

African countries seek new WTO negotiations

AFP, Cairo

Twelve African countries meeting in Cairo said Friday that they want to restart WTO multilateral trade talks following the failure of September's conference in Cancun.

"Participants called for a resumption of multilateral negotiations under the aegis of the WTO," Egyptian Foreign Trade Minister Youssef Butros Ghali said at the start of the 12-nation two-day summit.

"African countries reiterated their commitment to the agenda of the Doha talks which marks a real opportunity for African countries to increase the volume of their contribution to international commerce, and at the same time consoli-

date their development objectives," he said.

The 2001 Doha World Trade Organisation negotiations in the Qatari capital put the development of poor countries at the heart of liberalizing world commerce, he said, adding that access to agricultural markets is a "priority for African countries".

The minister emphasized that the African countries saw a speech made by Cancun conference chairman, Mexican Foreign Minister Luis Ernesto Derbez, as "a good point for restarting the negotiations".

However, he said that "radical changes" were required.

Also present at the Cairo summit

were WTO director general Supachai Panitchpakdi, trade ministers from Botswana, Burkina Faso, Chad, Kenya, Lesotho, Mali, Mauritius, Nigeria and Senegal, and representatives from Benin and South Africa.

WTO ministers gathered in Cancun in early September in a bid to breathe life into moribund trade-liberalization talks launched in Doha two year ago and due to conclude by January 1, 2005.

But the meeting collapsed after bickering over cross-border investment and competition added to a more fundamental dispute about farm subsidies in richer states and the high tariffs on agriculture imports from developing nations.

Pressure mounts on Bush to abandon steel tariffs

AFP, Washington

Pressure mounted on US President George W Bush Friday to drop tariffs on imported steel imposed in March of 2002, with a senior Republican lawmaker telling Bush the tariffs had out-lived their effectiveness.

Bush had imposed the tariffs following pressure from the domestic steel industry, which complained cheap

imports were destroying US jobs. Many US steel-makers are located in states seen as important for the 2004 presidential election.

"The purpose of the steel safeguard tariffs has therefore been met, but this has come at a heavy cost," Charles Grassley, the Republican chairman of the powerful Senate Finance Committee said in a letter to Bush dated Friday.

Grassley pointed out that the US International Trade Commission had estimated the tariffs had already cost US businesses and workers over 680 million dollars since their imposition.

The United States lost its appeal on Monday to the World Trade Organization on the legality of the tariffs and is now subject to 2.2 billion dollars in retaliatory sanctions from trade partners.



Shah Abdul Hannan, chairman of Islami Bank Bangladesh Limited, presides over the board meeting of the bank held in Dhaka recently.

IMF conditionally approves \$72m loan for Nepal

AFP, Washington

The International Monetary Fund said on Friday that it had approved in principle a three-year 72 million dollar loan to Nepal aimed at reducing poverty and spurring economic growth.

A final decision on the financial package will be made following a meeting of the World Bank executive board scheduled for November 18.

The credit line has been prepared to help support the efforts of Nepal's government to reform the country's economy through to 2006.

In exchange for the loan, Katmandu had agreed to overhaul its financial sector and civil service, as well as seeking to rein in corruption.

Final approval of the loan next week would allow Nepal to draw down an immediate 10 million dollars, the IMF said.

Almost 40 per cent of Nepal's population live in poverty. The country's gross domestic product (GDP) is expected to reach 2.3 per cent in 2003 on an annualised basis, according to the IMF.

US industrial production up 0.2pc in Oct

AFP, Washington

US industrial production rose 0.2 per cent in October down from a sharp 0.5 per cent hike a month earlier, the Federal Reserve reported Friday.

Wall Street analysts had expected a 0.4 per cent rise for October.

The cooling of growth was mainly because of a large fall in auto production and spare parts, which fell 3.8 per cent.

Production of consumer goods fell 0.3 per cent and in the mining sector by 0.8 per cent.

But gas and electricity production rose 2.0 per cent, the US central bank said.

The industrial capacity index rose to 75 per cent in October from 74.9 per cent in September, according to the Federal Reserve's revised figures.

The central bank also revised up its industrial production figure for September to 0.5 per cent from the earlier 0.4 per cent.

High-tech investment eluding China: OECD

ANN/ THE STRAITS TIMES

China has succeeded greatly in attracting foreign direct investment (FDI) in low-tech, labour-intensive manufacturing, but it faces the challenge of raising the quality of such investment, a report by the Organisation for Economic Cooperation and Development (OECD) has said.

Much of the FDI in China is still going to short-term, labour-intensive manufacturing while investment in high-tech activities, particularly in the service sectors, lags behind, its recently published review of Chinese investment policy said.

Elaborating on the report, OECD official Ken Davis noted that China has attracted some large projects in which foreign companies have set up research and development centres and established manufacturing operations using advanced technology.

"But the most advanced technology is still not usually coming to China. Many companies are still just assembling their products here," said Davis,

the principal administrator of investment in China at the OECD.

One key reason was that these companies were concerned about intellectual property rights protection. But also, there was a lack of a clear and transparent business environment in which things were predictable.

For example, while in some cases there was a one-stop shop for investors to get approval, in others there were unfamiliar regulations and agencies that they had to deal with, he said. Davis added that judges in China were not independent and often sought advice from local officials "in whose interest it is not to see a case go in favour of the foreign investor".

"If China wants to get high-quality investment, it has to create a rules-based business environment," suggested Davis during a talk at the foreign correspondents' club here on Thursday. The OECD report also noted that while in the early period of China's economic reforms its offer of incentives was effective in attracting foreign investors, this might not be enough now.

India set to achieve 7pc growth target

AFP, New Delhi

A mid-term review of India's economy Friday projected over seven per cent growth in the current financial year but warned that food subsidies were becoming "unsustainable" and that a fall in export growth was a source of concern.

"Assuming more than eight per cent and six per cent growth in agriculture and industry respectively, and a reasonably good performance by the services sector, the overall growth in real GDP can be expected to exceed seven per cent in 2003-04," the review said.

"We are optimistic and confident that growth will be over seven per cent," Finance Secretary D. C. Gupta said as he released the report.

He said the "fiscal deficit will be very much on the mark" while a shortfall of 80 billion rupees (3,680 million dollars)

in meeting the privatisation target would not impact on the GDP's growth rate.

The government has set a revenue target from privatisation of 132 billion rupees (2.75 billion dollars) in the current financial year to March 2004.

Last year, it targeted revenue of 120 billion rupees from privatisation but managed to raise only 33.60 billion rupees.

"Expenditure has been under control... economic growth has been higher than what we expected and there is buoyancy in tax collection," he added.

The review, however, cautioned that food subsidies were becoming "unsustainable" and that the fall in export growth was a source of concern.

The review said most of the good news was thanks to abundant monsoon rains.



Mohammed Quamrul Islam, senior vice-president of Mercantile Bank Limited, inaugurates a showroom of Shahar Style, a ladies' footwear house, on OR Nizam Road in Chittagong 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	
58.7300	58.7800	USD	57.8700	57.7000	57.6310	
70.1471	70.2068	EUR	67.2681	67.0705	66.9902	
100.0524	100.1376	GBP	96.8512	96.5668	96.4512	
43.1137	43.1504	AUD	40.9777	40.8574	40.8085	
0.5473	0.5478	JPY	0.5284	0.5269	0.5263	
44.5802	44.6182	CHF	43.2059	43.0790	43.0274	
7.7096	7.7161	SEK	7.2584	7.2371	7.2284	
45.4391	45.4778	CAD	44.0243	43.8950	43.8425	
7.5737	7.5801	HKD	7.4450	7.4231	7.4142	
34.3209	34.3502	SGD	33.4663	33.3680	33.3281	
16.1209	16.1346	AED	15.6287	15.5828	15.5642	
15.7864	15.7998	SAR	15.3095	15.2646	15.2463	
9.6798	9.6880	DKK	8.8139	8.7880	8.7774	
Exchange rates of some currencies against US dollar						
Indian Rupee	Pak Rupee	Lankan Rupee	Thai Baht	Nor. Kroner	NZ Dollar	Malaysian Ringgit
45.36	57.37	96.3	39.900	6.9671	0.6816	3.80
Local interbank FX Trading						
Local interbank market was subdued due to international market being closed. USD/BDT remained at the same level..						
Local Money Market						
Money market was active. Call money rate rose slightly to 3.75-6.5 per cent compared to 3.25-4.50 per cent previously.						
International Market						
On Friday, dollar hit a three-week low against the euro on the back of bleak US economic outlook.						
Reports showed a decline in US retail sales and rise in consumer sentiment. Moreover, continued violence in the middle-east contributed to dollar's fall. Dollar gained a little against a yen, however still hovering around the three-year low hit earlier. The international market was closed on Saturday.						
At New York close on Friday, euro was at 1.1774/80, GBP at 1.6876/81 and yen at 108.31/37 against dollar.						
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