

Trade negotiators haggle over agriculture at WTO talks

AFP, Paris

Ministers from 28 WTO countries held talks Friday aimed at getting stalled free-trade talks off the ground although the sticky issue of agriculture kept back a convergence of positions despite some signs of compromise.

The head of the World Trade Organisation, Supachai Panitchpakdi, said Friday: "We should be heartened by a number of positive developments that we are witnessing," he said.

"I detect a clear willingness of the delegations to negotiate with each other and to focus on substance and not procedure", he added at in

comments prepared for delivery at a meeting here at the Organisation for Economic Development and Cooperation.

Ministers are gathered here on the sidelines of the annual meeting of the OECD in a last-chance effort to get free-trade talks back on track by the self-imposed end July deadline.

While upbeat about the talks, Swiss Economy Minister Joseph Deiss acknowledged that they had not advanced much.

"The atmosphere is pretty positive but we have no real progress for the moment," he told a press conference.

Supachai, in expressing opti-

mism about the talks, also called for a "sense of reality".

He said: "We should not be under any illusion about the scale or urgency of our task."

"The window of opportunity up to July is still open, but I don't think you need to be reminded that it is very narrow and that it is closing rapidly."

Ministers meeting here hope to agree by then on "modalities", or broad framework, for the final burst of negotiations to conclude the so-called Doha round of trade liberalisation talks by the end of the year.

The Doha round, which was launched in the Qatari capital in 2001, stalled after the collapse in

September of ministerial level talks at a gathering in Cancun, Mexico owing largely to disputes over government aid to farmers in rich countries.

Negotiations got a boost earlier this week with a proposition from the European Commission to eliminate agriculture export subsidies worth three billion dollars (2.52 billion euros) if other WTO members made similar efforts.

France, which had voiced hostility to the proposal, signalled that it had not ruled out accepting it if other big agriculture nations such as the United States made concessions as well.



PHOTO: MERCANTILE BANK

M Nurul Islam, acting managing director of Mercantile Bank Limited, and Md Abdul Rashid Gazi, managing director of Midas Financing Limited, exchange documents after signing an agreement in Dhaka recently. Under the deal, Mercantile Bank will extend a credit facility of Tk 10 crore to Midas Financing Limited. Lutfar Rahman Sarkar, chief advisor to the bank, and other senior officials of the two organisations were present.

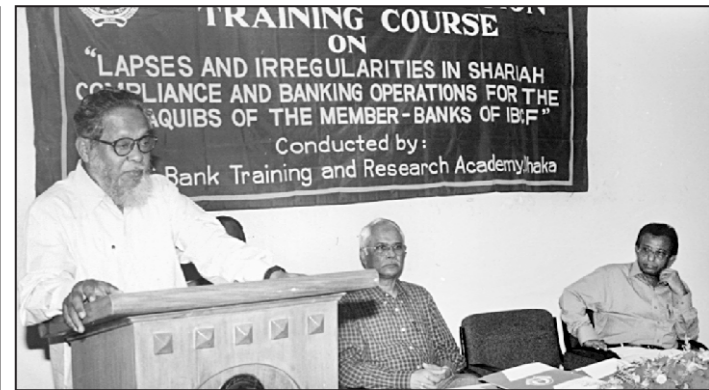


PHOTO: ISLAMI BANK BANGLADESH

Nazir Ahmed, vice-chairman of Islami Bank Bangladesh Limited, speaks at the inaugural function of a training course on "Lapses and irregularities in Shariah Compliance and Banking Operations" held recently in Dhaka.

Weekly Currency Roundup

May 08-May 13, 2004

Local FX Market

The local interbank market was on a bearish mood this week. US dollar was on a bearish mode against Bangladeshi taka in the beginning of the week due to increased remittances. Increased demand for dollar made it slightly stronger against Bangladeshi taka by the end of the week.

Money Market:

Bangladesh Bank issued BDT 2,280.00 million by the Treasury bill auction held on Sunday, compared with BDT 5,616.00 million in the previous week's bid. The weighted average yields of t-bills of different tenors fell few basis points.

The call money rate was volatile this week. The rate ranged was between 3.75 and 9.00 percent this week. The rate eased by the end of the week after the it went up to 9.00 percent in the beginning of the week.

International FX Market

In the beginning of the week, the dollar surged to an eight-month high against the yen and neared recent 5-1/2 month highs against the euro on Monday as expectations of higher US interest rates gathered pace. Friday's better than expected US employment data heightened market speculation that the Federal Reserve could raise interest rates even as soon as June, hammering high-yielding currencies like the New Zealand and Australian dollars. Analysts said the yen would continue to suffer against major rivals. Foreign investors piled into Japanese stocks last year and traders said there were some concerns about high level of valuation, compounded by speculation of a potential slowdown in China's economy which would hit Japanese export.

The dollar held steady against the Euro and the dollar in the middle of the week but stayed off recent peaks as rising Tokyo stocks lifted the Japanese currency and a Federal Reserve official's comments tempered US rate hike enthusiasm. Investors were awaiting US trade balance figures later in the session. The New Zealand dollar rose more than one percent against the greenback, receiving help from strong employment data that indicated a robust domestic economy. Other currencies also managed to recover from recent falls against the greenback that had come on worries that Beijing's attempts to cool China's economy could hurt the wider Asia-Pacific region.

The yen fell to an eight-month low against the dollar and a two-month low on the Euro on Thursday, hit by a drop in Japanese stocks, while the Australian and New Zealand dollar tumbled more than half a percent. Sterling joined the high-yielding currencies to fall nearly half a percent on the US dollar as investors continued to unwind grow oriented trades on concern about the economic impact of higher oil prices and US interest rate rises. The Euro fared better than most, slipping just a third of a percent against the greenback. Data showing a wider than expected US trade deficit hit the dollar on Thursday, but expectations of rising interest rates returned to buoy it.

-Standard Chartered Bank



PHOTO: UNITED INS

M Moyeedul Islam, chairman of United Insurance Company Limited, presides over the 19th annual general meeting of the company held at a local hotel on Tuesday. The company has declared a 25 percent dividend for its shareholders. Syed Aziz Ahmad, managing director of the company, and other directors are also seen in the picture.



PHOTO: GRAMEENPHONE

Mehboob Chowdhury, chairman of South Asian GSM Operators Forum and director (sales and marketing) of GrameenPhone, presides over the 2nd meet of the forum held in Colombo, Sri Lanka recently. Ola Ree, managing director of GP, Bangladesh; Nasir Bahrom, managing director of Telekom Malaysia International Bangladesh; Dr Hans Wijayasuriya, CEO of MTN, Sri Lanka; Kapila Chandraskara of Mobitel, Sri Lanka; KM George of BPL, India; Rajneesh Kapoor and Rajesh Razdhan of Bharti, India; Madan K Shakya and Gunakeshari Pradhan of NTC, Nepal; Tashi Tshering, GM of B-Mobile, Bhutan; Jahir Uddin Ahmed of GP and Jashim U Russell, coordinator of South Asian GSM Operators Forum, were present at the meeting.

Textile group blasts US decision on Vietnam quota

REUTERS, Washington

The Bush administration is turning a blind eye to allegedly fraudulent clothing imports from Vietnam, US textile producers charged Thursday.

Cass Johnson, president of the National Council of Textile Organisations, blasted the Commerce Department's decision on Wednesday to reduce Vietnam's textile and apparel quotas by just 2.5 percent because of illegal transshipments from other foreign suppliers, such as China.

"The government's action flies in face of available evidence, and it now appears substantial illegal shipments will be officially included in Vietnam's quota levels," he said in a statement.

The Bush administration angered US textile producers in April 2003 by setting what the industry considered excessively high quotas on 38 apparel and textile products from Vietnam.

The American Textile Manufacturers Institute, which has since closed its doors, accused Vietnam of illegally shipping Chinese products during the reference period used to establish the size of the quotas to make its own exports appear larger.

EU, US should cut farm subsidies further

G20 developing countries say

AFP, Paris

Developing countries grouped in the G20 said Thursday that the European Union and United States should do more to reduce agricultural subsidies but noted positive signs in talks on global trade liberalisation.

The G20 had made propositions to push talks further along, "but the problem is still in the agricultural area, where we are waiting for a gesture by the European Union and the United States," Argentina's minister for international trade Rafael Bielsa said.

"We are not protectionist in these domains, they are the protectionists," he stressed after a meeting of the group, which also includes Brazil, China and India.

"Tomorrow we may have a clearer idea of the American and European proposals, and we'll see if it is possible to have a general framework for talks by July, particularly in agriculture, because if we do not move on this issue, everything will be blocked," Bielsa said.

On Friday, 28 ministers from World Trade Organisation (WTO) member countries are to try and

jump start trade talks that broke down at a conference in Cancun, Mexico in September.

"In a general way we put the blame on the rich countries who don't want to give away their agricultural subsidies and continue to protect their agriculture," Brazilian Foreign Minister Celso Amorim said.

Negotiations got a boost earlier this week with a proposition by the European Commission to eliminate agriculture export subsidies worth three billion dollars (2.54 billion euros) if other WTO members made similar efforts.

Amorim acknowledged the G20 had seen "some positive signs" in the commission's proposal, although the group did not completely accept the plan because it did not reduce subsidies sufficiently and managed to continue protecting the dairy and sugar sectors.

He told reporters: "We want to avoid the temptation to negotiate through the press, because I think we're at a crucial stage where we can really make advances."

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