

EU offers major farm tariff cut in world trade talks

AFP, Brussels

The European Commission offered on Friday its steepest-ever cut in agricultural tariffs in an effort to break a deadlock in world trade talks, but also signalled that France might object.

The EU's executive said in a statement that it was proposing a cut of 60 percent in the EU's highest tariffs and a range of cuts of between 35 percent and 60 percent for lower tariffs.

The commission is trying to live up to the expectations of its negotiating

partners, but the overall offer risks putting it on a collision course with France, which is a major beneficiary of farm subsidies.

Anticipating that conflict, the commission also noted that the offer was at the upper limit of its mandate, but remained within it.

France regards agriculture as a matter of vital national interest and has threatened to use its veto if the proposal is not satisfactory.

The commission said: "The European Union recognises that

agricultural negotiations have now entered a critical phase and these proposals represent a comprehensive, substantive and credible contribution."

It said it expected its negotiating partners to respond constructively.

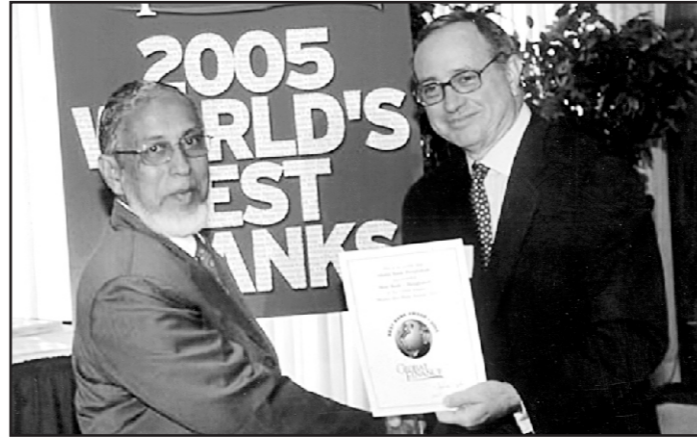
"The EU proposals are fully conditional on satisfactory movement in other areas of the negotiation," the statement said.

Trade commissioner Peter Mandelson said he believed France had already raised objections.

"There was a suggestion by France, I gather, that the proposals that we're making are outside the commission's negotiating mandate," he said, referring to talks earlier on Friday between member states.

"It's a matter for France obviously to make that claim and to sustain it," he added.

Mandelson said that the offer was the Union's "bottom line" and urged the negotiating partners -- the United States, Brazil, India and Australia -- to respond in kind before December.



Abdur Raquib, executive president of Islami Bank Bangladesh Ltd, receives the 'Best Bank in Bangladesh' award for the year 2005 from Joseph D Giarraputo, publisher and president of Global Finance, a financial magazine published from New York and circulated throughout 158 countries, at an award giving ceremony recently in Washington DC, USA.

ROK farmers protest rice import law

AFP, Seoul

Angry South Korean farmers dumped rice bags and farming machines outside government offices on Friday in protest against an international deal on increasing rice imports.

The protests came a day after a national assembly committee passed a rice import motion and forwarded it to the plenary session for ratification with farmers dumping tens of thousands of rice bags on the grounds of county offices, Yonhap news agency said.

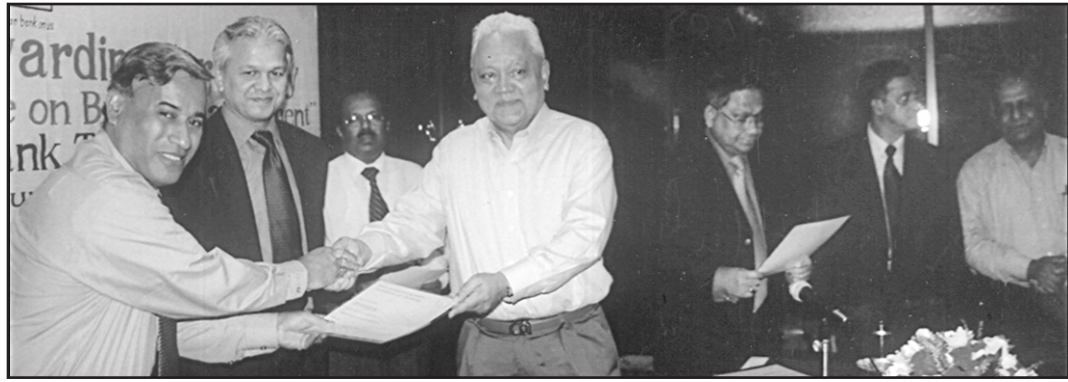
Farmers also burned farming machines in a southeastern granary while television showed protesters

fighting riot police, and scattering rice seeds outside local government buildings.

The government has pledged greater financial benefits for the embattled farming community but farmers say they will step up protests if the national assembly endorses the rice deal.

South Korea last year agreed to double rice imports to meet a World Trade Organization (WTO) accord that allows Seoul a grace period until 2014 before it must open its market.

The government presented the deal to parliament in June but its ratification was delayed due to the protests.



Syed Manzur Elahi, chairman of Mutual Trust Bank Ltd, gives away certificate to a participant of an 'Advance Course on Branch Management' at a function in Dhaka recently. Other senior officials of the bank were also present.

Nissan grows quarterly profits despite tough climate

AFP, Tokyo

Nissan Motor said Friday net profit rose by about eight percent in the three months to September as sales grew despite what chief executive Carlos Ghosn described as a "severe business environment".

Rising material and fuel costs as well as increased interest rates and sales incentives were posing challenges to international automakers, said Ghosn, who is credited with saving Nissan from bankruptcy.

The Brazilian-born executive said Japan's second-largest automaker was preparing for more tough times.

"Globally, we remain bearish (negative) on the prospects for growth in the North American, Western European and Japanese markets," he said.

"For the new and emerging markets, such as China, the picture is mixed, with the days of almost automatic profit deriving from significant market growth largely behind us.

"Only Russia and India appear to provide good visibility and prospects in the near future," he said.



Abu Haniff Khan, managing director of Premier Bank Ltd, gives away certificate to a participant of a training course on 'Credit Risk Management and Anti Money Laundering' organised by the bank recently in Dhaka.

Vietnam tourism hopes rise again

AFP, Hanoi

With its old-world charm, mountain scenery and long unexploited stretches of sand, Vietnam's tourism sector is booming again as international hotel groups and investors return after years of mistrust.

Vietnam welcomed 2.9 million visitors last year, up from 2.4 million in 2003. It is aiming to attract 3.2 million this year, despite the threat of bird flu having an impact on.

According to the World Trade and Tourism Council, the country should be one of the 10 most dynamic

destinations of the next decade.

And now the time for huge investments has returned.

Victoria Hotels and Resorts, a subsidiary of French Electricite et Eaux de Madagascar, has been stepping up investment in the country and now controls the capital of five hotels.

Accor, Starwood, Hyatt, Hilton and also Marriott have preferred to sign management contracts with the hotel owners, often Asians grouped in joint-ventures with Vietnamese operators.



MA Quader, marketing manager of Bata Shoe Co (Bangladesh) Ltd, inaugurates a Bata Shoe agency at Hosaf Shopping Complex in Malibagh, Dhaka recently.

Weekly Currency Roundup

Oct 23-Oct 27, 2005

Local FX Market
Demand for US dollar remained steady in the market throughout the week.

Money Market
In the Treasury bill auction held on Sunday, bid for BDT 11,337.00 million was accepted, compared with total of BDT 12,873.00 million in the previous week's bid. Weighted average yield was almost unchanged.

Call money rate was stable through out the week. The rate was range-bound at 5.75 to 6.25 percent in the week.

International FX Market
The yen pulled up from last week's two-year low against the US dollar and gained versus euro on Monday after a Chinese central bank adviser said further changes in the central bank's yuan policy were inevitable. Yu Yongdan, head of the Institute of World Economics and Politics at the Chinese Academy of Social Sciences, said further appreciation in the yuan was inevitable in the long run, but that any changes would likely be gradual. The yen had been struggling in the recent weeks as Japanese investors focused on high-yielding foreign bonds. Analysts said the dollar remained firmly supported despite the small rise in yen, as investors bet on continued gains in US interest rates.

The euro eased from 2-week highs against the US dollar in the middle of the week as investors took profits on the single currency's rally that came after strong German data boosted expectations of higher euro zone interest rates. The previous session's drop in US consumer confidence contrasted with strong German data and fanned expectations that the dollar's interest rate advantage over euro could narrow. But euro failed to build substantial new ground and fell victim to profit taking in the European morning. Data on Tuesday showed the Conference Board's US confidence index for October fell to a 2-year low of 85.0, dueling concerns that soaring oil prices could curb US consumer spending. Meanwhile German's Ifo business climate Index rose to a 5-year high in Oct of 98.7.

The dollar fell from a two-year high against the yen on Thursday as investors grew concerned that an investigation into accounting practices at General Motors Corp. would increase global risk aversion.

Meanwhile, Europe's single currency got a boost from comments by European Central Bank council member Erkki Liikanen who reiterated the bank's call for vigilance against inflation. Investors have started buying euro against the dollar in recent sessions on view that the US currency's yield advantage would diminish over time as the ECB starts to raise interest rates. The dollar fell around 0.6 percent down on the day against euro. It was also down half a percent against the yen.

-Standard Chartered Bank

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