

G8 leaders agree \$50b aid boost

REUTERS, Gleneagles, Scotland

World leaders announced a \$50 billion boost in development aid on Friday, declaring the deal was a message of hope that countered the hatred behind the London bomb attacks.

"We speak today in the shadow of terrorism but it will not obscure what we came here to achieve," British Prime Minister Tony Blair declared, flanked by fellow leaders of the Group of Eight (G8) rich states and seven of their African counterparts.

Blair, who skipped much of Thursday's session to handle the aftermath of the bombs in London which killed more than 50 people, did not give a timetable for reaching the aid target.

Campaigners said they understood the deal was to double overall aid to some \$100 billion by 2010,

with about half of that destined for Africa. They had pressed for the boost immediately, saying a delay would cost millions of lives.

"There is no hope in terrorism or any future in it worth living and it is hope that is the alternative to this hatred," Blair said on the steps of the Gleneagles hotel in Scotland.

"We offer today this contrast with the politics of terror," he said.

"It isn't all everyone wanted but it is progress, real and achievable progress," he said. "It isn't the end of the hope that it can be ended."

The G8 leaders also agreed a package of aid worth up to \$3 billion to help the Palestinian Authority and foster peace in the Middle East, he said.

Talks on Climate

They agreed to start a dialogue on Nov. 1 with the major emerging economies on how to slow down

and later reverse the rise in greenhouse gases which cause global warming.

Environmental groups have criticized their accord as too vague to pose a serious challenge to climate change.

The leaders pledged to end farm export aid but set no deadline. They also called for renewed efforts to conclude a new phase of world trade liberalisation by the end of next year.

Blair had been determined his twin priorities of action on global warming and African poverty would not be wrecked by the London bombings, which British officials say bore the hallmarks of the al Qaeda Islamic militant group.

But he brought forward his closing news conference by one hour on Friday to allow him to head back to London in the early afternoon and take charge of the crisis.

Blair has declared the widespread privation and suffering in Africa "a scar on the conscience of the world" and his G8 agenda has attracted high-profile backing from rock stars who staged huge "Live 8" concerts around the world ahead of the summit.

But other G8 nations -- including the United States, Germany and Italy -- rejected a British proposal to double funding for Africa immediately by borrowing against future aid budgets.

"Tony Blair says this is a beginning but Africa has been at the beginning for years. After successive G8 summits which have underplayed commitments, it is unacceptable," said Caroline Sande Mukulira, head of ActionAid's Southern Africa program.

"It is unclear how much is new -- there may be some new money but not much."



PHOTO: NEWAY BANGLADESH

Abdul Awal Mintoo, president of the Federation of Bangladesh Chambers of Commerce and Industry, inaugurates 'Protidin Neway Mart', a selling centre of Neway Bangladesh (Pvt) Ltd, on Kemal Ataturk Avenue at Banani in Dhaka Tuesday. Neway Chairman Navaratnam Srinarayanathas and Managing Director Muraly Srinarayanathas were also present.



PHOTO: JANATA BANK

SM Aminur Rahman, managing director of Janata Bank, speaks at a branch managers' conference of Mymensingh area office recently. AKM Rashiduzzaman, general manager of divisional office, Dhaka, among others, was present at the conference.

Short-term steps to boost Thai economy

REUTERS, Bangkok

Thailand's government will announce short-term measures next week to stimulate the economy, Prime Minister Thaksin Shinawatra said Friday after several economists cut their growth forecasts for 2005.

Thaksin said the stimulus package, to be unveiled after a cabinet meeting on Tuesday, would help Thais cope with rising energy costs and a crippling drought.

"We have to face many short-term problems, especially high oil prices and drought, which have pushed up living costs. We need some short-term measures," Thaksin told reporters.

"We want to ease the increased burden, to make it easier for people

to make a living," he said, without giving details of the measures.

Thailand's battered stock market, which closed at an 8-month low on Thursday, has been under pressure from concerns about slowing economic growth and the impact of rising oil prices.

The baht was trading on Friday around 42.03 per dollar, an intraday low and its weakest level since August 2003. The currency has fallen more than 7 percent so far in 2005 against the dollar.

Analysts polled by Reuters predicted that gross domestic product would probably expand around 4.0 percent in 2005, down from 4.8 percent projected in May and against 6.1 percent growth in 2004.

Weekly Currency Roundup

July 02-July 07, 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 8,182.00 million was accepted, compared with BDT 10,129.00 million in the previous week's bid. Only 28-day bills were accepted in the bid. Weighted average yield of t-bills remained almost unchanged.

Call money rate was downward this week. Call money rate ranged between 4.00 and 8.00 in the beginning of the week, while ended the week at 4.00-5.00 percent.

International FX Market

The dollar rose in the beginning of the week, hitting a fresh 13-month high against the euro as strong US manufacturing data last week led investors to bet that Federal Reserve was likely to continue tightening its monetary belt. Sterling sank to near 14-month lows against the dollar and held near one month low versus the euro on concerns that the Bank of England may cut rates in the near future. A big focus in this week is the Group of Eight Summit in Scotland starting on Wednesday.

During the middle of the week, the dollar inched towards the previous session's 14-month highs against the euro and against an index of currencies, building on recent gains ahead of closely watched US jobs data later this week. The dollar had gained 2 percent against the euro since Friday on expectations of an improving US economy and rising interest rates.

The Swiss franc, regarded as the ultimate safe haven, hit a one-month high against sterling and also rose more than 1 percent against the US dollar on Thursday on news that the London underground system was closed after a series of incidents including explosions. Sterling also fell to one-month low against the euro and to a fresh 19-month low versus dollar. Losses on sterling came ahead of the Bank of England's interest rate decision at 1100 GMT. The BoE is expected to leave interest rates at 4.75 percent although speculation has risen in recent sessions that the British cost of borrowing would fall this year.

Analysts said the dollar was unable to forge stronger gains against the euro ahead of key US employment data on Friday. The payroll report is expected to show 188,500 new jobs were created in June, according to the median forecast of a Reuters poll. That would be a big improvement on 78,000 in May, and would help cement expectations that the Fed will keep raising rates. Investors were also focused on surging oil prices, which hit a new record of \$62 a barrel on Thursday.

- Standard Chartered Bank



PHOTO: BFIC

The 28th annual general meeting (AGM) of Bangladesh Finance and Investment Co Ltd (BFIC) was held recently in Dhaka with Anwar Hossain, chairman of the company, in the chair.



PHOTO: PUBALI BANK

The first branch managers' conference of Pubali Bank Ltd, Chittagong region, was held recently in the port city. Khondkar Ibrahim Khaled, managing director, and Helal Ahmed Chowdhury, deputy managing director of the bank, among others, were present at the meet.

BFIC approves 10pc stock dividend

Bangladesh Finance and Investment Co Ltd (BFIC) has approved a 10 percent stock dividend for the shareholders for the year 2004.

The dividend was approved at the 28th annual general meeting (AGM) held recently in Dhaka with Anwar Hossain, chairman of the company, in the chair, says a press release.

Following the AGM, a meeting of the Board of Directors unanimously re-elected Anwar Hossain and Hossain Khaled chairman and vice chairman respectively for another term.

Rabeya Flour Mills okays 4pc dividend

Rabeya Flour Mills Ltd, a concern of Ejab Group, has declared a 4 percent dividend for its shareholders for the year 2004.

The dividend was approved at the 28th annual general meeting (AGM) of the company held recently in Dhaka, says a press release.

China, US unlikely to reach EU-type deal on textiles: Report

AFP, Beijing

Chinese trade negotiators have largely given up hope of reaching a European Union-type agreement with the United States on resolving a simmering row over textile quotas, state press said Friday.

A second round of technical talks on China's booming textile exports were to be held Friday here in Beijing, the final round before a major bilateral trade meeting next week, the Oriental Morning Post reported.

"There is little likelihood for a lot of progress (on textiles) coming out of this round of Sino-US consultations; most of the discussions will

be aimed at preparing for the Sino-US Joint Committee on Commerce and Trade (JCCT)," the paper quoted Commerce Ministry officials as saying.

US Secretary of Commerce Carlos Gutierrez, US Trade Representative Rob Portman and US Agriculture Secretary Mike Johanns will hold discussions in Beijing with Vice Premier Wu Yi and Trade Minister Bo Xilai at the annual JCCT Monday.

US officials in Beijing said a series of trade agreements were likely to be signed during the visit but doubted that a specific bilateral agreement on the textile row would be inked.

STOCK