

Asia should have a greater role in IMF: Official

REUTERS, Tokyo

Asian nations should and will have a greater voice and representation in global institutions including the International Monetary Fund, a senior IMF official said Thursday.

Daniel Citrin, deputy director of the IMF's Asia and Pacific Department, said that although it was a political decision for the organisation's shareholders, the IMF would eventually left Asian nations play a bigger role in running and financing the Washington-based institution.

Japan has been calling for a

review of Asia's IMF quotas, which form the basis for each member's voting power, at the organisation, saying that the region was under-represented relative to its economic clout.

"We very much hope that this issue will be resolved in a manner that is acceptable to the whole membership," Citrin said in an interview, adding that it was appropriate for Asia to have a greater representation in key international financial institutions.

"This is a political decision. But I get the sense that the consensus is gradually building amongst share-

holders."

Citrin, in Tokyo to lead the IMF's mission for the annual Article 4 Consultation to Japan, added that it was up to the IMF's shareholders to decide when and how to review the quota.

"But I think it's clear that's the direction. It is going to happen," he said.

Currently, quotas for Japan, China, South Korea and the 10-member Association of Southeast Asian Nations add up to 13 percent of IMF quota, compared with their 19 percent share of the global economy.

In unusually strong language, Japanese Finance Minister Sadakazu Tanigaki said in a speech in April that he was concerned that the IMF may lose its relevance in Asia unless it listens and understands Asia's frustration and concerns towards the Fund.

Tanigaki added in the speech to the International Monetary and Financial Committee in Washington that Asia's concerns included inappropriate distributions of quotas for Asia and doubts about whether the IMF was making sufficient efforts to prevent, manage and resolve a capital account crisis.

US lawmakers oppose WTO deal with KSA

REUTERS, Washington

Members of Congress urged the Bush administration Thursday not to sign off on a deal to allow Saudi Arabia to join the World Trade Organisation because of what they called Riyadh's poor record on human and religious rights and inadequate steps to curb terrorism.

"We believe it is premature to reward Saudi Arabia with this benefit, when instead we should be demanding more on a variety of key foreign policy, national security and human rights issues," a bipartisan group of 47 lawmakers said in a letter to US Trade Representative Robert Portman.

The United States should insist on progress in four key areas before giving its support for Riyadh to join

the WTO, the group from the US House of Representatives said.

"We urge the administration to oppose Saudi accession to the WTO until Saudi Arabia renounces the Arab League boycott of Israel, takes more active and meaningful measures to cut off both the finances and ideologies that feed terrorist movements across the globe, improves its record on human rights and shows some tolerance for the religious views and practices of others," the lawmakers said.

US trade officials had no immediate comment.

Washington and Riyadh have recently been engaged in intense negotiations on Saudi Arabia's bid to join the WTO.



PHOTO: BANGLALINK

Lars P Reichelt, chief executive officer and managing director of cellphone operator Banglalink, inaugurates a new service of the company "Banglalink Emergency Recharge Station" at a function on Thursday in Dhaka. The service will enable users to recharge free of cost their accounts in different public places such as hospitals, clinics, shopping malls and universities across Dhaka.



PHOTO: UCBL

Niaz Habib, managing director (Current Charge) of United Commercial Bank Ltd, speaks at the concluding session of a training course on "UCB VISA Credit Card" recently in Dhaka. Other senior officials of the bank are also seen in the picture.

'Satisfactory' outcome reachable on China textiles: Spain

AFP, Madrid

Spain believes the European Union and China can reach a "satisfactory solution" on Chinese textile exports, Industry Minister Jose Montilla said Thursday.

Textile producers in the developed and developing world have been flooded with cheap Chinese exports since the end of a 31-year-old global textile quota system on January 1.

China has called US moves to put in place quotas as a response protectionist and a threat to moves to liberalise world trade while the European Union is mulling limits on a series of Chinese textile exports

and may impose new quotas.

However, the Europa Press news agency reported Montilla was optimistic after talks in Beijing with Chinese Commerce Secretary Bo Xilai following which the Spaniard said he was confident that there would be a "satisfactory outcome."

He insisted Madrid's view was that "our negotiations are based on understanding the arguments of the other party's (China's) positions."

Montilla told a Sino-Spanish investment forum Europe "is not planning a retrograde step" with regard to its support for Chinese membership of the World Trade Organisation.

Boeing signs \$4b Indonesian deal

AFP, Washington

Boeing signed on Thursday a nearly four billion dollar prospective deal with Indonesia's biggest budget carrier Lion Air for sale of 60 new generation 737 planes, saying its fuel saving aircraft would drive Asian business growth against the turbulence of high oil prices.

The signing ceremony took place at the US Chamber of Commerce office in Washington, where visiting Indonesia's President Susilo Bambang Yudhoyono pledged reforms to draw investments critical for economic growth in the vast archipelago.

The Boeing-Lion Air agreement included a combination of the next generation 737-800s and the proposed 737-900X aircraft, with the Indonesian carrier expected to take delivery of the planes in 2007.

The deal adds another feather to Boeing's cap in its battle with Airbus for a bigger share of the growing Asian market.

Boeing lost the race in the last four years but this year has won orders for 218 new planes so far compared with Airbus' 145 orders, reports say.



PHOTO: TEEMS

Kazi Wahidul Alam, CEO of Triune Exhibition and Event Management (TEEMS), and chairman of HomeShow-2005, and Nitun Kundu, managing director of Otobi Ltd, shake hands after signing a memorandum of understanding in Dhaka on Thursday for co-sponsoring the HomeShow-2005, scheduled for June 9 to 11 at Dhaka Sheraton Hotel.



PHOTO: DHAKA BANK

Officials of Dhaka Bank Ltd and Central Shariah Board for Islamic Banks of Bangladesh pose for photographs at a meeting, which was organised recently to discuss various issues related to Islamic banking of Dhaka Bank.

Weekly Currency Roundup

May 21-May 26, 2005

Local FX Market

US dollar was mostly steady against Bangladeshi taka. Demand for US dollar remained high.

Money Market

In the Treasury bill auction held on Sunday, bid for BDT 1,635.00 million was accepted, compared with BDT 811.00 million in the previous week's bid. Weighted average yield of t-bills remained unchanged.

Call money rate remained steady earlier in the week, when most of the deals were settled between 10 and 20 percent. However, the rate was slightly up during the end of the week and ranged between 15 and 20 percent.

International FX Market

The dollar edged higher towards a recent seven-month high against the euro on Monday, underpinned by expectations the Federal Reserve would raise interest rates steadily. This week would see the minutes from the Fed's latest meeting where it raised interest rates to 3 percent and the central bank's preferred measure of inflation, the PCE index. Expectations for a steady rise in US interest rates had boosted the dollar by more than six percent against the euro so far this year.

The euro teetered half a cent above this week's seven-month low against the dollar on Wednesday as dealers looked to data for clues on the health of Europe's fragile economy. Germany's Ifo institute was to a closely-watched business climate index at 0800 GMT, just a day after data showed investor confidence in Europe's biggest economy had fallen to its lowest level in six months. Euro had been buffeted by a run of weak economic data in recent days as well as by concerns that French and Dutch voters would reject a proposed EU constitution in referendums to be held within the next week. France would hold its referendum on May 29 and the Netherlands on June 1.

The euro fell against the dollar on Thursday on concerns France will reject the European Union constitution in Sunday's referendum but trimmed its losses after the ruling party's leader denied he had said the vote was lost. The euro had fallen near Monday's 7-month low after London's Times newspaper reported French center-right leader Nicolas Sarkozy had said in a private meeting with ministers that the vote was "lost". The dollar was also up a third of a percent against the yen and up nearly half a percent against the Swiss franc.

- Standard Chartered Bank

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