Mandelson urges EU states to adapt in globalisation

AFP, *Beijing*

EU Trade Commissioner Peter Mandelson said Tuesday European countries must learn to adapt in the age of globalisation and actively engage in trade and investment with new economic powers like China and India.

Mandelson urged European policymakers to learn a lesson from the textile crisis with China to reshape their thinking, saying protectionism is not the long-term answer to the rise of cheap imports.

"I hold to my view that the wrong answer would be to build new tariff barriers and to protect us behind unrealistic walls," he said in a speech at the Central Communist Party School in Beijing.

Chinese textile exports to Europe surged after a global multi-fiber textile quota system was abolished in line with World Trade Organization guidelines on January 1, causing panic in Europe over job losses.

To avoid a trade war, a deal was struck between Europe and China in June to curb the growth in imports of 10 Chinese textiles and clothing products to between eight and 12.5 percent per year until the end of 2008.

Mandelson said that agreement was only a "temporary relief" to slow down the growth of Chinese textile imports to avoid negative impacts in Europe but the continent must face the challenge and adopt new measures in the long-run.

"Political leaders in Europe have to be more creative and courageous," he said.

"We must resolve differences and come to a common view, rather than asking the commission to try, inevitably without complete success, to reconcile irreconcilable demands.

"Europe has to develop a much more sophisticated response to the challenge of globalisation," he said.

He urged Europe to launch a drive to increase and promote more trade and investment with rising powers like China and India, and to actively attract talent from these countries.

PHOTO: LANKABANGLA

Mohammad A Moyeen, chairman, Sayyed Husain Jamal, managing director, and Ahmed Zafrul Hasan, senior vice president of LankaBangla Finance Ltd, pose for photographs with a replica of the newly launched LankaBangla MasterCard at a function in Dhaka Monday. LankaBangla Finance re-launched its Vanik Card as LankaBangla MasterCard.

PHOTO: DBBL

Md Yeasin Ali, managing director of Dutch-Bangla Bank Limited (DBBL), yesterday inaugurates an ATM booth at the bank's Nababpur branch in Dhaka. Ali Ahmed Dewan, executive vice president and manager of DBBL Nababpur branch, among others, was present.

Blair oversees trade deals with China

AFP, *Beijing*

British Prime Minister Tony Blair held talks Tuesday with his Chinese counterpart Wen Jiabao and was to oversee the signing of a raft of important trade and investment deals before leaving for India.

The bilateral element to his two-day trip follows the hosting Monday of the annual EU-China summit which Blair attended as part of Britain's turn at the six-month rotating presidency of the 25-nation bloc.

His visit has been boosted by the settlement Monday of a Sino-EU trade row that has left 80 million Chinese-made garments piled up in European ports, unable to be delivered to shops under a quota pact agreed in June.

During talks with Wen, Blair is scheduled to review the programmes of task forces set up by the two sides during his last visit in 2003 to facilitate bilateral trade and investment, finance, energy, education and culture.

Britain in the largest European investor in China, pumping 12 billion dollars into the country by the end of last year and there are 4,300 British-Sino joint ventures.

British exports to China in 2004 soared 30 percent year-on-year to 2.4 billion pounds (4.34 billion dollars), and Blair is to oversee a host of fresh trade deals by British and European companies.

PHOTO: GRAMEENPHONE

Taufiqul Islam Choudhury, head (Admin and Accounts) of Asa, a local NGO, and Tanvir Ibrahim, head (Corporate Sales) of GrameenPhone Ltd, sign an agreement in Dhaka recently. Under the deal, Asa has become a corporate client of the mobile phone operator.

PHOTO: THE ORIENTAL BANK

The Oriental Bank Ltd organised a two-day workshop on 'Managing Core Risks in Banking' for its executives in Dhaka recently. Md Imamul Hoque, deputy managing director, inaugurated the workshop, while Mahmud Hussain, EVP, and Qumrul Islam, senior vice president of the bank, were also present.

Vanik Card now LankaBangla MasterCard

STAR BUSINESS REPORT

LankaBangla Finance Limited, a Bangladesh-Sri Lanka joint non-banking finance organisation, on Monday re-launched its Vanik Card under the brand name of LankaBangla MasterCard.

The credit cards of LankaBangla, formerly Vanik, are being issued in co-operation with MasterCard International.

LankaBangla introduced the new cards at a press conference in Dhaka. Mohammad A Moyeen, chairman, Sayyed Husain Jamal, managing director, and Ahmed Zafrul Hasan, senior vice president of LankaBangla, spoke at the press conference.

The new LankaBangla Mastercard is available in two categories -- gold and classic -- with annual fees of Tk 2,000 and 1,000 respectively.

LankaBangla also announced an introductory offer for 100 percent waiver on membership fee for all applications received on or before 30th September and 50 percent for those received between October 1 and 31.

LankaBangla started its journey in Bangladesh in 1997 as Vanik Bangladesh. It issued credit cards in 1998.

ROK calls for EU-style Asia-Pacific bloc

AFP, *Seoul,*

South Korean President Roh Moo-Hyun urged nations in the Asia and Pacific region Tuesday to follow the European Union model in building a regional economic bloc.

Speaking at a general meeting of the Pacific Economic Cooperation Conference (PECC), Roh said Asian and Pacific countries should overcome the pessimism that is holding back the launch of such an economic union.

"I have long dreamed of a regional union like the EU materializing in Northeast Asia," Roh said. "I should not be the only one who dreams of it and it can be realized if all of us proceed with the same hope."

Many experts and officials in the region see obstacles to an Asia-Pacific regionional trade bloc in the shape of nationalist friction between states and the wide variance in the degree of development of individual countries.

But Roh said enhanced regional cooperation would reduce economic gaps and develop a complementary relationship to make such a dream a reality.

"Pursuing a regional economic union will be more effective on a long-term basis because signing of bilateral free trade agreements not only takes a considerable amount of time and effort but also has the potential to reduce the effects of liberalization originally intended," Roh said.

He suggested that PECC, a non-governmental policy forum, discuss the matter and present a roadmap on the proposal to the Asia-Pacific Economic Cooperation (APEC) forum of government officials.

CURRENCY

Following is Tuesday's (September 6, 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	65.7900	65.7681	65.7242
84.5772	84.6151	EUR	81.4283	81.4011	81.3469
124.2041	124.2598	GBP	120.2904	120.2503	120.1701
52.1551	52.1785	AUD	49.6386	49.6220	49.5889
0.6216	0.6218	JPY	0.5981	0.5979	0.5975
54.8897	54.9143	CHF	52.7755	52.7580	52.7228
9.3747	9.3789	SEK	8.3899	8.3871	8.3815
56.7843	56.8097	CAD	54.6928	54.6746	54.5381
8.6403	8.6442	HKD	8.4506	8.4478	8.4422
40.8442	40.8625	SGD	39.1980	39.1850	39.1588
18.3800	18.3882	AED	17.7681	17.7622	17.7503

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner

Local Interbank FX Trading
Local interbank FX market was active on Tuesday. Demand for dollar remained steady.

Local Money Market
Money market was active. Call money rate was almost unchanged and ranged between 5.00 and 5.50 percent.

International Market
The dollar rose against major currencies on Tuesday, recovering from three-month lows hit earlier in the week, as oil prices eased and investors speculated about the Federal Reserve's next interest rate move. The yen found some support from confidence that the Japanese economy is finally escaping deflation and stagnation, attracting foreign investors who have helped push Tokyo stocks. On the other hand, euro zone retail sales data showed sales lower than expected in July, signalling continued weakness in consumer demand.

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STOCK