

Asean admits trade talks hit troubles

AFP, Kuala Lumpur

Negotiations over a raft of free-trade deals between Southeast Asia and its neighbours have run into problems, but the region remains committed to striking deals, a top official said Saturday.

"Not all of them are moving along satisfactorily as we would like to see," Association of Southeast Asian Nations (Asean) chief Ong Keng Yong said at a business forum on the sidelines of the bloc's annual summit.

Ong said that deals with China, India, Japan, South Korea, Australia and New Zealand had hit difficulties

over reaching common standards, as well as balancing the interests of different business lobbies.

"We are carrying on our negotiations with China on trade and services and investment groups," he said of the Asean-China free trade agreement, which is targeted to be struck by 2010.

"For Korea, we have moved forward, although there are still some difficulties," he said.

"For Australia and New Zealand, we have intensified our negotiations and there are various activities ongoing which will be facilitating" discussion.

With the economies of regional

heavyweights Japan and India, Ong indicated discussions were tough.

"We are undergoing very hard negotiations but we believe we should be able to come up with something satisfactory that is good," he said, without elaborating.

The Asean chief said that despite the hurdles, it was vital that the free-trade agreements (FTAs) were reached.

"We are committed to concluding all these FTA negotiations because we don't just believe in the economic value of these FTAs, we believe that the FTAs will help Asean to secure our future and compete well with the rest of the competitors in the

globalised economies," he said.

Underlining the difficulties, Thailand on Friday refused to sign a trade agreement between South Korea and Asean, baulking at Seoul's insistence that rice be protected from tariff cuts.

Ong said that Asean was still optimistic that the two sides will come to an agreement on the trade accord, which is a precursor to a full FTA.

"There will be problems but at the end of the day, it will happen in a slow way," he said.

Rising interest rates may hurt Asia: ADB

REUTERS, Tokyo

Rising interest rates in industrial nations could hurt exports from developing Asia, though the direct impact would be limited as Asian nations have reduced debt in recent years, Asian Development Bank (ADB) President Haruhiko Kuroda said Friday.

Kuroda said long-term interest rates in countries such as the United States, which have been low despite economic expansion, will eventually start rising after a series of credit tightening, and that will hurt housing investment in those countries.

"Once long-term rates start rising, that will bring down housing prices and then affect consumption and the overall economy there," Kuroda told Reuters in an interview.

"That will indirectly hurt exports from Asia's emerging and developing economies."

Kuroda said a rising trend in global interest rates could also increase the external debt burden for developing Asia, but the impact of such a risk should be limited.

"Fortunately, Asian nations have reduced external debt and fiscal deficits since financial crisis in the region (in 1997/98), and the direct impact from rising long-term rates on emerging and developing Asian countries should not be substantial."

The situation needed to be carefully monitored, however, as some Asian nations such as the Philippines still have large fiscal deficits.

Finance ministers and central bankers of the Group of Seven last week pointed to growing inflationary pressures as one of the risks facing the global economy and discussed the impact of rising interest rates on global capital flows.



PHOTO: A POSITIVE

Dav Whatmore, brand ambassador of Brac Bank Ltd and coach of Bangladesh cricket team, and Imran Rahman, deputy managing director of the bank, pose for photographs after inaugurating the bank's 'Score & Win' campaign at Bashundhara City shopping mall in Dhaka recently. Under the campaign, which will run until January 15, 2006, clients of the bank will get four runs on every cash withdrawal from the bank's ATM (automated teller machine) and six runs on every purchase by using the bank's POS at different designated shops. Customers will earn Tk 500 for 50 runs and Tk 1000 for 100 runs.

IIDFC to raise syndicated loan for Pran Group

Industrial and Infrastructure Development Finance Company Ltd (IIDFC) will raise syndicated loan in local currency for Pran Export Ltd and RFL Plastics Ltd.

A memorandum of understanding (MoU) to this effect was signed between the two organisations on Thursday in Dhaka, says a press release.

Amjad Khan Chowdhury, chief executive of Pran Group, and Mahmood Malik, managing director of IIDFC, signed the MoU on behalf of their organisations.

IIDFC will raise the syndicated loan, which will be utilised for installation of a new food processing concern and also for expansion of existing plastic product manufacturing project.



PHOTO: PRAN GROUP

Amjad Khan Chowdhury, chief executive of Pran Group, and Mahmood Malik, managing director of Industrial and Infrastructure Development Finance Company (IIDFC) Ltd, sign a memorandum of understanding (MoU) on Thursday in Dhaka. Under the MoU, IIDFC will raise syndicated loan facilities for Pran Exports Ltd and RFL Plastics Ltd. Md Eleash Mridha, executive director of Pran Group, M Matuil Islam, IIDFC chairman, Proshanta K Halder, IIDFC vice-president, and K Shafiqur Rahman, head of Structured Finance of IIDFC, among others, were present at the signing ceremony.



PHOTO: ZAP NATURAL PRODUCT

Zahid Hossain, managing director of Zap Natural Product Ltd, and Daniele Rossi, MD of Italy-based M/s RG S.r.l, exchange documents after signing an agreement on Thursday in Dhaka. Under the deal, Zap Natural will export spirulina, herbs and herbal products worth two million euros to Italy in 2006. Altaf Hossain Choudhury, commerce minister, and Pietro Ballero, Italian ambassador to Bangladesh, among others, were present at the signing ceremony.

Yahoo teams up with Australia's Seven media

AFP, San Francisco

US Internet search Goliath Yahoo joined forces with Seven Network of Australia to compete in the online market down under, the companies announced on Friday.

Seven Network Limited and Yahoo Inc. will be equal partners in a holding company called Yahoo! Australia and New Zealand, according to a written release.

World sugar price may hit new highs in 2006

REUTERS, London

Global sugar prices are likely to hit new multi-year highs in 2006 as more Brazilian cane is converted into biofuel, but risk a violent selloff if the market sees a glut, traders and analysts say.

Raw sugar prices were near 10-year peaks and refined sugar was off nine-year highs, underpinned by the rising share of Brazilian cane allocated to produce ethanol, a biofuel, instead of sugar, in response to soaring crude oil prices.

Paris-based broker and analyst Jonathan Kingsman forecasts that raw sugar prices could rise to between 14 and 16 cents a lb next year, in part because of increased use of ethanol made from Brazilian cane for flex-fuel cars.

Benchmark New York (NYBOT) March SBH6 raw sugar futures SBH6 closed on Wednesday at 13.39 cents a lb, after trading from 13.21 to a life-of-contract peak of 13.49 cents a lb.

The session peak was the priciest for raw sugar on spot weekly charts since early 1996.

A veteran London sugar trader said prices of refined sugar futures would surge into 2006 on expectations of strong consumer demand, momentum from raw sugar and increasing ethanol demand, and a cut in European Union sugar output as reforms to the 25-member bloc's subsidy-laden regime roll out from July 2006.

Sergey Gudoshnikov, senior economist of the International Sugar Organization (ISO), said the outlook was positive as sugar is seen increasingly as a source of energy as well as food.

But traders warned that if the market sees an oversupply of sugar compared with demand, futures prices could slide suddenly.



PHOTO: EXECUTIVE MOTORS LIMITED

Roland Krueger, BMW managing director for Asia region, gives away 'The Best Facilities 2005' to Mizanur Rahman, chairman of Executive Motors Limited (EML), the Bangladesh dealer of BMW, for the best after sales services of the vehicles. Moklasur Rahman, managing director of EML, is also seen at the award-giving ceremony held in Singapore recently.

ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle Draw was held at ReadyCash Bangladesh Office at Dhanmondi in Dhaka yesterday, says a press release.

Prizes	Name of Winners	Card Number
Life Style-Super Shop/Free Gift Box	Md. Sakhawat Ali	5047980010036662
China Junction Chinese Restaurant Free 5047980000058938 Lunch/Dinner for two		Mahfuza Akter
Pallabi Computers-Computer learning Centre/Free Internet Browsing	Nabi Hussain	5047980000058925

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, and 8125294-7.