

WTO meetings fail to do much to clear deadlock

AFP, Geneva

Days of meetings at the World Trade Organisation have done little to clear the deadlock that is threatening a crucial summit in Hong Kong, now less than eight weeks away.

Trade officials and diplomats at the WTO are growing increasingly worried about prospects for their December 13-18 Hong Kong conference, which is meant to cap four years of talks on a wideranging trade liberalisation accord.

Fears are mounting that the summit could turn into a replay of the WTO's failed summits in Seattle in 1999 and Cancun in 2003, which set back by years its talks on liberalising global commerce.

The 148 trading nations in the WTO have in the past swung from deep despair to euphoria, and now the

mood is gloomy as their talks threaten to unravel.

"The process is on life support right now," Crawford Falconer, the New Zealand ambassador leading farm trade negotiations.

"It's probably another 10 days before the doctor decides to switch it off or not," he told reporters.

A crunch meeting Wednesday between WTO heavyweights turned into a round of "EU-bashing," according to another diplomat, rather than resolving the enduring differences between Brussels and Australia, Brazil, India and the United States.

The WTO works by consensus, not votes, so a deal will only emerge in Hong Kong if all members agree. But compromise among the big hitters has traditionally been the way talks at the WTO move ahead.

Spats between the five are hampering efforts to get ready for the summit, where the target is to approve the outlines of a multilateral trade accord tearing down barriers to commerce and giving developing countries a boost.

The US and EU have long been reluctant to make concessions on their much-criticised farm subsidies and import tariffs, which have been in the sights of developing countries for distorting world trade against the poor.

Almost two weeks ago they came forward with reform proposals billed as a way to revive the sluggish Doha Round negotiations, launched in 2001.

The move kicked off a new series of WTO meetings this week, but these soon descended into sniping over who had to make the most concessions.

Trade concessions needed: Wolfowitz

REUTERS, Helsinki

World Bank President Paul Wolfowitz said on Saturday all sides need to give some ground if the Doha Round of world trade talks is to succeed.

Talks have deadlocked over tariff cuts, particularly in agriculture, and major players say the negotiations risk collapse before a key World Trade Organization (WTO) meeting in Hong Kong in December.

Wolfowitz said success was critical to improving the lot of developing countries.

"Everyone, developing countries and developed countries, is going to have to give a little, everyone, in order to get this process moving forward, which will benefit everyone around the world," he told a news conference on a visit to Finland.

He added that while agriculture was crucial, there also had to be some give and take on services and industry.

"Developing countries need to open up also and it's not just agriculture, though I believe that's the most important one for the poor countries, but there's got to be some movement on services and manufacturing as well."

"It needs movement on a broad front."

The World Bank president said benefits for developing countries would come almost as much from liberalizing trade among them as between them and developed countries.

Major WTO players, including the United States, have accused the European Union of stalling progress toward a global trade pact by the December deadline by digging in its heels over imports.

WTO chief Pascal Lamy urged the European Union and the United States on Friday to make concessions on agriculture to achieve a breakthrough.

Dollar gets fresh momentum

AFP, New York

The dollar swung higher against its main rivals Friday as traders eyed the possibility of stronger US economic growth in light of recent declines in energy prices.

The euro dipped to 1.1949 dollars at 2100 GMT, against 1.2018 late Thursday in New York as the market continued to test key levels around 1.19 to 1.20.

The dollar meanwhile rose to 115.88 yen after 115.33 on Thursday.

The market keenly watched crude oil dropping below 60 per barrel for the first time in over two months, even though the closing price in New York ended higher Friday, said analysts at Forex Capital Markets.

"Over the past four days prices of the volatile liquid have eased nearly seven percent, while declining 16 percent since setting their record price at 70.85 dollars in late August," they wrote.

"These lowering energy prices will decrease costs for producers and consumers alike while increasing demand and spurring economic growth for the world's largest economy."

Stronger growth and lower oil prices could allow the Federal Reserve to lift interest rates higher in the coming months, the analysts noted.

But others said the dollar's recent rally may be losing steam.

"The dollar had strengthened because of yield differentials. Now central bankers around the world, not just in the US, are cranking up the threat of inflation. The differential is now narrower," said Marios Maratheftis, a currency strategist at Standard Chartered in London.

Central bankers as far flung as South Africa and Canada have been talking about rising price pressures. In Europe too, the rhetoric has been decidedly hawkish.

As a result, the yield differential between the United States and elsewhere is diminishing and the dollar is not as attractive as it used to be as a high-yielding currency, said Maratheftis.

The pound meanwhile held relatively firm after British third-quarter gross domestic product data came in roughly as forecast.

Growth on a 12-month comparison stood at 1.6 percent during the third quarter -- taking the 12-month rate up from its 12-year low of 1.5 percent in the previous quarter, official data showed.

In late New York trade, the dollar stood at 1.2920 Swiss francs from 1.2878 Thursday.

US airlines' international growth raises concern

REUTERS, New York

US airlines are increasingly shifting flights from highly competitive domestic routes to international destinations, but some observers are worried their rush to do so could create a glut, driving fares lower.

That would be good news for passengers, but yet another blow to the major U.S. carriers, which are struggling with soaring fuel prices and competition from low cost rivals.

"I would be disingenuous if I said I wasn't concerned," said American Airlines Chief Executive Gerard Arpey in an analyst conference call this week. "I think the

capacity additions I've read about may not necessarily prove profitable for those that are entering those markets."

Despite those concerns, AMR Corp.'s American, like Delta Air Lines Inc., Continental Airlines Inc. and UAL Corp.'s United Airlines Inc., is planning to boost international capacity next year, betting its new destinations -- such as Shanghai and New Delhi -- will be money makers.

"Markets that don't work we're going to step away from," Arpey said, pointing to the top U.S. airline's recent decision to end service from Chicago's O'Hare to Nagoya, Japan.

Still, the possibility of a glut of seats to foreign destinations remains a concern for the industry, analysts say.

"They do inherently become less profitable with more competition that floods in there," said Morningstar analyst Chris Lozier, adding that low-cost carriers, which have mostly shunned overseas routes, could eventually be another threat.

Leading the charge has been newly bankrupt Delta, No. 3 in the United States, which said on Tuesday it would add 11 routes to Europe and the Middle East in 2006 in a bid to become the world's leading transatlantic airline.



PHOTO: CITYCELL

Haider Ali, vice president of Standard Bank Ltd, and Sharif Shah Jamal Raj, assistant vice president and head of Sales & Corporate Customer Care of Pacific Bangladesh Telecom Ltd, the owning company of cellphone operator CityCell, shake hands after signing an agreement recently. Under the deal, the bank has become a corporate client of CityCell.



PHOTO: BASIC BANK

Participant officers and assistant officers pose for photographs with the senior officials of Basic Bank Ltd at the concluding session of a foundation course organised by the bank recently in Dhaka. AH Ekbal Hossain, managing director, distributed certificates among the participants.



PHOTO: REL MOTORS

REL Motors Ltd, a concern of Rangs Group of Companies, recently opened the company's first showroom at Asad Gate on Mirpur Road in Dhaka. Aktar Hussain, chairman and managing director of the company, among other senior officials, was present at the inauguration.



PHOTO: A POSITIVE

Brac Bank Ltd and Flora Ltd signed a memorandum of understanding (MoU) recently in Dhaka. Under the MoU, the bank will offer financial assistance to the customers who want to buy computers, printers, scanners, laptops, cameras and other computer accessories from Flora Ltd. M Ehsanul Haque, managing director of Brac Bank, Mustafa Shamsul Islam, MD of Flora, and other senior officials from both the sides were present at the signing ceremony.

Subaru vehicles at REL Motors' new showroom

REL Motors Ltd, a concern of Rangs Group of Companies, has recently opened the company's first automobile showroom at Asad Gate on Mirpur Road in Dhaka.

Aktar Hussain, chairman and managing director of the company, was present at the inauguration of the showroom, says a press release.

The company as a sole distributor will market and sell Subaru brand vehicles of Fuji Heavy Industries Ltd in the country. The vehicles feature AWD, cruise control and highly efficient engine performance, according to the press release.

China to adopt new jobless rate method in '06

REUTERS, Shanghai

China will release an unemployment rate next year calculated under a method that could double the figure from levels now reported, according to a report in the official China Daily Saturday.

China will start to announce unemployment figures derived using the "investigation method" starting in the second half of next year, the paper reported, citing Yu Xiuqin, a spokeswoman for the Beijing Municipal Bureau of Statistics.

"The unemployment index calculated through investigation will be much bigger than the current urban-registered unemployment rate," Yu told the newspaper.

"The change was done to follow international practices".

Figures using the new method will be more accurate and about double current ones, Wang Xiaolu, deputy director of the National Economic Research Institute under the China Reform Foundation, told the China Daily.

Yu said unemployment rates using the investigation method have been calculated in China since 2000, but said those figures have never been publicly released.