

# Third World states endorse G77 development fund

**AFP, Doha**

Third World countries ended their summit here Thursday with a call on rich nations to boost aid and the creation of a development fund with an initial 20 million dollar contribution from host country, Qatar.

Delegates unanimously approved Qatar's proposal for setting up the "South Fund for Development and Humanitarian Aid" and welcomed Doha's contribution at the close of the two-day summit.

The final communique, dubbed the Doha Declaration, praised China and India for contributing two million dollars each and appealed to other "capable nations" to give to the fund, which will be based in Doha.

The Group of 77 and China called on to rich nations to "urgently meet the internationally agreed Official Development Assistance (ODA) target of 0.7 percent of donor countries' Gross National Product (GNP)."

The increase would pump tens of billions of dollars into poor nations, whose economies are crippled by lack of finance and huge foreign debt.

Around 50 heads of state and other representatives of member states in the G77 and China gathered in Doha for the summit which tackled South-South cooperation, South-North relations and the debt crisis in poor nations.

The main donors, the European Union and the United States, last year provided assistance worth 56 and 19 billion dollars respectively, but that constituted under 0.3 percent of their GNP.

The EU recalled at the summit its decision last month to increase its ODA by 20 billion euros (25 billion dollars) annually beginning in 2010.

The leaders however called on the international community to "categorically reject any conditionality in the provision of development assistance."

The declaration also calls for reducing the debt owed by developing countries and cancellation of official debt of all least developed countries. The debt is estimated at some 2.5 trillion dollars.

The summit appealed to the international community to take "urgent and effective steps to eliminate the use of unilateral coercive economic measures against developing countries."

It urged the United States to end its crippling economic sanctions against Cuba and to make "null and void" the so-called Syria Accountability Act under which Washington has placed sanctions on Damascus.



**Abdur Raquib, executive president of Islami Bank Bangladesh Ltd, and Abdul Karim, managing director of Micro Industries Development Assistance and Services (Midas), exchange documents after signing an agreement in Dhaka Wednesday. Under the deal, Islami Bank in collaboration with Midas will arrange a six-day training course on entrepreneurship development from July 9.**



**RQM Forkan, senior executive vice president of Arab Bangladesh (AB) Bank Ltd, and Mohammed Jahangir, managing director of National Telecom Ltd, sign a memorandum of understanding (MoU) in Dhaka recently. Under the MoU, AB Bank will collect bills and demand note money from the subscribers of the phone company.**



**Mamoon M Shah, manager (Personal Financial Services) of HSBC, Bangladesh, and Rumi Ahmed, deputy director (Business Development) of American Life Insurance Company (Alico), shake hands after signing an agreement in Dhaka recently. Under the deal, Alico will provide special accidental insurance facilities for the depositors of the bank's "Peace of Mind" (POM) savings scheme.**



**Ali Reza Iftekhhar, deputy managing director of Eastern Bank Ltd (EBL), and Sanaullah Shahid, chairman of Electra International Ltd, the marketer of Samsung products, sign a memorandum of understanding (MoU) on behalf of their organisations in Dhaka recently. Under the MoU, EBL customers will be able to buy any Samsung products at dealer price by showing their Visa Electron Debit Card. The offer is valid for six months from June 15 at the Dhaka-based showrooms of Samsung.**

## 3 foreign cos deposit for Pak telecom firm

**AFP, Karachi**

Three foreign companies including Singaporean giant SingTel have each deposited 40 million dollars with privatisation authorities to make final bids for Pakistan's biggest telecom firm, officials said Friday.

Etisalat from the United Arab Emirates and China Mobile joined Singtel in putting down the cash ahead of Saturday's bidding for a 26 percent stake in state-run Pakistan Pakistan Telecommunication Co. Ltd. (PTCL).

"These three bidders are now eligible to participate in the bidding for PTCL to be held on June 18," said a statement from Pakistan's Privatisation Commission, which is handling the sale.

The bidding is going ahead as scheduled despite an earlier stand off with 55,000 striking workers opposed to privatisation, which prompted the government to briefly postpone the bid.

Pakistan then deployed soldiers at PTCL premises when unions threatened to paralyse services if the sell-off was not shelved by Wednesday but a number of key unions backed down after PTCL offered concessions.

# Some OIC states to finalise preferential trade system: KL

**AFP, Kuala Lumpur**

Members of the Organisation of the Islamic Conference (OIC) will launch a preferential trading system that will cut tariffs in order to boost trade, a Malaysian minister reportedly said Friday.

International Trade and Industry Minister Rafidah Aziz said about 15 OIC countries will finalise the system by September.

"This means we can give better market access to each other," she told the official Bernama news agency, adding that trade between OIC members only constituted 12.7 percent of global trade.

Besides moves to cut tariffs, the minister also called on the private sector in OIC countries to be more active.

"Unless we make the private sector see the OIC's internal potential, we will not enhance the current low level of trade and investment linkages, with much of the trade conducted among a few of the more developed countries," she said.

Malaysia is to host an OIC Trade forum next week in conjunction with the annual board of governors meeting of the Islamic Development Bank (IDB), which comprises 55 OIC members.

As the current chair of the 57-member OIC, Malaysia has been pushing for greater economic integration in the grouping and for nations to develop their Islamic finance sectors.

Malaysia says the group's economic potential is largely untapped.

Second Finance Minister Nor Mohamed Yakcop on Thursday said Malaysia will lobby IDB nations for the creation of a bond fund to finance infrastructure development in poor member countries.

## Weekly Currency Roundup

June 11-June 16, 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 1,842.00 million was accepted, compared with BDT 2,406.00 million in the previous week's bid. Weighted average yield of t-bills remained almost unchanged.

Call money rate was range-bound this week. Call money rate was ranged between 5.00 and 12.00 percent throughout the week.

**International FX Market**  
In the beginning of the week, the dollar hit a nine-month high against the euro and eight-month peak versus the yen, extending gains after US data and comments from Fed chief Alan Greenspan raised prospects for more interest rate hikes. The Fed is widely expected to raise rates by a quarter percentage point at its next policy meeting on June 29-30, which would be its ninth straight rate rise. The outlook for higher US interest rates has attracted foreign capital into the country, offsetting concerns about the huge current account deficit.

The dollar hit its highest level against the euro in more than nine months by the middle of the week as markets focused increasingly on improving interest rate differentials between the United States and the euro zone. The dollar was steady against yen, but hit 9-month highs against the index of currencies.

By the end of the week, the dollar held near nine-month highs versus the euro ahead of a European Union leaders' summit, after the recent French and Dutch rejection of the EU constitution threw the bloc into political disarray. Weaker-than-expected US capital flows and inflation data this week have slowed the ascent of the dollar. The Swiss franc was down a quarter percent against the dollar after the Swiss National Bank left interest rates unchanged as expected.

-- Standard Chartered Bank

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