

# Key WTO players to meet in London to get talks on track

AFP, Geneva

Five leading players in world trade are set to try once again to resolve bitter disputes that are holding up negotiations on a treaty to liberalise global commerce, diplomats said Monday.

Senior trade ministers and officials from Australia, Brazil, the European Union, India and the United States are scheduled to meet in London on November 7 before regrouping the following day at the Geneva headquarters of the World Trade Organisation, European trade diplomats told

AFP.

The 148 governments in the WTO are struggling to prepare for a December conference in Hong Kong, where they hope to approve the broad outlines of a multilateral accord cutting customs duties, subsidies and other barriers to commerce.

The WTO aims to start drafting documents for the Hong Kong meeting by mid-November.

Although all members must approve the deal, an agreement between the five trading powers is seen as crucial because they epitomise many of the diverging interests at the WTO.

EU Trade Commissioner Peter Mandelson, US Trade Representative Rob Portman, Australian Minister for Trade Mark Vaile, Brazil's Foreign Minister, Celso Amorim, and India's Commerce Minister, Kamal Nath, are due to take part in the London meeting, diplomats said.

The EU is currently under fire from the other four, who claim Brussels has failed to offer deep enough cuts in import duties on farm produce. But the 25-nation EU has also

faced internal splits. France, which regards agriculture as a matter of vital national interest, has vowed to oppose any deal worked out by the EU executive commission that goes too far.

The EU is pressing other members in turn, saying they need to offer more on trade in industrial goods and in services, such as banking.

WTO members launched their Doha Round of trade talks in the Qatari capital in 2001. But progress has been slim since then, notably because of splits over the farm trade.



PHOTO: RANGS ELECTRONICS LTD

Tanvir Hossain, marketing and distribution manager of Rangs Electronics, formally inaugurates a showroom of the company on Abdul Hamid Road in Pabna recently. Other senior officials of the company were also present.

# Dollar hits a new two-year high against yen

AFP, Tokyo

The dollar struck a new two-year high against the yen Tuesday on the prospects of a 12th straight rise in US interest rates as the American economy weathers hurricanes and high energy costs, dealers said.

The dollar climbed to as high as 116.66 yen in early Asian trade, the highest level since September 2003.

It later eased back to 116.48 yen in late Tokyo trade, compared with 116.37 yen in New York late Monday.

"It seems that the market is now eyeing the 118 yen level as a major upside target (for the dollar)," said Bank of Tokyo Mitsubishi chief strategist Osamu Takashima.

The euro slipped to 1.1977 dollars here from 1.1990 dollars in New York and was flat at 139.52 yen.

The US Federal Open Market Committee was expected to boost the federal funds rate by 25 basis points to 4.0 per cent at its meeting later Tuesday, sticking to Fed chairman Alan Greenspan's policy of gradual rate hikes.

The currency market barely reacted to Japanese Prime Minister Junichiro Koizumi's cabinet reshuffle Monday which contained no big surprises, favouring outspoken conservatives and reformists, dealers said.

A technical glitch that caused a suspension of trading at the Tokyo Stock Exchange Tuesday also had a negligible impact on the yen, they added.

The dollar was said to have garnered strength from a strong regional US manufacturing survey released Monday along with fresh signs of higher inflation.

A report on US spending and income showed additional strength and a key inflation indicator in that report suggested the Federal Reserve would stick to its policy of gradual rate hikes.

In afternoon trade, the dollar was mixed at 1,042 South Korea won, down from 1,043.6 on Monday, at 40.815 baht after 40.775 and at 1.6946 Singapore dollars after 1.6919.

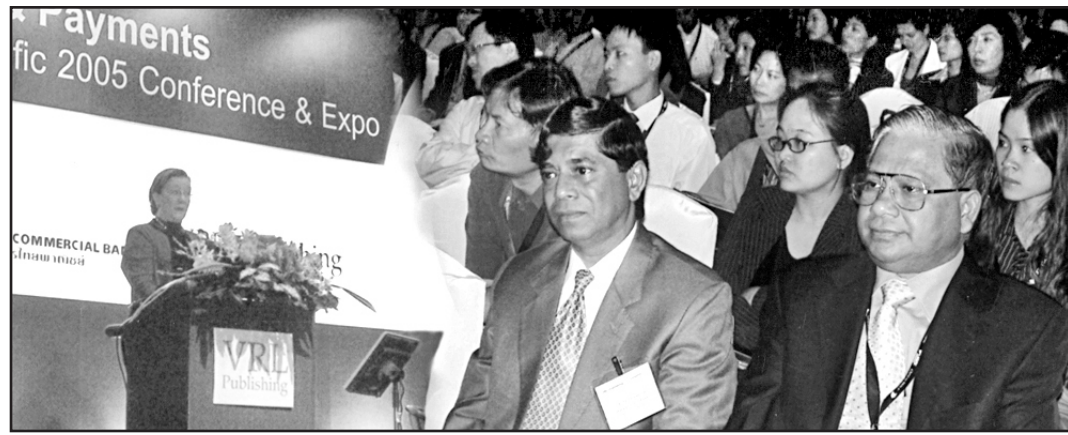


PHOTO: MUTUAL TRUST BANK LTD

Mutual Trust Bank's Managing Director Mosharrar Hossain and Executive Vice President AKM Shameem are seen at the "Cards and Payments Asia-Pacific Conference and Expo-2005" in Bangkok recently. The conference was jointly organised by Lafferty Group, UK and VISA. Some 300 delegates from 40 countries joined the conference.



PHOTO: PRIME BANK LIMITED

Sarder Mohammad Shahjahan, general manager of Bangladesh Bank, Khulna Branch, speaks as chief guest at a workshop on 'Anti-Money Laundering' organised by Prime Bank Training Institute in Khulna recently.

## China raises yuan forex limit for Hong Kong

AFP, Shanghai

China's central bank said Tuesday it has raised the yuan exchange limit for Hong Kong individuals to 20,000 yuan (2,470 US dollars, 19,184 Hong Kong dollars) per transaction from 6,000 yuan.

The move was seen as part of a package of measures aimed at promoting economic ties between the mainland and the region.

The central bank statement also said it raised the ceiling on yuan remittances to 80,000 yuan from 50,000 yuan.

Hong Kong businessmen can now exchange their yuan deposits into Hong Kong dollars but they are still barred from changing their Hong Kong dollar deposits into yuan.

The action was aimed at expanding economic, trade and financial ties between Hong Kong and China and to strengthen the former British colony's position as a global financial centre, the People's Bank of China said.

Analysts said the move would channel more mainland capital to Hong Kong, helping to ease pressure on yuan appreciation.

## Indonesia's inflation soars after fuel price hike

AFP, Jakarta

Indonesia's inflation rate soared in October after a sharp fuel price hike at the start of the month, data showed Tuesday, as the central bank warned growth was likely to slow this year in Southeast Asia's largest economy.

The country's consumer price index (CPI) rose 8.7 per cent in October from September and was up 17.9 per cent year-on-year, the Central Bureau of Statistics said. Inflation in the 10 months to October stood at 15.7 per cent.

The increases were far above market and central bank expectations, with Bank Indonesia forecasting a month-on-month rise of 5 per cent and a year-end forecast of just 15 per cent.

The government raised fuel prices on October 1 by an average of 126 percent to relieve some of the pressure caused by crippling state fuel subsidies, after global oil prices struck historic highs.

Central Bureau of Statistics head

Choiril Maksum told a news briefing that all CPI components jumped in October, with transportation and communication prices soaring 28.6 per cent month-on-month.

Investors reacted skittishly, with the stock market falling 8.123 points or 0.76 per cent during the morning session to 1,058.101, off a high of 1,077.110.

Bank Indonesia separately said it saw third quarter economic growth in Southeast Asia's largest economy as growing by 5.2 to 5.7 per cent year-on-year, as it warned growth may slow further with full year growth forecast at 5.5 to 6.0 per cent.

Growth was 5.54 per cent in the second quarter and 6.19 per cent in the first.

The government's official GDP growth forecast for 2005 is 6.0 per cent.

"The declining trend can be seen from some leading indicators such as business sentiment and consumer confidence," the bank said.

## Turkey okays IMF-sought banking law

AFP, Ankara

Turkish President Ahmet Necdet Sezer has signed into law a banking reform bill sought by the International Monetary Fund (IMF), but will seek the cancellation of several provisions at the constitutional court, his office said Tuesday.

The statement did not say which provisions Sezer would challenge, but the president had earlier vetoed the bill, raising objections to articles related to staff appointments to banking watchdogs and changes in the functioning of social security funds.

The parliament last month

adopted the bill for the second time without amendments, leaving the president with no option but to promulgate it.

The bill, which aims to strengthen Turkey's financial sector by enhancing the monitoring of banks and better regulating savers' interests, is one of the key elements in a 10-billion-dollar stand-by deal that Ankara signed with the IMF in May.

The IMF is expected to release 1.6 billion dollars (1.3 billion euros) in loans for Turkey in December, after delays in reforms sought from Ankara prompted the Fund in July to freeze loans under the stand-by deal.

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