

# Contents of WTO trade deal taking shape

AFP, Brussels

The substance of an agreement between WTO members that would relaunch the so-called Doha round of trade talks is taking shape after discussions in London, an EU source said Sunday.

"The contents of an agreement are getting clear. The aim of the meeting was not to reach an agreement but to give very clear instructions to negotiators," the source said in Brussels.

WTO negotiators from the European Union, Brazil, South Africa and the United States met over the weekend in London.

"The mood was pretty positive. We are taking steps forward and the meeting was a good warm-up for the mini-ministerial meeting to be held in Paris in May," the source added.

In addition to the trade representatives at the London meeting, 15 other negotiators will meet on May 14 on the sidelines of a ministerial conference of the Organisation for Economic Cooperation and Development.

The London meeting, which began over dinner on Friday, was

hosted by US trade representative Robert Zoellick, and involved EU trade commissioner Pascal Lamy, Kenyan Trade Minister Mukhisa Kituyi, his South African counterpart Alec Erwin and Brazilian Foreign Minister Celso Amorim.

According to EU officials, the goal was to define a package of proposals that would incite the G90 group of 90 developing nations to make the Doha round of global trade talks a success. The aim, they said, was to successfully conclude the Doha round by January 1, 2005.

The trade negotiations have been on the back burner since the failure of a World Trade Organisation ministerial meeting in Cancun, Mexico, in September 2003.

The meeting in London comes after delegates from the 147-member global trade body met last week in Geneva to discuss a July deadline to agree on a framework for particularly contentious topics, notably the fate of agricultural subsidies.

The EU source said that representatives at the weekend meeting in London had a "detailed discus-

sion" on the four main subjects holding up progress: farm, products, market access for non-agriculture products, development issues and the so-called "Singapore" issues - trade facilitation, transparency in government procurement, cross-border investment and competition.

"It's about finding what the limits are for each country," the source said.

The EU is insisting that other countries match its efforts to cut or entirely eliminate subsidies to farmers.

On market access for non-agricultural goods, the EU and Washington are pushing other big countries to make an effort in favour of the G90 countries.

On the Singapore issues, a compromise is taking shape to include trade facilitation in the final agreement for the cycle of talks, although an accord on cross-border investment and competition has been ruled out. Nothing had yet been determined about transparency in government procurement.



**JK Kanjilal, chief executive officer of State Bank of India, Dhaka, and Zahir Ahmed, managing director of Electronic Transactions Network Limited (ETN), provider of ATM-debit card services to E-cash member banks, exchange documents after signing an agreement on E-cash shared ATM network. Among others, AJ Bose, CEO of State Bank of India, Chittagong, and KM Ahsan Shamim, chairman of ETN, were present.**

## US, Australia to sign free trade deal May 18

AFP, Washington

A US-Australia free trade deal, criticized by some Australians who say it favors US exporters, will be signed here May 18, officials said Monday.

US Trade Representative Robert Zoellick and Australian Trade Minister Mark Vaile will sign the deal, which would still require ratification by US and Australian lawmakers.

"American businesses, workers, farmers and consumers will soon have significantly increased ties to this good friend and valuable trading partner," Zoellick said in a statement.

"Once Congress approves this agreement and it goes into effect, there will be an immediate cut in Australian tariffs on our manufactured goods, providing our manufacturing industry with a helpful boost."

Under US law governing trade agreements, the deal could not be signed before May 14.

Zoellick said the two sides were signing the agreement May 18 because it was the "earliest possible date."

The agreement, reached in February after 11 months of negotiations, is under scrutiny in Australia.

Opposition politicians and some Australian economists doubt its claimed benefits, arguing that it excludes some sectors, will hurt

others and may damage Australia's trade relationships in Asia.

The Australian government has already been forced to compensate cane growers with a four-year, 440 million Australian dollar (320 million US) rescue package after sugar was excluded from the deal.

But an Australian government-commissioned study found last week that the proposed free trade agreement would be worth much more to Australia's economy than previously estimated.

The Centre for International Economics study said the deal, previously estimated to be worth 2.9 billion US dollars a year, would boost real gross domestic product by more than 4.3 billion US dollars a year by 2014.

Australia is the 13th largest market for American exporters, the US Trade Representative (USTR) office said.

Two-way trade in goods and services amounted to about 28 billion US dollars a year, with the United States enjoying a surplus of nine billion dollars, the USTR said.

Australia is an export market for American aircraft, autos and auto parts, machinery, computers and electronic products, chemicals, and wood and paper products.

The United States already has free trade agreements with Canada and Mexico under the North American Free Trade Agreement, Chile, Israel, Jordan and Singapore.

## Siemens unveils telecoms, energy tie-ups in China

AFP, Berlin

The German electronics giant Siemens unveiled Tuesday two new Chinese partnerships in the areas of mobile telecommunications and energy to coincide with the visit in Berlin of Chinese Prime Minister Wen Jiabao.

Siemens said its mobile phones division ICM had signed a development and marketing contract with Chinese mobile handset maker, Ningbo Bird.

Ningbo Bird is to integrate Siemens components into its handsets and the two partners would jointly develop end-user equipment for marketing under the Chinese brand-name.

In return, Ningbo Bird would open up its network of 30,000 shops all across in China to Siemens products.

"The partnership with Bird is part of our strategy to strengthen our position in China, the world's biggest mobile phone market," said ICM head Rudi Lamprecht.

China has more than 280 million mobile phone users, a figure that is expected to soar to 435 million by 2008.

At the same time, Siemens said it planned to set up a 50-50 energy joint venture with Chinese group XJ Electric.

# Developing country ministers meet for trade talks in Dakar

AFP, Dakar

Ministers from developing countries are to meet here on Tuesday and Wednesday for talks aimed at restarting trade liberalisation negotiations, an official statement said.

The meeting would also be attended by World Trade Organisation director general Supachai Panitchpakdi, EU trade commissioner Pascal Lamy and UN deputy secretary general and high representative for developing countries, Anwarul Karim.

Relief agencies Oxfam, Enda Tiers-Monde and Action Aid, which are also attending the gathering, said in a joint statement that the meeting would be "the last chance to consolidate negotiating positions on global trade before key decisions are taken in Geneva in July".

The participants would "try to find a common ground in order to relaunch stalled WTO negotiations."

The 147 members of the World Trade Organisation face a July deadline to agree on a framework for particularly contentious topics

with a view to produce tangible results to wrap-up the so-called Doha round of trade talks by January 1, 2005.

The trade negotiations have been on the back burner since the failure of a WTO ministerial meeting in Cancun, Mexico, in September 2003.

The EU delegation to Senegal said the meeting this week here would tackle the sticky issues of farming, non-agricultural market access, cotton and the so-called "Singapore" issues - trade facilitation, transparency in government procurement, cross-border investment and competition.

Ministers from about 30 WTO member states are to meet on the sidelines of an OECD conference in Paris on May 14 for further talks in the run up to the July deadline.



(From left to right) Waliur Rahman Bhuiyan, managing director of BOC Bangladesh Limited, M Syeduzzaman, chairman of BOC Bangladesh, and Michael S Mathews, technical director (Asia) of BOC Group plc, pose for photographs at the inauguration of the corporate office of the company in Tejgaon Commercial Area in Dhaka yesterday.

## India may take a decade to match China as Asia's growth engine: ADB

AFP, Washington

Despite its blistering economic growth, India may take more than a decade to match China's role as a key growth engine for Asia, the chief economist of the Asian Development Bank (ADB) said here Monday.

It could take India perhaps up to 2020 to become a China-like dominant driver of regional economic expansion, Ifzal Ali said.

Speaking to diplomats, economists and analysts at a gathering organised by the World Affairs Council in Washington, Ali said China played a significant role not only as catalyst for growth but as a driver of intra-Asian trade.

Assisted largely by weather which drove up farm production, India chalked up a 10.4 percent growth rate in the final quarter of 2003, making it one of the fastest growing economies in the world, beating even China's 9.9 percent during the same period.

Indian Finance Minister Jaswant Singh had forecast that India's economy was poised for "explosive growth" of more than 10 percent within a decade and could exceed the 8.1 growth the government estimated for 2003-2004.

Asked whether India could match China as Asia's economic growth cog, Ali said: "If you are

thinking of five to 10 years, my answer is no.

"If you are thinking ahead of that, our expectation is while China's growth rate will start to come down, India will go up and if you are looking as far as 2020, yes."

Ali said India was still very far behind in matching China's GDP and per capita income.

India's per capita income of 480 dollars was around half of China's 940 dollars while its GDP of 510.1 billion dollars lagged behind China's 1.26 trillion dollars, based on 2002 figures.

Ali said there was also a wide gap in the volume of investments in India and China, with investments in China making up 40 percent of GDP compared with India's 22 percent.

China pulled in 53.510 billion dollars in foreign direct investments in 2003 compared with India's 3.58 billion dollars, according to the Asian Development Bank (ADB).

India's comparative advantage was more on the service sector, which made up 50 percent of GDP, compared with China's 23 percent. One area however that the world's top two populous nations will jointly play a major role in the pushing up of commodity prices, such as oil, as they seek to fuel their economic expansion.

## Air France acquires KLM

AFP, Paris

Air France and KLM announced Tuesday that Air France has been successful in acquiring the Dutch airline, with 89.22 percent of KLM shareholders offering their holdings and thereby creating the biggest European airline.

Air France nonetheless extended its all-share offer to May 21 in a operation that also makes Air France-KLM the third-biggest carrier worldwide in terms of sales.

The takeover has the effect of reducing the French state's stake from 54 percent of Air France to 44.7 percent of Air France-KLM, a de facto privatisation of the French airline, the statement said.

Under terms of the exchange offer valid from April 5 to May 3, Air France had to acquire more than 70 percent of outstanding KLM shares, in a deal worth about 850 million euros (one billion dollars).

Trading in the new company is to begin Wednesday on the Amsterdam and Paris stock exchanges.

Air France will issue 45,938,857 new shares and 41,762,597 warrants, including 8,479,306 American Depositary Shares (ADS) and 7,708,460 American Depositary Warrants (ADW).

The warrants and the ADWs have a maturity of three and a half years from May 6, 2004 and can be exercised starting November 6, 2005.