

WTO chief still confident of trade deal in July

REUTERS, Geneva

World Trade Organisation (WTO) chief Supachai Panitchpakdi expressed confidence Friday that global trade talks would meet a July deadline for a key deal.

"I am not thinking about any plan 'B'. There has to be an agreement ... (and) ... I am still confident that it can be done," he told Reuters in an interview.

The WTO director-general, who will be attending next week's conference of the United Nations' trade and development agency, UNCTAD, in Sao Paulo, Brazil, said planned talks between ministers on the fringes of that gathering could be crucial for the outcome of current negotiations in Geneva.

They would be "important, if not decisive" for what kind of agreement would be possible in agriculture, the most contentious area of trade reform despite accounting for only a tiny slice of global commerce.

WTO states are racing to complete outline deals, or frameworks in trade parlance, for a number of key areas of the Doha Round of free trade negotiations, in trouble almost from their launch in late 2001.

The collapse of a ministerial

conference in Cancun, Mexico, last September almost derailed the negotiation, and the July deals aim to put trade liberalisation, which economists say could be worth \$500 billion to the world economy, back on track.

Asked the price of failure, the quietly spoken former Thai premier paused: "I want to use the right words ... It would really be inadvertisive," he said finally.

After July, the United States will be distracted by November presidential elections and the European Union will also see sweeping change in its executive commission.

But probably more importantly, all momentum for the talks, which were supposed to be concluded by the end of 2004, could be lost, leaving the timing of any resumption an open question. "I have said it could be years," Supachai added.

From Sao Paulo, Supachai said he hoped to see more from the G20 developing country alliance, led by Brazil, India and South Africa, on how far they could go on opening their own markets.

He applauded the alliance, whose defiance of the richer states contributed to the confrontational atmosphere in Cancun, saying it had since made positive proposals.

But he said he was looking for greater "specificity", or clarity from the G20 on market access for farm goods, one of the three so-called "pillars" of the agricultural negotiations along with domestic support and export subsidies.

At the same time, he said views were converging over export subsidies, where the European Union opened the way to a deal by recently agreeing to discuss dates for an end.

Supachai said there were signs others were ready to meet Brussels' demand for "parallelism," namely that the United States give similar commitments about its export credit schemes and that countries with state monopolies, known as state trading enterprises, such as Canada, put them on the table too.

On domestic support, he said the United States, which along with the European Union is a lavish user of farm subsidies, had made it clear it was ready to "go far" in cutting them.

However, others still needed reassurance that Washington was not planning simply to shuffle subsidies out of one category into another, leaving their net impact little changed.

France, China sign Airbus, satellite deals

AFP, Paris

France and China signed billions of dollars' worth of trade contracts Friday during a visit to Paris by Chinese Vice Premier Zeng Peiyan, cementing ties that have grown noticeably closer in recent months.

Airbus, the European aircraft maker based in the French city of Toulouse, announced it had inked a two-billion-dollar (1.7-billion-euro) deal to supply 20 A330-300 planes to the airline China Eastern.

The aerospace subsidiary of the French telecommunications group Alcatel said it had sold a television satellite to the company ChinaSat to be operational in time for the 2008 Olympic Games in Beijing. Industry sources said that contract was worth around 120 million dollars.

Those and another seven contracts involving technical cooperation in the construction of nuclear energy plants, helicopters, planes and trains were signed in the presence of Zeng and French Prime Minister Jean-Pierre Raffarin.

"If each time we meet we sign as many agreements with so many jobs behind them as these agreements, I believe our cooperation with China will be very fruitful. It already is," Raffarin said.

EU's current account surplus halves in Q1

AFP, Brussels

The first quarter current account surplus in the European Union's 15-member states shrank to seven billion euros (8.4 billion dollars) from 15 billion in the final quarter of 2003, according to provisional data published Friday by the EU statistics agency Eurostat.

The trade surplus in services fell to 3.3 billion euros in the first quarter from 6.3 billion in the previous quarter.

Balance of payments data for the entire 25-state EU will be published on July 26, Eurostat said. Ten countries joined the bloc on May 1.

The balance of payments current account measures all categories of current flows of money in and out of a country.



Awais Ahmed Khan Leghari (right), information technology minister of Pakistan, talks to Mehbob Chowdhury (centre), chairman of the South Asian GSM Operators Forum and director, sales and marketing of GrameenPhone Ltd, at the minister's office in Islamabad on Wednesday.

Masih-ul-Karim, managing director of Berger Paints Bangladesh Limited, inaugurates the 4th Berger ColorBank at Sawdagar Agencies Limited at Dewanhat in Chittagong on Thursday. Rupali Chowdhury, director of operations, Tariquezzaman, general sales manager, Mohsin Habib Chowdhury, marketing manager, and other high officials of Berger were, among others, present.

Private banks in Asia face staff shortage

REUTERS, Singapore

sell," says Daniel Truchi, chief executive for Asia-Pacific at SG Private Banking, which has about US\$10 billion of assets in the region.

The lack of acquisition opportunities is keeping the business fragmented in Asia. No firm has more than an eight percent share in any one country, and to grow most have turned to poaching bankers or teams of bankers from competitors.

"The pool of talent is still fairly small in Asia," says Urs Brutsch, managing director for international private clients at ABN AMRO Bank, which has about 10 billion euros of Asian assets.

Asian clients are more likely to take a hands-on approach to their investments than their US and European counterparts and therefore are in close touch with their private bankers.

That makes poaching profitable as clients stay with the bankers rather than the firm.

In Singapore and Hong Kong, poaching makes up about 70 percent of executive recruitment, says Justin Ong, principal at consultants PricewaterhouseCoopers. The strategy is expensive and staff costs make up about half of all costs in Asia, he estimates.

"People do that anyway, because that's the only way to grow."

"The banks are so interested by the market that they don't want to

CURRENCY

Following is Saturday's (June 12, 2004) forex trading statement by Standard Chartered Bank

Sell	Buy	TT/OD	BC	Currency	TT Clean			OD Sight Doc		OD Transfer	
					60,1550	59,9783	59,9065	71,3619	71,1523	71,0671	
61,9000	61,9500	USD									
75,4128	75,4737	EUR									
113,6360	113,7278	GBP									
43,8500	43,8854	AUD									
0,5692	0,5697	JPY									
49,5716	49,6116	CHF									
8,1123	8,1188	SEK									
45,8005	45,7301	CAD									
36,2391	36,2684	SGD									
16,9901	17,0038	AED									
16,6375	16,6510	SAR									
10,4174	10,4258	DKK									
					9,3394			9,3120			9,3008

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai bath	Nor kroner	NZ dollar	Malaysian ringgit
45.07	57.8325	99.97	40.690	6.9075	0.6790	3.80

Local Interbank FX Trading

Local interbank market was subdued as the international market was closed. The US dollar was almost unchanged against Bangladeshi taka.

Local Money Market

Money market was active. Call money rate eased slightly and ranged between 4.00 and 5.00 percent compared with 5.00-5.50 percent previously.

International Market

The dollar rose to a three-week high against the euro and edged up 1 percent against other major currencies on Friday after a Federal Reserve official stoked expectations that the central bank could be aggressive in raising US interest rates. St. Louis Fed President William Poole told Reuters in an interview on Thursday that the Fed must raise rates more quickly than the market expects if inflation speeds up. He said delaying Fed action would not help the US economy. Poole's comments boosted the dollar, which had already benefited this week from remarks from a number of Fed officials, most notably Fed Chairman Alan Greenspan on Tuesday. Euro briefly dropped through the psychologically key \$1.1900 mark to the three-week lows of \$1.1864 before edging up.

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STOCK



Mohammad Lakotullah, managing director of EXIM Bank Ltd, and Chris Maloy, CEO of CityCell, exchange documents after signing an agreement on behalf of their organisations in Dhaka recently. Under the deal, EXIM Bank becomes a corporate client of CityCell.