

## EU to start talks with China on textiles tomorrow

REUTERS, Brussels

The European Union (EU) started a 15-day clock ticking on possible Chinese textile import curbs Friday but held out hope for a "mutually satisfactory" agreement with Beijing despite advancing the May 13 deadline for action.

The EU Executive Commission, in charge of trade policy in the 25-nation block, said intensive talks would take place starting on Monday at all levels with China over its surging textile exports.

Brussels has demanded emergency talks with Beijing over China's rising T-shirt and flax yarn exports. The EU fears a flood of cheap

Chinese textile exports since the end of global quotas at the beginning of the year will bankrupt domestic producers and cause massive layoffs.

The EU can start import curbs within 15 days if China fails to take effective action to restrain its exports during that period.

But the commission held out hope for a negotiated solution, even though it decided to start the 15-day consultation period on Friday, rather than its original Tuesday target for taking that action.

EU trade commissioner Peter Mandelson spoke to Chinese commerce minister BO Xilai on Friday before demanding formal consulta-

tions, said the EU executive.

"This will be followed by further contacts on Monday and in the coming week, when discussions can be expected to intensify at technical and political levels," commission spokeswoman Claude Veron-Reville said in a statement.

"A mutually satisfactory agreement between the EU and China could also be concluded through negotiation during this period," she said. Washington also asked Beijing on Friday for formal talks on its previously announced plans to restrict imports of certain shirts, trousers and cotton yarn.

## Nissan mulls boosting car production in China

AFP, Tokyo

Japanese car maker Nissan is mulling boosting its production capacity in China to catch up with its domestic rivals in the fast-growing market, a press report said Saturday.

"We are considering expanding plants," Nissan Motor Co. chief operating officer Toshiyuki Shiga was quoted as saying in an interview with the leading business daily Nihon Keizai Shimbun.

Shiga declined to give details but the daily said Nissan was expected to construct another line at the Guangzhou plant as early as 2008.

"We will make an announcement soon or later," Shiga said.

The overall investment is estimated at 30-40 billion yen (280-370 million dollars), the report said.

This would lift the total annual output capacity of Nissan's Chinese sites to between 400,000 and 500,000 units, it said. Nissan, the number two Japanese car maker, has its production in China totaled 71,610 units in the year to March 2005.

The group built a plant with an annual output capacity of 150,000 vehicles in Guangzhou, southern Guangdong province, last May.

From this factory and its one in Hubei province, Nissan plans to manufacture and sell 300,000 vehicles in China in 2007, the Nihon Keizai Shimbun report said.

Honda Motor Co. has set its production in China for 2006 at 530,000 units.

## Dhaka Sheraton official receives Starwood sales incentive award

An official of Dhaka Sheraton Hotel has recently been awarded with Starwood Asia Pacific Sales Incentive Award 2004, says a press release.

ATM Hafizullah, director of Sales & Marketing of Dhaka Sheraton, received the award at a function in Hawaii, USA.

Hafizullah received the award for the second consecutive year.



PHOTO: BANGLALINK  
Lars P Reichelt, chief executive officer of Banglalink, and Ghulam Mostafa, managing director of Kallol Group of Companies, sign an agreement on Thursday in Dhaka. Under the deal, Kallol Limited has been appointed sole distributor for Banglalink's pre-paid scratch card distribution.

## Central banks of Asia discuss currency policy

REUTERS, Singapore

Asian central banks stepped up efforts Friday aimed at coordinating their currency policies and stamping out sharp fluctuations in exchange rates to promote investment, growth and trade within the region.

Central bank chiefs of Japan, China and South Korea, who oversee the world's biggest foreign exchange reserves, met in Seoul at a conference where they signed bilateral credit swap agreements. Their counterparts from Indonesia, Singapore and Thailand came together at a forum in Singapore.

Bank of Thailand Governor Pridiyathorn Devakula said he did not want to talk about the final structure of cooperation discussed among the region's central banks.

But he said a move was afoot to orchestrate the region's currency regimes and ensure that their exchange rates moved within a set range to promote regional stability and growth.

"Managed float is the norm in Asia -- we have the baskets, we have the bands," Pridiyathorn said at the forum in Singapore, referring to the region's managed currency regimes.

"Everyone has the same concept. Based on that concept ... we can structure and stabilise the currencies in the region enough to support inter-regional growth."

The meetings of Asian monetary

authorities have gained urgency as China has come under increased pressure from the United States and Europe to relax its tight control over the yuan and let it trade more freely.

Other Asian central banks are also under pressure to end intervention in the foreign exchange markets and let their currencies appreciate against the dollar and euro to help solve global imbalances caused by the US current account deficit.

The US deficit expanded to a record \$666 billion in 2004, more than 6 percent of gross domestic product. The country blamed undervalued Asian currencies for the gap. Swiss bank UBS said the Asian central banker meetings suggest that local authorities were getting serious about coordinating their currency policies.

In Seoul, South Korea agreed on a bilateral won-yen credit swap line worth \$3 billion with Japan, in a bid to pursue stabilisation of regional financial markets through supplying short-term liquidity in the event of a crisis.

A swap line between South Korea and China would also be double to \$4 billion, the Bank of Korea said in a statement.

"That they are getting together more frequently is news in itself and suggests that regional cooperation is on the rise," said Mansoor Mohiuddin, a UBS currency strategist.

## CURRENCY

Following is Saturday's (May 28, 2005) forex trading statement by Standard Chartered Bank

Sell		Buy			
TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
64.2200	64.2500	USD	63.2150	63.1939	63.1518
81.8612	81.8995	EUR	78.5573	78.5311	78.4787
118.2547	118.3100	GBP	114.3812	114.3431	114.2688
50.0788	50.1022	AUD	47.2722	47.2564	47.2249
0.6022	0.6025	JPY	0.5803	0.5801	0.5797
52.6221	52.6467	CHF	50.8814	50.8644	50.8305
8.7717	8.7758	SEK	8.1607	8.1580	8.1525
51.6487	51.6728	CAD	49.9565	49.9399	49.9066
8.2670	8.2709	HKD	8.1171	8.1144	8.1090
39.0799	39.0882	SGD	37.9146	37.9020	37.8767
17.6269	17.6351	AED	17.0722	17.0665	17.0551
17.2820	17.2701	SAR	16.7231	16.7175	16.7064
11.3481	11.3534	DKK	10.2703	10.2669	10.2601
216.3719	216.4754	KWD	215.6648	215.6648	215.6648

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	Malaysian ringgit
43.525	59.55	99.975	40.320	6.3485	0.7646	3.80

### Local Interbank FX Trading

Local interbank FX market was subdued on Saturday. Dollar ended almost unchanged against Bangladeshi taka.

**Local Money Market**  
Money market was active on Saturday. Call money rate remained almost unchanged and most of the deals ranged between 15.00 and 20.00 per cent.

**International Market**  
Internal market was closed on Saturday. The dollar retreated from seven-month peaks against the peaks against the euro on Friday as traders took profits on the previous day and awaited

Sunday's vote on proposed EU constitution. Analysts however, stay gains in the euro were held in the check by expectations France will reject the EU constitution. With markets closed for holidays in the US and the UK on Monday, the day after the French vote and two days before a similar referendum in the Netherlands, trading focused on squaring positions. The dollar largely shrugged off economic data releases on Friday including the University of Michigan's final reading of its May index of consumer sentiment and the US Commerce Department's report on consumer spending and personal consumption expenditure.

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## ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle draw was held at ReadyCash Bangladesh office at Dhanmondi in Dhaka on Saturday, says a press release.

Prizes	Name of Winners	Card No
Kamal General Store Free gift box	Rajebul Hasan Chy	5047980010034781
China Junction Chinese Restaurant	Md Hamidur Rahman	5047980000057145
Free Lunch/Dinner for two		
Pallabi Computers Free Internet	ABM Afsaruzaman	5047980010034786
Browsing		
Patna Cloth Store free Gift Box	Md Islam Ali	5047980000057125
Monorom Free Gift Box	Foyez Ahmed	5047980010034768
Rainbow Chinese Free Lunch/ Dinner for two	Jyotish Talukder	5047980010034766

Winners can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. ReadyCash encourages its cardholders to read The Daily Star and the Daily Prothom Alo on every Sunday or call our Customer Service at: 8123850, 8130497, 8125294-7.



PHOTO: AL-ARAFAH ISLAMI BANK

The 10th annual general meeting (AGM) of Al-Arafah Islami Bank Ltd was held on Wednesday in Dhaka. Chairman of the bank Abdul Malek Mollah presided over the AGM, which declared a 15.5 percent dividend in the form of bonus share for the year 2004.



PHOTO: RAHIMAFROOZ

Afroz Rahim, chairman of Rahimafrooz group, poses for photographs with the winners of a promotion titled 'Lucas Kalome Kuala Lumpur' at a prize distribution ceremony on Thursday in Dhaka. Other senior officials of the company were also present at the function.

## STOCK