

WTO chief sounds alarm about global trade talks

AFP, Geneva

The Director-General of the World Trade Organisation, Supachai Panitchpakdi, sounded the alarm on Thursday about global trade talks underway here, urging trading nations to step up the pace.

"I have said before that my finger was hovering over the alarm button. Now I have pressed it," Panitchpakdi told the WTO's 148 member states in a meeting of its top negotiating body.

Trading nations have been trying to come up with the broad outline of a possible agreement on further trade liberalisation by the end of the month, but there is growing concern about the slow

pace of the largely technical talks.

"Every day the crisis of immobility deepens," Supachai added, casting doubt over the ability of the negotiators to come up with a deal on a new round at a ministerial conference in December 2005 at their current pace.

"There is a very great deal left to do in the autumn in order to have a worthwhile result at Hong Kong," he said in the written copy of his speech behind closed doors.

A meeting of the WTO's top decision making body, the General Council, on July 27 to 29 is due to make a last negotiating push before the summer break.

It is regarded as a key stage on the road to the Hong Kong meet-

ing, as the WTO seeks to avoid a repeat of the failure of the last ministerial meeting in Cancun, Mexico, in 2003.

The breakdown of Cancun opened up a rift between rich and poor countries froze the talks underway since 2001, which are meant to bring down more trade barriers mainly to the benefit of developing countries.

Supachai said there was still a chance for some "worthwhile advances" by the end of next week.

Key issues include agricultural tariffs and export subsidies, mainly in wealthy nations, industrial tariff barriers, and special treatment for the poorest countries.

Shahjalal Islami Bank extends Tk 80.5m to Saimon Overseas

Shahjalal Islami Bank Ltd has extended Tk 80.5 million composite investment facility to Saimon Overseas Ltd.

An agreement to this effect was signed Sunday in Dhaka between the two companies, says a press release.

M Kamaluddin Chowdhury, managing director of the bank, and MA Mohaimin Saleh, MD of Saimon Overseas, signed the deal on behalf of their companies.

China buys 20 Airbus A330s

AFP, Beijing

China was to sign a contract with European aircraft maker Airbus Thursday for 20 A330 jets in a deal worth 3.1 billion dollars, Spanish officials told AFP.

Spanish Prime Minister Jose Luis Rodriguez Zapatero and his Chinese counterpart Wen Jiabao would ink the deal in their meeting in Beijing, a Spanish embassy official said.

"China and Airbus will sign a contract for the purchase of 20 A330 Airbus planes. The deal is worth 3.1 billion dollars," he said, adding that Air China was the carrier that would take delivery of the jets.

BMW in talks to build factory in India

AFP, Munich

BMW, the German luxury car maker, is negotiating with the authorities in India with regard to the possible construction of a manufacturing plant on the sub-continent, a company spokesman said Thursday.

Nevertheless, no contract had yet been signed on the matter, the spokesman added.

According to the Indian daily Business Standard, BMW is preparing to build an assembly plant in Chenglepet in Tamil Nadu for one billion rupees (around 18 million euros, 22 million dollars).



PHOTO: SHAHJALAL ISLAMI BANK

M Kamaluddin Chowdhury, managing director of Shahjalal Islami Bank Ltd, and MA Mohaimin Saleh, MD of Saimon Overseas Ltd, sign an agreement Sunday in Dhaka. Under the deal, the bank has extended Tk 80.5 million composite investment facility to Saimon Overseas.



PHOTO: ARIES LTD

Shahana Ahmed, chief executive officer of Aries Ltd, a local company engaged in contract farming of maize, and Harshad Shukla, managing director of Maintenance Group of Companies of India, are seen at an agreement signing ceremony Monday in Dhaka. Under the deal, a joint venture company, Aries Starch Ltd, will be set up in Gazipur to produce maize starch and liquid glucose.

Oil prices fall in Asian trade

AFP, Singapore

Oil prices fell in Asian trade Thursday after data showed the impact on US oil inventories of a hurricane in the Gulf of Mexico was not as severe as expected, dealers said.

At 11:45 am (0345 GMT), New York's main contract, light sweet crude for delivery in September, was at 57.68 dollars a barrel, down 34 cents from its close of 58.02 dollars in the United States overnight.

The July contract expired Wednesday at 56.72 dollars a barrel.

Tetsu Emori, chief commodities strategist at Mitsui Bussan Futures in Tokyo, said news of the smaller-than-expected decline in US crude oil inventories released in the United States on Wednesday caused prices to pull back.

This showed that the impact of Hurricane Dennis on production platforms and refineries in the Gulf of Mexico was less severe than

anticipated, he said.

"People's expectations were far away from the reality. When their fears did not happen they had to sell off the market," Emori said.

"I'm not too much bullish now because we don't have reasons to buy. We have enough inventory in the United States and we have enough crude oil supply from the OPEC countries."

"Demand in the United States for gasoline is still strong but we can probably cover the demand."

The Department of Energy (DoE) said US crude oil stocks fell 900,000 barrels to 320.1 million barrels for the week ending July 15.

Analysts' forecasts were for a 3.45-million drop in the wake of production shutdowns in the Gulf of Mexico caused by Hurricane Dennis -- whose onset halted most US oil output in the region around July 10.

The DoE also said petrol or gasoline stocks dropped 1.3 million barrels, less than forecasts of a 1.5-million decrease.

KL to cut budget deficit to ensure stable growth

AFP, Kuala Lumpur

Prime Minister Abdullah Ahmad Badawi said Thursday that Malaysia will reduce its budget deficit, which has been swollen by years of pump-priming, to ensure stable economic growth.

"The most difficult decision that I had to make after assuming the responsibilities of prime minister was to reduce the deficit," he told the ruling United Malays National Organisation (UMNO) annual congress.

"We must manage public spending and strike a balance between stimulating economic activity to prompt economic growth (and) running up a deficit that develops into an unmanageable problem," he said.

The government hopes to cut the budget deficit to 3.5 percent of gross domestic product (GDP) in 2005 from 4.0 percent in 2004.

Abdullah, who succeeded for-

mer premier Mahathir Mohamad in October 2003, said he was aware that the move was not politically popular but it was necessary to protect the country's long-term interests.

"For some, the decision to reduce the deficit is seen as denying them a source of income to which they have become accustomed," he told some 2,500 UMNO leaders in an opening speech.

"The interest of the nation must be placed ahead of the political interests of certain groups or individuals."

Abdullah has faced growing pressure from thousands of ethnic Malay contractors to stimulate growth in the infrastructure sector by approving big new projects.

But in contrast to Mahathir, who had a penchant for grandiose schemes like the Proton national car, Abdullah has put large-scale infrastructure projects on hold since coming to power.



PHOTO: DHAKA BANK

Dhaka Bank Ltd recently signed an agreement on money transfer system with Travelex Money Transfer Ltd of UK for remitting money to Bangladesh. A training programme was also organised on money transfer system Monday in Dhaka. Shahed Noman, managing director of the bank, inaugurated the training course.



PHOTO: BANK ASIA

Bank Asia President and Managing Director Syed Anisul Huq and other senior executives pose for photographs with the participants of a training course on 'Professional Attitudes' Saturday in Dhaka.

CURRENCY

Following is Thursday's (July 21, 2005) forex trading statement by Standard Chartered Bank

| Sell | TT/OD | BC | Currency | Buy | | |
|----------|----------|-----|----------|----------|--------------|-------------|
| | | | | TT Clean | OD Sight Doc | OD Transfer |
| 66.3200 | 66.3500 | USD | 65.1500 | 65.1283 | 65.0849 | |
| 81.5670 | 81.6039 | EUR | 78.2842 | 78.2581 | 78.2060 | |
| 116.4513 | 116.5040 | GBP | 112.6769 | 112.6394 | 112.5642 | |
| 51.1261 | 51.1492 | AUD | 48.6410 | 48.6248 | 48.5923 | |
| 0.5967 | 0.5970 | JPY | 0.5745 | 0.5743 | 0.5739 | |
| 52.2369 | 52.2606 | CHF | 50.2739 | 50.2572 | 50.2237 | |
| 8.8352 | 8.8392 | SEK | 7.9400 | 7.9373 | 7.9321 | |
| 54.8507 | 54.8755 | CAD | 52.8600 | 52.8424 | 52.8072 | |
| 8.5464 | 8.5503 | HKD | 8.3579 | 8.3551 | 8.3496 | |
| 40.2134 | 40.2316 | SGD | 38.6914 | 38.5785 | 38.5528 | |
| 18.2038 | 18.2120 | AED | 17.5943 | 17.5885 | 17.5767 | |
| 17.8246 | 17.8327 | SAR | 17.2345 | 17.2288 | 17.2173 | |
| 11.2573 | 11.2624 | DKK | 10.2007 | 10.1973 | 10.1905 | |
| 223.6502 | 223.7537 | KWD | 222.0520 | 221.9803 | 221.8369 | |

Exchange rates of some currencies against US dollar

| Indian rupee | Pak rupee | Lankan rupee | Thai baht | Nor kroner | NZ dollar | Malaysian ringgit |
|--------------|-----------|--------------|-----------|------------|-----------|-------------------|
| 43.43 | 59.6 | 100.365 | 41.835 | 6.5740 | 0.7292 | 3.80 |

STOCK