

EU farm subsidies unfair, need overhaul: Study

AFP, London

The European Union's farm subsidy policy is unfair and only leads to greater inequalities within the enlarged 25-nation bloc, three British scholars said in a major study.

In a critical analysis of the Common Agricultural Policy published Friday, they endorsed Prime Minister Tony Blair's call for root-and-branch reform of the scheme that doles out more than 90 billion euros (109.6 billion dollars) a year.

"Tony Blair is right in saying that the CAP money should be redirected to other areas and this needs to begin before 2013," said Mark Shucksmith of the University of Newcastle, one of the book's authors.

"In our book, we are not talking about a sudden change, but a gradual and preferably well-planned move towards measures that will provide a sustainable future for our rural areas."

The book, "CAP and The Regions: The Territorial Impact of

the Common Agricultural Policy," funded by EU institutions, coincides with Britain's turn at the rotating EU presidency.

It comes during a lull in a bitter feud between Blair and French President Jacques Chirac over EU farm subsidies that is certain to flare up once Europe is back from summer holidays.

Blair is resisting calls led by Chirac for Britain to give up its EU budget rebate -- which compensates for the relative little it takes from the CAP -- without a pre-2013 shake-up of the scheme that gobbles up 42 percent of all EU spending.

The authors found that "rich core regions" in Germany, Britain, France and the Netherlands collectively take a bigger slice of the CAP pie than poorer peripheral regions in Spain, Italy, Poland, and southern and eastern Europe.

What is more, wrote Shucksmith, Ken Thomson and Deb Roberts of Aberdeen University, this has remained the case even after CAP reforms were put into place in 2003-

2004. EU farm subsidies now come out of two pots, known as Pillar One and Pillar Two, the book explained.

Pillar One, worth 90 billion euros -- made up of direct subsidies to farmers as well as market price support -- overwhelmingly favours prosperous core regions with large farms that produce grain, milk and beef, it said.

Pillar Two, much smaller at 4.6 billion euros, is meant to support more environmentally friendly farming and less-favoured areas -- yet the money largely goes to richer EU member states.

"This is mainly because these measures are more used by the rich countries of northwest Europe, who are more able to exploit the relevant (EU) regulation," a summary of the book's findings said.

The findings dovetail with the European Commission's estimate that 80 percent of CAP subsidies go to 20 percent of Europe's farmers -- with agricultural conglomerates pocketing the biggest handouts. They also reinforce the argu-

ments of development campaigners who complain that EU and US farm subsidies generate huge surpluses that make it impossible for poor African farmers to escape poverty and compete on the global market.

To correct the CAP's imbalances, the authors of "CAP and The Regions" proposed that Pillar One funds be redistributed gradually but more quickly to Pillar Two.

This would mean less direct subsidies and less market protection over time, but more euros for environmentally friendly farming and rural development.

The scholars also said that the distribution criteria for Pillar Two should be amended, so that poorer EU countries can get more funds to boost their rural economies.

"These rural should not simply try to prop up traditional agricultural structures where these are no longer viable," Thomson said. "We need to develop new elements of the rural economy."

ACNielsen Consumer 360 Confce held

ACNielsen Bangladesh, a member of the world's leading marketing information company, organised a seminar titled 'ACNielsen Consumer 360 Conference' on Wednesday in Dhaka.

The third version of the conference was to focus on a holistic understanding of the consumers in Bangladesh, says a press release.

The conference discussed disparities in socio-economic development within South Asia, shape of Bangladesh's consumer market, driving factors for real growth, and the future of Bangladesh consumer market.

Partha Rakshit, managing director of ACNielsen South Asia, presented the keynote speech at the seminar on 'Succeeding in the Global Marketplace: Lessons from the China and India story'.



Vijay Watson, chief operating officer, and Jose Ravee, general manager (Marketing) of mobile phone operator AKTEL, inaugurate the refurbished customer care centre of the company at Gulshan-2 in Dhaka Thursday. Other senior officials were also present.

India's forex reserves up

REUTERS, Mumbai

India's foreign exchange reserves rose to \$144.37 billion on Aug 12 from \$142.64 billion a week earlier, the Reserve Bank of India said in its weekly statistical supplement Saturday.

The central bank said foreign currency assets expressed in US dollar terms included the effect of appreciation or depreciation of other currencies held in its reserves such as the euro, pound sterling and yen.

The foreign exchange reserves include India's Reserve Tranche Position (RTP) in the International Monetary Fund, the central bank said.

Shanghai auto's Q2 net profit drops

REUTERS, Shanghai

Shanghai Automotive Co Ltd, owner of a fifth of General Motors' largest car venture in China, Saturday posted a more than one-half drop in second quarter earnings, warning it may post a loss for the first three quarters.

The listed arm of China's biggest car maker -- Shanghai Automotive Industry Corp -- unveiled a worse than-expected fall in quarterly net profit as price wars and slowing growth hammered the world's third-largest vehicle market.

Shanghai Auto posted a net profit of 322.79 million yuan (\$39.84 million) in the second quarter, based on Reuters calculations from previously available figures versus 721.33 million yuan a year ago.

April-June turnover dropped 35 percent to 1.396 billion yuan, as the company blamed falling sales and output for its problems.

Boeing, Airbus orders soar in Q2

REUTERS, Washington

Boeing Co and Airbus SAS, the world's two largest aircraft builders, booked orders for a combined total of 529 large airliners in the second quarter, up sharply from 161 in the previous three-month period, an industry trade group said Friday.

The total came near the 633 airliners with at least 100 seats ordered from the two companies in all of 2004, figures compiled by the Aerospace Industries Association showed.

"These are the boom times," said David Napier, the trade group's research director. The uptick began

last year, has been accelerating and "we're expecting it to continue through next year," he added in a telephone interview.

Airbus is owned 80 percent by EADS (EAD.PA), Europe's largest defense contractor, and 20 percent by BAE Systems Plc (BA.L). The figures, which include the three-month period ended June 30, showed Boeing booked 379 orders in the second quarter, while Airbus booked 150.

In 2003, Airbus overtook Boeing in terms of deliveries for the first time, supplying 305 airliners versus 281, a lead it maintained last year.

Overall, the U.S. aerospace

industry was on track to its best year in terms of orders and shipments since 1992, the latest figures showed.

The industry logged \$98.9 billion in net new orders through June, which would total \$197.7 billion for the year if the trend continues. This compares to \$164.9 billion in 2004 and would be well ahead of 2000's \$166 billion, the figures showed.

Shipments totaled \$83.5 billion through June, which would amount to \$167 billion by the end of 2005 if the trend remains. That would outdo the \$158 billion in 2004, the best year on record since 1992, the trade group said.

Asia's rubber producers to discuss ways to stabilise prices

REUTERS, Bangkok

Officials from top rubber producing countries Thailand, Indonesia and Malaysia are due to meet in the Indonesian resort island of Bali next week to discuss ways to stabilise rubber prices, a Thai official said Friday.

The three-nation International Rubber Consortium (IRCO) will meet on August 25-26 to discuss recent volatility in rubber prices, said Yium Tavaroli, secretary of the Bangkok-based organisation.

"Prices rose very high not only due to tight supply but also from paper-traded speculation. That is why we, the three rubber producers, need to talk," Yium said.

Rubber futures on the Tokyo Commodity Exchange (TOCOM) fell about 15 percent last week after hitting a 17-year high in late July, on the back of tight supplies in Thailand and hedge fund speculation.

The benchmark January 2006 rubber contract O JRU: on TOCOM was quoted at 166.7 yen per kg on Friday after closing at 165.1 yen per kg on Thursday. The contract hit a 17-year high of 192.2 yen in July.

The price of US\$3, the raw material for RSS3 rubber sheet, fell 17 percent to 57 baht per kg in Thailand this week from 69 baht per kg in late July.

"We do not say that speculation is bad, but it is not good if the price movement is totally dominated by speculators," Yium said.

Officials at the Bali meeting would discuss measures to ensure stable prices, and submit their recommendations to the IRCO board meeting in Bangkok in October, Yium said.

Thailand, the world's top rubber producer, along with Indonesia and Malaysia, account for some 60 percent of the world's natural rubber output.

Argentina's farm export to Asia surges in first half

REUTERS, Buenos Aires, Argentina

Argentina's farm exports to Asia surged 77 percent to 10.6 million tonnes in the first six months of 2005, compared with a year earlier, the government said Friday.

The value of sales to China, Japan, South Korea, Hong Kong, Thailand, Malaysia, Philippines, India, Vietnam, Taiwan and Indonesia rose 78 percent to \$4.08 billion, said the national food and animal health inspection service, Senasa.

The main market for Argentine products was China, which imported 5.5 million tonnes of goods valued at \$1.47 billion. This represents a 57 percent rise in volume and a 16 percent gain in value compared with the first half of 2004.

Argentina exported mainly soybeans and soyoil to China, the world's No. 1 soy importer.

Sales to Indonesia surged 214 percent to 1.0 million tonnes, valued at \$158 million. Soybeans and soymeal were the top exports in that case.

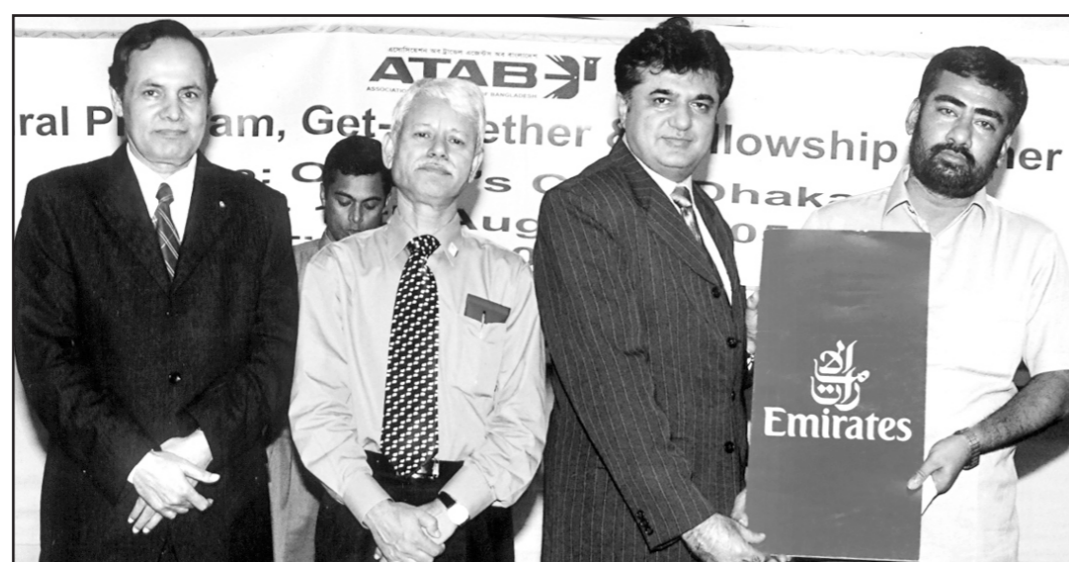


PHOTO: EMIRATES

Hanif Zakaria (2-R), Emirates' sales manager in Bangladesh, gives away two return economy class tickets to Md Afsar Uddin Swapan, managing director of Preamka Traders and Travels (Pvt) Ltd and winner of a raffle draw, at a function of the Association of Travel Agents of Bangladesh (ATAB) in Dhaka recently. MA Muhaimin Saleh, president, and Ghulam Mostafa, secretary general of ATAB, were also present at the function.

International unions meet in Chicago next week

Bid to boost unionism in developing states

REUTERS, Chicago

Union leaders from around the globe gather in Chicago next week to craft a joint strategy to boost unionization in the developing world, and especially to target the US-based retail giant Wal-Mart Stores Inc.

The AFL-CIO lost one-third of its membership, or 4.6 million members, with the disaffiliation of the Service Employees International Union, International Brotherhood of Teamsters and United Food and Commercial Workers (UFCW).

All three disaffiliated unions will

participate in the meeting of UNI, which is in its fifth year and represents 15 million workers, most from service industries.

The convention comes only a month after a schism in the American labor movement where three unions formally split from the umbrella American Federation of Labor-Congress of Industrial Organizations.

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First-time buyer boom for car dealers in S'pore

ANN/ THE STRAITS TIMES

Until last month, father of three Dennis Choo, 35, relied on public transport and spent at least S\$10 (US\$6) a day on taxis.

Now he zips around in his first car, a shiny new Kia Cerato hatchback, finally putting to good use the driver's licence he has had since 1993.

He took a seven-year, 50 percent loan on the S\$50,000 (US\$30,000)

car and pays under S\$400 (US\$240) a month in instalments, which he says is comparable to what he spent on cabs.

"Car prices are more affordable now," said Choo, a senior materials officer with Singapore Airlines, adding that owning a car "is exciting and convenient".

Car dealers, especially those selling budget vehicles, are seeing more first-time buyers.

"We get a fair number of first-timers," said Mark Choong, manag-

ing director of Toyota distributor Borneo Motors. "Most of them go for the Toyota Vios."

At least 15 per cent of nearly 16,000 Toyota cars sold in the first seven months went to first-time buyers.

At Cycle & Carriage, about 25 per cent of Kia customers are first-timers. A spokesman attributes that to the Kia Picanto which, at about S\$40,000 (US\$24,000), is one of the cheapest cars available.

Northwest Airlines mechanics go on strike

AFP, New York

The fourth-largest US airline found itself in the grip of a potentially crippling strike early Saturday as thousands of its mechanics, cleaners and other service employees walked off their jobs rather than agree to painful concessions.

The 5,400-member Aircraft Mechanics Fraternal Association announced its strike against Northwest Airlines shortly after midnight after marathon talks between the union and company management failed to produce agreement on a set of cost-saving measures the airline said were necessary to stave off bankruptcy.

Northwest had been seeking 176 million dollars worth of concessions, arguing it badly needed to cut operating costs to stay competitive amid skyrocketing fuel prices.

But as soon as a government-imposed 30-day cooling off period expired at 12:01 am (0401 GMT), the association posted a one-sentence statement on its Web site, saying, "We are on strike against Northwest Airlines."

John Roby, one of the top union officials, said the company's remedy proved too bitter for workers to swallow.

"They wanted to take 53 percent of our jobs away," he told AFP in a brief telephone interview from Minneapolis, Minnesota. "And the remaining people that were left, they wanted them to take a 25-percent pay cut."

Northwest President and chief executive Doug Steenland countered by saying his company's offer "was fair to our employees" while recognizing the need for equitable labor costs savings from all labor groups.

But as soon as a government-



PHOTO: PRIME BANK

The half-yearly business conference of Prime Bank Ltd was held Thursday in Dhaka. Chairman of the bank Imam Anwar Hossain inaugurated the conference, which was presided over by Managing Director M Shahjahan Bhuiyan.



PHOTO: NIMBUS ADVERTISING

Mahabur Rahman Sakib, managing director of Nimbus Advertising, and Shamnoon Muheb Chowdhury, president of AIESEC Bangladesh, an organisation of university students working in more than 80 countries, shake hands after signing an agreement recently in Dhaka. Under the deal, the advertising firm has become brand and communication partner of AIESEC Bangladesh.

CURRENCY

Following is Saturday's (August 20, 2005) forex trading statement by Standard Chartered Bank

Sell	Buy				
TT/OD	BC	Currency	TT Clean	OD Sight/Doc	OD Transfer
66.9600	66.9900	USD	65.7400	65.7181	65.6743
82.9166	82.9537	EUR	78.9735	78.9471	78.8945
121.4052	121.4596	GBP	117.0895	117.0505	116.9724
51.3918	51.4148	AUD	48.3518	48.3357	48.3034
0.6139	0.6141	JPY	0.5902	0.5900	0.5896
52.9663	52.9900	CHF	51.1118	51.0948	51.0607
8.6766	8.6805	SEK	8.0739	8.0712	8.0658
55.7814	55.8064	CAD	53.7795	53.7615	53.7257
8.6272	8.6311	HKD	8.4498	8.4469	8.4413
40.4690	40.4871	SGD	39.1636	39.1505	39.1244
18.3800	18.3882	AED	17.7546	17.7487	17.7369
17.9981	18.0061	SAR	17.3915	17.3857	17.3741
11.3773	11.3824	DKK	10.2962	10.2927	10.2859
225.8170	225.9204	KWD	224.0353	224.0353	224.0353

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	Malaysian ringgit
43.545	59.665	100.88	41.315	6.5725	0.6966	3.77

Local Interbank FX Trading
Local interbank FX market was subdued on Saturday. Demand for dollar remained steady.

Local Money Market
Money market was active. Call money rate remained unchanged and ranged between 5.00 and 6.00 percent.

International Market
International market was closed. On Friday the edged up against a basket of

major currencies for the fifth straight session, taking on its biggest weekly gain against the euro since early June. A series of US economic reports this week a strong reading of the Philadelphia Federal Reserve Bank's index of business activity and data showing strong capital inflows to US assets have bolstered the case for continued dollar-supportive interest rate hikes by the Federal Reserve.

This memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable. While all reasonable care has been taken in its preparation no responsibility or liability is accepted for errors of fact or any opinion expressed herein.

ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle draw took place at ReadyCash Bangladesh office at Dhankundi on Saturday, says a press release.

Prizes	Name of Winners	Card No
Kamal General Store Free gift box	Md Jahirul Hoque	5047980010035563
China Junction Chinese Restaurant Free Lunch/Dinner for two	Faizur Rahman	5047980000057985
Step & Shop Free Gift Box	Shombo Nath Saha	5047980010035550
Life Style Free Gift Box	Md Iqbal Ahmed Khan	5047980010035548

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.