

Asian countries aim to club together over oil price

REUTERS, Seoul

Alarmed by soaring crude prices, five big Asian oil-consuming countries have agreed to try and club together to cope with a problem threatening the economic lifeblood of the region, South Korea said Tuesday.

Japan, China, India, South Korea and the Philippines have agreed to meet regularly in a bid to enhance energy cooperation in a region with little in the way of oil reserves in the ground or stockpiles to protect from supply disruptions or price spikes.

would discuss the so-called Asian price premium, joint oil-stockpiling and environmental regulations on energy, said the Korean ministry.

The agreement emerged after the ninth International Energy Forum, a meeting between oil producers and consumers, in Amsterdam at the weekend, South Korea's energy ministry said in a statement.

Benchmark US light crude oil prices, which have risen nearly 40 per cent this year, are hovering above \$41 a barrel, near record highs.

The first working-level talks were due to be held in India, but no further

details were available, the ministry said. The Asia-Pacific region imports about two-thirds of the oil it consumes and demand has soared led by China and India.

Middle-Eastern producers charge Asian consumers about \$1 a barrel premium, compared with western buyers.

"We expect this gathering could bear more fruit than any other energy-related talks in Asia because it includes heavy oil consumers, excluding interests of oil producers," said an official at Seoul's energy ministry.

Separately, the 22-member Asia Cooperation Dialogue (ACD)

agreed in Manila last Thursday to take the first steps towards a regional oil stockpile that could be used to ride out supply squeezes.

China overtook Japan last year to become the world's second-biggest oil consumer behind the United States, accounting for some seven per cent of the total global market of more than 80 million barrels a day (bpd).

Fears of sabotage attacks on the infrastructure in the Middle East, which supplies more than 70 per cent of Asia's oil imports, have also kept crude prices high.



PHOTO: AMCL

Amjad Khan Chowdhury, managing director of Agricultural Marketing Company Limited (AMCL-PRAN) and chief executive of PRAN Group, and MH Samad, managing director and CEO of Central Depository Bangladesh Limited (CDBL), exchange documents after signing an agreement on behalf of their organisations in Dhaka on Sunday. Under the deal, CDBL will convert paper shares of AMCL into electronic ones for trading under central depository system (CDS).



PHOTO: SINGER BANGLADESH

AM Hamim Rahmatullah, director and chief operating officer of Singer Bangladesh Limited, and Sajidur Rahman Khan, marketing director of the company, jointly inaugurate a Singer showroom-cum-sales centre at Parbatipur in Dinajpur recently.



PHOTO: PRIME BANK

Shah Md Nurul Alam, managing director of Prime Bank Limited, and MH Samad, managing director and chief executive officer of Central Depository Bangladesh Limited (CDBL), exchange documents after signing an agreement on behalf of their organisations in Dhaka recently. Under the deal, CDBL will convert paper shares of the bank into electronic ones.

Thailand cuts 2004 growth forecast on oil, China concerns

AFP, Bangkok

Thailand's finance ministry on Tuesday cut its 2004 growth forecast to 7.1 percent from 7.9 percent due to soaring oil prices and other negative factors including an expected slowdown in China.

"Our previous estimate was based on oil prices at 31 dollars a barrel but now the oil price is 5.6 dollars higher and this could reduce our growth rate by 1.3 percentage points," said ministry official Olarn Chaiprawat.

Chinese moves to cool its overheated economy could clip 0.2 percentage points from the Thai growth rate, and an expected interest rate hike in the United States would cost another 0.1 points, he said.

However, Olarn said the negative affects could be offset by higher-than-expected growth in Thailand's other trading partners and strong lending in the domestic banking sector.

"Based on the negative factors we have readjusted our growth as of May for 2004 at 7.1 percent in a worst-case scenario," he said.

Indian govt vows tough stand in WTO talks to protect farmers

AFP, New Delhi

India will take a tough stand on agricultural issues in World Trade Organisation talks to protect farmers' rights, the country's new commerce minister said Monday.

"In the area of multilateral negotiations, we are pledged to fully protect our national interests, especially of the farmers," Kamal Nath told his first news conference since being appointed late Sunday to serve in the communist-backed Congress government.

"India's agriculture sector is very particular to the country" and cannot be compared to other G-20 developing nations, Nath added.

More than 60 percent of India's population of more than one billion people depend either directly or indirectly on agriculture for a living.

The World Trade Organisation (WTO) is heading into meetings to conclude the so-called Doha round of trade liberalisation talks by the end of the year.

India is a key player at global trade forums and banded with other developing countries at the failed WTO talks in Cancun last

September.

Agriculture has suddenly been brought to the fore in India due to the stunning electoral defeat of the Hindu nationalist government, swept from power earlier in May on a tide of anger reflecting rural voters' unhappiness about being excluded from India's economic boom.

"The farm sector will remain the backdrop of our negotiations. The flexibility afforded in the existing WTO agreement will be used to fully protect our interests," Nath said.

Differences over the future of agricultural export subsidies have been a key sticking point stalling efforts to eliminate global trade barriers through the Doha Round of WTO negotiations.

Nath said that another priority area would be services exports, such as information technology in which India has carved a niche globally.

India wants developed nations to liberalise issuing visas to their IT professionals and has demanded that developed nations allow firms in their countries to outsource work freely to developing countries.

CURRENCY

Following is Tuesday's (May 25, 2004) forex trading statement by Standard Chartered Bank

Sell		Buy			
TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
61.1000	61.1500	USD	59.5550	59.3801	59.3090
74.1449	74.2055	EUR	70.8109	70.6029	70.5184
110.2611	110.3513	GBP	105.8352	105.5243	105.3980
43.4727	43.5082	AUD	40.9143	40.7941	40.7453
0.5476	0.5481	JPY	0.5232	0.5217	0.5211
48.3539	48.3935	CHF	46.1595	46.0239	45.9688
8.0527	8.0593	SEK	7.3684	7.3467	7.3380
44.8803	44.9170	CAD	43.0031	42.8768	42.8255
7.8456	7.8520	HKD	7.6325	7.6101	7.6010
35.6788	35.7080	SGD	34.4747	34.3734	34.3323
16.7705	16.7842	AED	16.0833	16.0361	16.0169
16.4230	16.4364	SAR	15.7553	15.7090	15.6902
10.2767	10.2851	DKK	9.2470	9.2198	9.2088
207.8938	208.0640	KWD	194.8152	194.2430	194.0105

Exchange rates of some currencies against US dollar

Indian rupee	Pak. rupee	Lankan rupee	Thai bath	Nor kroner	NZ dollar	Malaysian ringgit
45.29	57.75	99.03	40.825	6.8551	0.6599	3.80

Local Interbank FX Trading

Local interbank market was active. US dollar continued to get stronger against Bangladesh taka due to import-related payments and outward remittances.

Local Money Market

Money market was active. Call money rate was almost unchanged and ranged between 3.00 and 4.50 percent compared with 3.50 and 4.50 percent previously.

International Market

The dollar tumbled across the board on Tuesday as near record-high oil prices fanned concerns that the US

economy might not expand enough to prompt the Federal Reserve to raise interest rates from the current low levels. The euro drew support from a survey showing a mild recovery in German business expectations and confirmation of the euro zone's biggest economy grew at its fastest pace in the first quarter since 2001. The US is the world's largest consumer of energy and high oil prices may negatively affect the US consumer spending. This could make the fed reluctant about increasing interest rate. The euro rose two third of a percent against dollar, toying with its highest level in over two weeks. Helped by Britain's position as a net exporter of oil, sterling rose by one percent to one-month high.

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PHOTO: GRAMEENPHONE

Managing Director of GrameenPhone Limited (GP) Ola Ree poses for photographs with the six winners of Rajshahi and Sylhet zones of GP's sales incentive programme "Going Beyond" at a function held in Dhaka recently. Other senior officials of the company are also seen in the picture.

STOCK