week on speculation Japan would become less aggressive in yen-selling intervention after the weekend Group of Seven meeting. The G7 called for more exchange rate flexibility to help iron out global economic imbalances and market interpreted its statement as criticism of persistent intervention by Asian countries to weaken their currencies and boost domestic export. Yen was up almost 1.6 per cent on the day versus the dollar. Dollar also weakened against the euro.

The yen advanced in the middle of the week towards three-year highs set against the dollar in the previous session, as markets reassessed the likelihood of official yen sales by Japan. Traders remain wary that Japanese authorities may eventually step into the market to weaken the yen, or at least to smooth its rise despite call from G7 ministers. The yen rose as high as 111.52 per dollar, up more than half a percent on the day. Euro was also up versus the dollar by quarter per cent versus the dollar.

Later in the week, the yen edged away from this week's three-year high against the dollar on wariness of intervention and losses in Tokyo stocks, while the euro traded nervously before German business climate data. In Europe, the IFO index, due at 0800 GMT on Thursday, was set to rise for a fifth straight month to 92.0 for September from 90.8 a month ago. But many doubted this would lift the euro significantly. US durable goods orders were due at 1230 GMT and were expected to rise 0.6 per cent after a 1.0 gain in the previous month. US jobless claims were expected to come in at 400,000 compared with 399,000 in the previous week.

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- Standard Chartered Bank

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