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BUSINESS

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DHAKA SATURDAY JULY 17, 2004

New WTO setback may cripple global trade talk

US business group warns

REUTERS, *Washington*

Global trade talks will be paralysed if negotiators next week fail to reach a framework accord on areas targeted for reform including agriculture, a leading US business group warned Thursday.

"The world needs a strong and vibrant multilateral trading system, but the WTO (World Trade Organisation) seems in danger of losing its way," Mary Irace, vice president of the National Foreign Trade Council, said in a statement. "Lack of progress next week will paralyse the negotiations well into next year."

Negotiators are scrambling to reach the framework agreement by the end of July to put world trade talks back on track after a failed meeting last September in Cancun, Mexico.

Top trade officials from the United States, the European Union and about 40 other countries are due in Geneva next week for a final stab at reaching a framework agreement this year.

The US presidential election in November and an upcoming change in the European Commission leadership are expected to prevent any further talks in the remaining five months of this year.

Irace praised efforts by the United States and other WTO members to reach consensus on agriculture issues that long have been the most difficult area of the talks.

But US businesses "are very, very troubled" by recent calls from Brazil and the G90 (developing countries) to reopen a compromise text on cutting tariffs on industrial and consumer goods fashioned at the Cancun meeting, she said.

"There would be strong opposition by the US business community if the text were opened up and weakened further," Irace said.

The National Association of Manufacturers and its Japanese counterpart, Nippon Keidanren, expressed a similar view in a joint letter to US Trade Representative Robert Zoellick.

"In particular, we believe that WTO members should agree to a framework for negotiations in industrial goods that achieves sharp reductions in applied tariff rates and zero tariffs in agreed sectors," the US and Japanese manufacturers said.

Meanwhile, a former US trade official told reporters many US farm groups think it was unlikely a framework would be reached and that if any deal was struck, it would be extremely vague.

Don Phillips, who now advises the American sugar industry on trade issues, said "the real bulk of the negotiation" will remain even if countries are successful next week.

PHOTO: SOUTHEAST BANK

(From left) M A Kashem, director of Southeast Bank Limited, Syed Abu Naser Bukhtear Ahmed, president and managing director, Azim Uddin Ahmed, chairman, Ragib Ali, vice-chairman, Alamgir Kabir, director representing National Securities Company Limited, pose for photographs at the bank's half-yearly business review and marketing conference held in Dhaka on Sunday.

UN to develop global investment guidelines

REUTERS, *United Nations*

The United Nations will work with a dozen major institutional investors to develop global guidelines for responsible investment by September 2005, the UN Environment Programme said Thursday.

The new guidelines, dubbed the "Responsible Investment Initiative," would aim to "Protect both the planet and long-term shareholder value" by bringing environmental, social and governance concerns into the investor decision-making process, the Nairobi-based UN Environment Programme said.

"The time is now right to develop principles to guide best practice in responsible investment decisions worldwide," UNEP Executive Director Klaus Toepfer said.

"While investing in our capital markets, asset owners and their advisers are beginning to appreciate the important of retaining a long-term view that anticipates new opportunities and threats," Toepfer said in a written statement.

A recent study by 12 major investment firms and the UN Environment Programme, presented at a UN conference last month, concluded that companies that ignore pressing social and environmental problems do so at the risk of seeing their stock price tumble.

The financial institutions that have helped lay the groundwork for the initiative include Acuity Investment Management in Canada; France's BNP Paribas Asset Management and Groupama Asset Management, and US-based Calvert Group Ltd. and Citigroup Asset Management, the UN agency said.

Others are Britain's Morley Fund Management, Japan's Nikko Asset management, South-Africa-based Old Mutual Asset Managers, Italy's San Paolo IMI Asset Management, Norway's Storebrand Investments, Brazil's ABN AMRO Asset Management and Europe's HSBC Asset Management.

PHOTO: GRAMEENPHONE

Mahboob Hossain, head of Distribution of GrameenPhone Limited (GP), and Md Zakiullah Shahid, managing director of Electra Telecom (BD) Limited (ETBL), sign an agreement recently in Dhaka. Under the deal, ETBL has become GP dealer. Among others, GP Managing Director Ola Ree, Electra Group Chairman Md Sanaullah Shahid and founding chairman Md Shahidullah were present.

WB review calls for realistic debt target

REUTERS, *Washington*

The World Bank needs to set more realistic debt targets for poor countries and limit loans to countries that are not committed to reform, an internal review made public Thursday said.

The report, prepared by the Operations Evaluation Department (OED), an independent unit that reports to the World Bank's executive board, suggested the bank may need to lower its expectations for debt sustainability and growth.

"The bank and its donor partners have not always calibrated the size and financing of their assistance to their borrowers' capacity to service debt," OED Director-General Gregory Ingram told a Washington news conference.

"In most cases we have been too optimistic."

The OED report, called the Annual Review of Development Effectiveness, also recommends that the World Bank be more selective in its loans to countries in transition.

Its review of bank programmes from 1999 to 2003, including aid to countries of the former Soviet Union, concludes loans are best used by governments that have already undertaken some economic and social reforms.

Countries with poor governance or in a post-conflict environment were often unresponsive loan conditions, limiting the success of bank programmes, the group found.

"The bank should limit large-scale lending in countries that lack, or have weak, reform track records or deteriorating policy environments," Ingram said.

"Instead it should engage in dialogue and analytic work to establish and adequate based of country and sector knowledge and indicators that policy reform is underway, to guide engagement."

EU trims restrictions on Chinese food products

AFP, *Brussels*

The European Union has eased restrictions on imports of Chinese food products, the EU executive commission said Friday.

Health experts from the 25 member countries agreed "to authorise the import from China into the EU of shrimps, farmed fish, honey, royal jelly, rabbit meat and a number of other products of animal origin," a commission statement said.

In January 2002, the union banned "imports of all products of animal origin from China" because EU officials felt health standards were insufficient.

"China has since then made considerable progress in tightening its food and feed safety controls," the statement said.

Exports are to be checked by Chinese authorities "and each consignment will be certified as meeting the relevant EU food safety standards".

The ban had already been partially relaxed last year.

But the commission noted it "still has concerns about the safety of chicken and other poultry meat from China -- particularly given the recent re-emergence of avian influenza (bird flu) in East Asia".

Weekly Currency Roundup

July 10 July 15, 2004

Local FX Market

US dollar eased slightly against Bangladeshi taka in the beginning of the week. But later, the greenback became stronger against taka due to increased demand for import payments.

Money Market

Bangladesh Bank issued BDT 11,993.00 million by the Treasury bill auction held on Sunday, compared with BDT 13,686.00 million in the previous week's bid. The weighted average yields of t-bills of different tenors were unchanged from the previous bid. The call money rate was stable in the beginning of the week between 2.50 and 3.00 percent. The rate then increased to the level of 2.50 and 4.00 percent.

International FX Market

The yen hit a two-week high against the dollar and a one-week peak versus the Euro in the beginning of the week as investors expected economic reforms to survive a poor election showing by Japan's ruling Liberal Democratic Party (LDP). Prime Minister Junichiro Koizumi gave weight to those expectations, vowing in the afternoon to press on reforms after the LDP won 49 of 121 seats at stake on Sunday's upper house poll. The dollar fell at around 107.60 yen. The yen was also up against Euro. Euro hovered over $1.24 against the US Dollar on Monday.

The yen fell one percent against the Euro to five-weeks lows and weakened against the US dollar in the middle of the week, hurt by steep falls in Japanese share prices. Stocks and stock futures fell across the world as Intel, the world's largest chip-maker, said after the Wall Street closing, it cut its profit margin request. The euro hits highest since June 8. Euro was up slightly from late New York levels and recovering losses made on Tuesday following stronger than expected US trade data. The dollar rose after the US trade deficit, considered one of the biggest factors weighing on the currency, narrowed in May. The trade gap narrowed to $45.95 billion, below the $48.3 billion economists had forecast.

The dollar inched higher against the euro and yen later in the week at the end as the market awaited US indicators over the next two trading sessions for more hints about the direction of US interest rates. The dollar had fallen in New York trade after US retail sales figures showed consumer spending slowing, the latest in a run of lukewarm US data. Next up are US producer prices at 1230 GMT and consumer price on Friday, which would help investors gauge inflation pressures in the world's largest economy. The Euro was down 0.40 percent lower on the day, a cent below Monday's four-month peak.

- Standard Chartered Bank

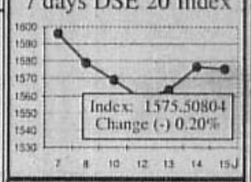
STOCK

TRADED ISSUES IN THE WEEK

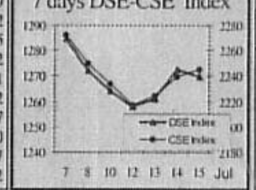
Weekly Market - July 10 - 15, 2004

Indicators	DSE	CSE
General / All Share Price Index	1,269.72049	2,245.3053
Change in Price Index	-0.20350%	-0.217523%
Total Turnover (Taka)	657,433,817.50	196,927,933.70
Total Turnover (Volume)	8,674,632	6,728,939
Number of Contract	35,893	9,979
Total Traded Issues	221	93
No. of Issue Gain	108	39
No. of Issue Loss	106	46
No. of Unchanged Issue	7	7
Market Cap. (Taka)	132,394,739,411	123,480,303,039
Market Cap. (US$)	2,282,667,921	2,128,970,742
Total No. of Listed Securities	267	195
Total No. of Listed Companies	249	182
Total No. of Listed Mutual Fund	11	11
Total No. of Listed Debenture	7	2
Total No. of Share & Debenture	525,329,810	414,612,267
Total Issued Capital	46,304,116,880	45,149,495,590
Price Earning Ratio	12.12	11.87
Earning Per Share (%)	27.89	26.72

7 days DSE 20 Index

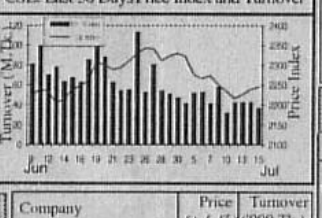


7 days DSE-CSE Index

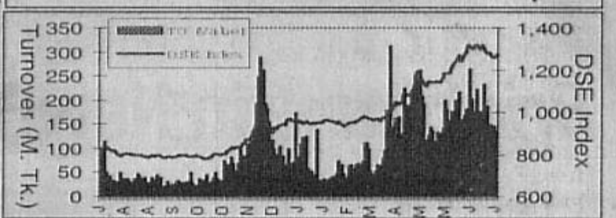


DSE : Last 30 Days'Price Index and Turnover

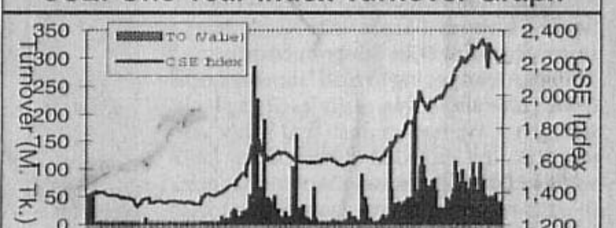
CSE: Last 30 Days'Price Index and Turnover



DSE: One Year Index Turnover Graph



CSE: One Year Index Turnover Graph



Turnover Leaders

Company	Vol. (share)	Value ('000Tk.)	% Of Total
Dhaka Stock Exchange			
Southeast Bank Ltd	119,260	44,095	6.63
Square Pharma	11,131	37,561	5.65
City Bank Ltd	58,615	34,102	5.13
United Leasing Co. Ltd	29,300	32,708	4.92
Aftab Automobiles Ltd	43,888	25,339	3.81
Bank Asia Ltd.	60,600	24,339	3.66
Bangladesh Online Ltd.	661,500	21,896	3.29
Beximco Pharma	369,050	21,161	3.18
Mutual Trust Bank Ltd.	65,720	17,569	2.64
One Bank Ltd.	76,000	16,150	2.43
Chittagong Stock Exchange			
Padma Textile Mills Ltd.	3,601,400	81,068	41.49
Bangladesh Online Ltd.	784,500	25,983	13.30
Beximco Pharma	219,201	12,584	6.44
Pubali Bank Ltd.	11,220	9,525	4.88
Agni Systems Ltd.	416,000	6,519	3.34
Eastern Cables Ltd.	28,560	6,172	3.16
Fu-wang Ceramic	45,450	6,167	3.16
ISN Ltd.	357,000	5,519	2.82
Shinepukur Holdings	127,500	5,366	2.75
Southeast Bank Ltd.	13,727	5,069	2.59

Capital Gainers

Company	Price (+/- %)	Turnover ('000 Tk.)
Dhaka Stock Exchange		
Amam Sea Food Ltd.	33.22	75.08
Sandhani Life Insurance	21.51	339.00
Delta Life Insurance	21.34	9,120.23
Libra Infusions Ltd.	19.00	1,078.64
Monno Jutex Ltd.	18.05	15.00
Chittagong Stock Exchange		
Pubali Bank Ltd.	21.28	9525.11
Beximco Infusions Ltd.	15.79	6.60
The Ibn Sina	12.90	14.00
Aftab Automobiles Ltd.	12.83	693.38
Dynamic Textile	11.76	7.98

Capital Losers

Company	Price (+/- %)	Turnover ('000 Tk.)
Dhaka Stock Exchange		
N C C Bank Ltd.	-15.63	3,784.97
BD Luggage Ltd.	-12.24	65.58
2nd ICB Mutual Fund	-9.92	5.41
Al Amin Chemical	-9.03	31.02
BSC	-8.91	0.46
Chittagong Stock Exchange		
BD Luggage Ltd.	-21.43	3.30
N C C Bank Ltd.	-16.14	296.16
Beximco Knitting Ltd.	-13.23	14.76
Ashraf Textile Ltd.	-10.38	1.89
Meghna Shrimp	-9.09	7.00

Book Closer/AGM/Dividend/IPO

Non Traded Issues