



## WTO Hong Kong Ministerial 2005

### WTO compromise betrays poor countries

#### Say lobby groups

AFP, Hong Kong

Anti-globalisation agencies condemned a compromise deal reached yesterday by the World Trade Organisation (WTO) as a betrayal of the poor countries who were supposed to benefit most from global reform.

The modest statement adopted late Sunday after six days of grueling negotiations allows agricultural export subsidies to run until 2013, as demanded by the European Union, rather than a 2010 date pushed by the United States and key developing nations.

It also makes little progress on other issues important to poor countries.

While the G20 group of developing nations reluctantly accepted the deal, saying it gave some credibility to the previously-stalled trade talks, the non-governmental organisations (NGOs) at the Hong Kong meeting took a harder line.

"This is not a deal, it's a fraud," the head of ActionAid's trade justice campaign Aftab Alam Khan told AFP.

The outcome was "an insult to the world's 2.4 billion poor people" ActionAid said.

"This summit is a failure. It has

delivered only paltry reductions in subsidies and gone into dangerous terrain on the privatisation of basic services such as water and healthcare."

The anti-poverty campaign group dismissed the likely impact of ending EU farm export subsidies and US cotton export subsidies.

By 2013, the cuts in EU farm export subsidies will only amount to one billion euros, it said. "This pales into insignificance compared to the 55 billion euros that the EU gives in domestic subsidies every year."

International aid agency Oxfam said the deal failed to deliver on the promise to help developing countries that was the central tenet of the Doha round of trade negotiations launched four years ago.

Oxfam's trade campaign chief Phil Bloomer said rich countries had conceded minimal access to their agricultural markets while opening up the sensitive industrial and services sectors of developing nations.

"This is a profoundly disappointing text and a betrayal of development promises," Bloomer said. "Rich country interests have prevailed yet again... small progress in agriculture is more than cancelled out by extremely damaging agree-

ments on services and industry."

Under the deal, developed countries have agreed to provide duty-free and quota-free market access for at least 97 percent of the exports from the poorest countries.

However, the International Confederation of Free Trade Unions (ICTFU) said the fact that rich countries would still be able to protect key products such as textiles was a disastrous result for African cotton-producing nations.

"This latest development is akin to rubbing salt into a raw wound; things for African countries are bad enough as it is," ICTFU general secretary Guy Ryder said.

At the beginning of the meeting, NGOs had called for developing nations to reject a deal rather than accept a compromise but environmental group Greenpeace said they caved in avoid being blamed for the collapse of the Doha round.

"This will mean further damage to the environment and to the interests of the poor," the head of Greenpeace's delegation at the meeting told AFP.

### Main points of HK deal

AFP, Hong Kong

The World Trade Organisation statement approved by the global body's 149 member governments here Sunday marks a further step in the Doha Round negotiations, launched in 2001.

Members aim to complete a final deal at the end of 2006 in order to start wide ranging trade reforms in 2008 that would reduce trade barriers and boost the economies of poor countries.

The following are the key areas of the statement:

**FARM TRADE**  
Governments accepted the elimination of all forms of export subsidies by the end of 2013. Such payments are seen as skewing farm trade, creating unfair competition for poor countries. A "substantial" part of the cuts are meant to be underway by around 2010. That was seen as a compromise between the European Union, which pushed for a later date, and Australia, Brazil and the United States, which wanted a 2010 cut-off. In exchange, the EU won a commitment that food aid, which Brussels says is misused by Washington to offload the US farm surplus, and monopoly firms that sell grain and dairy products from Australia, Canada and New Zealand will be examined to ensure they do not distort trade.

**COTTON**  
A key product of West African countries, cotton from the world's poorest nations will be allowed to enter markets in the industrialised world duty- and quota-free from 2008. However, this measure is seen as insufficient by African cotton-producing countries, which have the United States in their sights and note that Washington's import duties are under two percent. The real problem, they say, is the four billion dollars in subsidies paid to US cotton growers, which allow the American cotton sector to drive down world prices.

**DEVELOPMENT**  
Industrialised countries, and developing countries "declaring themselves in a position to do so," promised to give "at least 97 percent" of goods from the world's least developed countries access to their markets from 2008.

**INDUSTRIAL GOODS**  
This area logged the least progress. In exchange for farm trade concessions, rich nations wanted developing countries to give them more market access for manufactured goods. But the deal simply said that customs duties will be reduced to maximum levels which are yet to be set out.

**SERVICES**  
Negotiations on liberalising trade in this area, which includes banking, insurance and tourism, will aim at "promoting economic growth of all trading partners and the development of developing and least-developed countries," the deal said. Rich countries are pressing poor nations for more trade concessions.

## Sugar price soaring in retail market

### Price decreases in wholesale market

STAR BUSINESS REPORT

Although sugar price in the wholesale market declined yesterday, it continued soaring in the capital's retail market. Sugar was selling between Tk 54 and Tk 56 a kilogram in retail market.

Sugar was selling at Tk 50-52 per kg on Friday in the retail market, whereas it sold at Tk 47-48 only a week ago and Tk 39-40 after the Eid ul-Fitr early last month.

Price of per maund (37.32 kg) of sugar in the wholesale market yesterday was Tk 1,670 to Tk 1,675 while the price was Tk 1,705 to Tk 1,710 on Saturday.

In Kaptan Bazar wholesale market, a 50-kg bag of sugar was selling at Tk 2,300 to Tk 2,380 yesterday while the price was Tk 2,000 to Tk 2,100 only a

week ago.

However, the wholesale traders have sought government intervention to rein in the sharp hike both in the wholesale and retail segments.

The traders attributed the price hike mainly to international price hike of sugar and rise in dollar prices against taka coupled with reduction of sugar import, higher shipping charge and raising of pre-shipment inspection duty.

They also said illegal sugar import from India has decreased due to present tight security in the border area to control militant activities in the country, which is also a major reason for price hike of sugar.

Abul Hasem, president of Bangladesh Wholesale Sugar Merchant Association, said due to the reasons the importers are now in a

confusion whether to import sugar or not.

"At this moment, without government intervention it is not possible to rein in the sugar price," he added.

Besides government intervention, he said, the local sugar mills should provide more sugar for the traders. In the last month, the local sugar mills supplied 11,000 tonnes of sugar a day, he said.

Now there is a domestic demand for 50 to 60 thousand tonnes of sugar per month of which 90 percent is imported, he mentioned.

However, commerce minister and commerce secretary could not be reached to know about government initiative to check the sugar price as they were attending the sixth WTO Ministerial meeting in Hong Kong.

## Composite knit plant starts operations

STAR BUSINESS REPORT

S Suhi Industrial Park Knit Composite Unit, an export-oriented composite knit plant, started its formal operations on Saturday.

Lawmaker Dr Dewan Md Salauddin at a function formally inaugurated the composite unit at Zamgora under Savar upazila.

Among others, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Tipu Munshi, panel president SM Fazlul Haq, former president Quazi Moniruzzaman, Chairman and Managing Director of S Suhi Industrial Park Sirajul Islam and Managing Director of Engel Textile Ltd Dr Wolfram Engel also attended the function.

The knit composite unit has been set up on a 95,000 square feet space in the S Suhi Industrial Park with per day production capacity of 8,000 pieces of knitwear.

Addressing the function, Salauddin said garment industry is doing better than expected in the quota free era.

Tipu Munshi urged the entrepreneurs to set up more apparel units to help develop the country's apparel industry as well as the economy.

## India, Pakistan to begin work on Iran gas pipeline in '07

AFP, New Delhi

India and Pakistan hope to start construction of a multi-billion dollar natural gas pipeline from Iran in 2007 despite objections by the United States, reports said Sunday.

"We don't see any stumbling block. We are moving ahead... and the project will see the light of the day," Ahmad Waqar, secretary of Pakistan's petroleum ministry was quoted as saying in New Delhi by The Times of India newspaper.

Waqar's Indian counterpart S.C. Tripathi said that the construction of the project would start in 2007 for completion by 2010 if agreement is finalised as forecast by next May.

India has forecast that it would initially draw 60 million cubic metres (78 million cubic yards) of gas from the pipeline, and increase the quantity to 90 million cubic metres within two to three years, Tripathi said according to the Times of India.

Pakistan has estimated its initial demand at 30 million cubic metres which would double by 2013, he told the newspaper.

The 2,600-kilometre (1,600-mile) pipeline for Iran's Pars field is strongly opposed by the United States, which accuses Iran of trying to build a nuclear bomb.

## Robust growth surprises donors: Saifur

### Tk 100cr chemical plant inaugurated in N'ganj

UNB, Narayanganj

Finance Minister M Saifur Rahman said the country's robust economic growth has surprised the international donors and development partners.

"They are curious to know how could Bangladesh attain a sound economic growth despite terrorism and bomb blasts," he said while formally inaugurating a newly built Tk 100 crore chemical plant at Bhulta of Araihazar upazila in Narayanganj yesterday.

The new plant, HP Chemicals Ltd, the first of its kind in Bangladesh, will produce hydrogen peroxide, an industrial chemical used mostly by textiles and readymade garment units.

Minister for Housing and Works Mirza Abbas was special guest at the inauguration that was presided over by ATM Hayatuzzaman, chairman of HP Chemicals Ltd.

Saifur said the economic success took place due to the continuous stability in the macro-economic management.

He said that after the series of bomb blasts, the donor community questioned Bangladesh's situation and many expressed concerns.

But the steady economic growth and investment trend caused them to think positively.

He noted that World Bank has decided to send a team to study Bangladesh's economic success despite all these blasts and turmoil.

The chemical plant, built with

Chinese technical assistance and machinery to produce hydrogen peroxide, will meet parts of the demand for industrial chemicals in the country.

ATM Hayatuzzaman, chairman of the HP Chemicals Ltd, said this plant will serve as an excellent import-substitution industry, saving some substantial amount of foreign exchange for the country.

Hydrogen Peroxide has a wide range of industrial use, in particular for textile bleaching, paper industry, water purification and also medical cleansing.

The factory has been built on a sprawling 10-acre land, employing 250 Bangladeshi people, mostly professional mechanical and chemical engineers.

## 'Sub-standard CNG cylinders being imported'

STAR BUSINESS REPORT

Taking the advantage of rush of vehicle owners for CNG conversion, a section of businesspeople is importing sub-standard CNG cylinders, said Shafiqul Islam Kamal, president of Bangladesh CNG Filling Station & Conversion Workshop Owners Association.

Besides, some CNG conversion centres are installing oxygen and liquefied petroleum gas (LPG) cylinders in the name of CNG cylinder, which may cause accidents,

Kamal said yesterday at a press conference in Dhaka.

"But if the healthy growth of the CNG conversion industry is hampered, investment in the area will be endangered," he warned.

"At present, foreign currency equivalent to about Tk 300 crore is being saved every year as some 40,000 petroleum fuel-run vehicles have been converted into CNG-run vehicles. The number of CNG-run vehicles will reach one lakh in near future," he added.

He also said recently some cylinders of CNG-run vehicles

exploded, as those were not CNG cylinders, Kamal said.

He urged vehicle owners to be cautious while converting their vehicles.

At present, there have been some 106 CNG filling stations and 50 CNG conversion workshops across the country.

Among others, Colonel (Rtd) Syed Shahabuddin Ahmed, general secretary, and Md Fazlul Haque, treasurer of Bangladesh CNG Filling Station & Conversion Workshop Owners Association, were present at the conference.



WTO Director General Pascal Lamy (R) and WTO ministerial conference Chairman John Tsang shake hands at the closing session of the sixth World Trade Organization (WTO) ministerial conference in Hong Kong yesterday. The 149-member WTO adopted a compromise text that opens a way to an overall accord.

## US sees WTO pact with African cotton states

REUTERS, Hong Kong

The United States said on Sunday that it would jointly announce soon a deal with African cotton producers at World Trade Organization talks.

Deputy U.S. Trade Representative Karan Bhatia said talks had concluded successfully with Mali, Chad, Benin and Burkina Faso, the so-called C4, and Senegal, which say U.S. cotton subsidies are ruining them.

"I am very pleased to announce we have just concluded our cotton negotiations with the C4 countries - and Senegal and I think you will see shortly a joint agreement on a platform for moving forward," he said. Another top U.S. trade official told the same news conference that she was confident that a WTO ministerial meeting would end with an agreement on a proposed draft text.

"We are cautiously optimistic that in the next several hours we will have a very important platform for the Doha Development round," said fellow Deputy USTR Susan Schwab.