

# Farm still cogging WTO talks

Nearly a year after the collapse of WTO talks in Cancun, Mexico, the liberalisation of agriculture markets remains at the heart of sticky WTO negotiations as key members gather here for weekend talks.

Even though agriculture only makes up less than 10 percent of global trade, it is a dominant subject in free-trade talks because it involves the basic economic model on which some members' societies are based.

In the current round of WTO negotiations, launched in 2001 in Doha, Qatar, and in theory oriented towards development issues, developing countries have formed a common front in an offensive on US

and EU agricultural subsidies. The United States and the European Union have classified their subsidies according to different "boxes" depending on what they consider to be the impact on prices of the differential aid.

The EU believes it has made concessions with the reform of its Common Agriculture Policy in June 2003 which calls for the link between direct aid and levels of production to be severed starting next year.

For Brussels, that limits subsidies supporting prices, which harm global trade and makes small farmers in southern developing coun-

tries unable to compete on global markets. But that was not enough at Cancun to satisfy developing countries and was one of the reason the talks collapsed.

Therefore, the EU made a further concession this spring by tabling an offer to put an end to European export subsidies -- which amount to about two billion euros (2.46 billion dollars) per year out of a total of 40 billion euros in aid to EU farmers -- in exchange for concessions from other countries.

The EU in particular demanded that the United States, which also gives its farmers generous subsidies, to be more disciplined in its export aid, including in the form of food donations.

The US said it was game to go along, but any big changes to its subsidy system seems improbable ahead of US presidential elections this year.

The EU and the United States are also calling on big developed agriculture nations such as Australia, Canada and New Zealand to put an end to their state trade firms, which are considered to distort competition.

Brazil, leading other developing nations, has attacked the boxes system, claiming that it is the entire agriculture subsidies system, and not only export aid, that distorts prices and competition at a global level.

Brazil's charges have been largely aimed at the US.



M Kamaluddin Chowdhury, managing director of Shahjalal Islami Bank Limited, and Sayeed Husain Jamal, managing director of Vanik Bangladesh Limited, sign an agreement on behalf of their organisations on Thursday in Dhaka. Under the deal, the bank will extend Tk 30 million investment facility to Vanik Bangladesh.



Nazir Ahmed, vice-chairman of Islami Bank Bangladesh Limited, speaks at the inaugural session of a daylong half-yearly conference of heads of zones, corporate branches and branches under Dhaka south and north zones of the bank in Dhaka on Friday. Abdur Raquib, executive president of the bank, presided over the function.

## US, China settle semiconductor row at WTO

AFP, Washington

China will end tax breaks to its domestic microchip industry to settle a US claim of unfair trade practices at the World Trade Organization, US Trade Representative Robert Zoellick said Thursday.

Zoellick hailed the deal as a victory for the administration of President George W. Bush, which is under pressure to reduce China's 124-billion-dollar trade surplus with the United States and is keen to show it can handle the increasing number of bilateral trade disputes.

"China is the fastest-growing market for our industry, worth some two billion dollars in the past year," Zoellick said. "Continued access to this market is vital to the health of the industry."

He said Beijing agreed to stop giving tax breaks to any new chip makers or products, and to phase out the entire program by April 1. The deal, reached after several rounds of bilateral talks in Geneva, Washington and Beijing, came after Washington threatened to bring the case before a WTO dispute resolution panel, Zoellick said.

## Unemployment poses serious threat to Asian growth, ADB warns

AFP, Tokyo

Unemployment in Asia is set to rise as the modernization of agriculture displaces farmers who will have to seek work elsewhere, threatening to cloud prospects for regional economic growth, the Asian Development Bank warned Friday.

While the Asian economies continue to post robust growth, major challenges, including rising unemployment, confront the region, Asian Development Bank (ADB) president Tadao Chino said in a speech here.

While 60 percent of the workforce in the region's developing countries are now farmers, the agriculture sector accounts for only about 22 percent of total economic output, Chino said.

"A significant amount of surplus agricultural labour will be created as agricultural productivity increases, requiring new employment to be created in other sectors," said Chino, who heads up the Manila-based ADB.

The total workforce is already expanding across developing Asia, led by India, where it is expected to increase by 2.1 percent every year over the period 2000-2010, according to ADB estimates.

Annual rises in the same period would also exceed two percent in



Social Investment Bank Limited (SIBL) Managing Director Kazi Anwarul Mahbub speaks at an orientation programme on "Operation of SIBL ATM Debit Card" organised by the bank on Wednesday in Dhaka. Among others, Deputy Managing Director of the bank Shahabuddin Chaudhury, Executive Vice-president Md Shah Alam and Board Secretary MH Shaikh were present.

## Weekly Currency Roundup

July 03-July 08, 2004

**Local FX Market**  
US dollar eased substantially against Bangladeshi taka in this week. Increased supply of US dollar combined with lower demand helped to improve the liquidity position of the market.

**Money Market**  
Bangladesh Bank issued BDT 13,686.00 million by the Treasury bill auction held on Sunday, compared with BDT 5,415.50 million in the previous week's bid. The weighted average yields of 28-day T-bills increased by 6 bps, while the rate of other tenders were almost unchanged from the previous bid.

The call money rate was stable this week. In the beginning of the week the rate ranged between 2.50 and 3.00 percent. The rate eased by the middle but ended the week unchanged at 2.50 and 3.00 percent.

**International FX Market**  
In the beginning of the week, the dollar held near a one-month low on the euro, after taking a beating from weaker than expected US jobs data last week, but recouped some ground on the yen due to easing Japanese stock prices. With a market holiday in the United States on Monday, currency trading ranges were narrow after the market had pared back expectations for dollar-supportive US interest rate rises as a result of Friday's jobs data.

The dollar hit a three-month low against the euro and lost one percent on the day against the yen by the end of the week as economic data added to expectations that future hikes in US interest rates might not be aggressive. A survey of the US service sector came out weaker than expected, intensifying worried sparked last week by disappointing US payroll data and the Federal Reserve's insistence on a "measured" pace of future tightening. Slower rises in US interest rates, which the Fed increased last week for the first time in four years, diminish the allure of dollar-based assets for global investors. The Swiss franc strengthened beyond 1.23 against dollar.

The dollar hovered near a three-month low against the euro on the end of the week, as investors continued to shun the US currency on a firming view that Fed is in no rush to raise interest rates. The dollar decline was an extension of the sell-off sparked by Friday's weaker-than-expected US payroll data and Tuesday's report showing a slower pace of expansion in the US service sector. The Australian dollar, which stormed 1.4 percent higher on Wednesday, had retreated 0.6 percent by early European trade on Thursday after weaker than expected Australian employment data undermined the case for higher interest rate there. The pound sterling shed 0.2 percent after gains of 0.75 percent in the previous session, which took it to a three-month high. The Bank of England announces its interest rate decision for this month at 11:00 GMT but is not generally expected to raise the cost of borrowing from 4.5 percent presently, after hiking two months in a row in May and June. Analysts said there may have been some speculation of another possible hike this week, which had pushed sterling up, but this was now falling away. The yen showed little reaction to better than expected data for Japanese machinery orders, a key gauge of trends in capital spending.

- Standard Chartered Bank

## Stock

### TRADED ISSUES IN THE WEEK

Company	FV/MIL (Tk.%)	DSE			CSE			Financial Performance			
		Price	Turnover	Share	Price	Turnover	Share	Last EPS	DPS	AGM (%)	
<b>BANK</b>											
City Bank Ltd.	10025	212.75	-4.27	222.25	9600	278.00	Not	Traded	27/09/03	5.02	---
ICB Mutual Fund	10025	374.75	-5.78	610.00	184795	340.00	Not	Traded	27/09/03	5.56	---
IFB Bank Ltd.	10025	271.25	-6.39	250.25	1039	242.00	Not	Traded	07/12/04	15.8	---
National Bank Ltd.	10025	688.00	-2.36	874.50	3784	383.00	Not	Traded	17/09/04	195	---
Pubali Bank Ltd.	10025	224.25	-4.49	244.00	39163	371.50	Not	Traded	08/09/04	20.4	---
Regional Bank Ltd.	10025	673.25	-4.31	703.00	19478	600.00	Not	Traded	28/12/03	199	---
Southern Bank Ltd.	10025	216.50	-3.99	223.25	19478	216.25	Not	Traded	02/08/03	22.9	---
UBBL	10025	600.50	-3.26	620.75	5765	607.00	Not	Traded	05/09/04	215	---
Uttara Bank Ltd.	10025	1251.00	-4.59	1311.25	4835	1250.00	Not	Traded	14/06/04	92.0	---
Uttara Finance and Inv.	10025	490.75	-2.14	691.50	4350	675.00	Not	Traded	08/11/03	921	---
DLIC Ltd.	10025	100.00	-0.82	100.00	1035	100.00	Not	Traded	05/03/04	152	---
United Leasing Co. Ltd.	10025	100.00	-0.84	107.25	4340	100.00	Not	Traded	05/03/04	152	---
Social Investment Bank	10025	1889.25	-0.17	1889.00	1035	1890.00	Not	Traded	25/04/04	53	---
AI Arafa Islami Bank	10025	1889.25	-0.17	1889.00	1035	1890.00	Not	Traded	25/04/04	53	---
Prime Bank Ltd.	10025	340.25	-3.64	359.75	27350	350.00	Not	Traded	30/01/04	372	---
Uttara Finance and Inv.	10025	307.50	-1.94	314.25	13075	307.50	Not	Traded	06/05/04	13	---
Southern Bank Ltd.	10025	216.50	-3.99	223.25	19478	216.25	Not	Traded	02/08/03	22.9	---
N C C Bank Ltd.	10025	730.50	-2.43	727.25	5590	730.00	Not	Traded	29/07/04	121	---
Social Investment Bank	10025	1889.25	-0.17	1889.00	1035	1890.00	Not	Traded	25/04/04	53	---
Dutch Bangla Bank Ltd.	10025	270.00	-0.34	289.50	3400	270.00	Not	Traded	11/01/04	20	---
Midas Financier Ltd.	10025	277.00	-0.36	276.00	12000	277.00	Not	Traded	16/10/03	7	---
Uttara Finance and Inv.	10025	490.75	-2.14	691.50	4350	675.00	Not	Traded	08/11/03	921	---
Standard Bank Ltd.	10025	214.50	-1.27	217.25	36500	210.25	Not	Traded	09/06/04	201	---
First Lease Int. Ltd.	10025	117.25	-2.71	119.00	8660	117.25	Not	Traded	09/06/04	131	---
Bank Asia Ltd.	10025	387.50	-6.83	416.00	87530	394.00	Not	Traded	09/06/04	131	---
Merchants Bank Ltd.	10025	285.25	-7.69	312.25	112200	290.00	Not	Traded	14/06/04	37.0	---
<b>INVESTMENT</b>											
1st ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
2nd ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
3rd ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
4th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
5th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
6th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
7th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
8th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
9th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
10th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
11th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
12th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
13th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
14th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
15th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
16th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
17th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
18th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
19th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
20th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
21st ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
22nd ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
23rd ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
24th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
25th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
26th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
27th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
28th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
29th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
30th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
31st ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
32nd ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
33rd ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
34th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
35th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
36th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
37th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
38th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
39th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
40th ICB Mutual Fund	10025	2440.00	-0.20	2400.00	40	2440.00	Not	Traded	23/10/03	113	800
41st ICB Mutual Fund	10025										