

China makes good progress in foreign trade in 2005

CEIS, Beijing

China's import and export volume this year is expected to exceed 1.4 trillion US dollars, 68 times of that in 1978, the starting year of China's reform and opening-up, Chinese Minister of Commerce Bo Xilai said.

In the first three quarters this year, China's revenue from customs duties totaled 387.7 billion yuan (48 billion US dollars), accounting for 16 percent of the country's total tax revenue, Bo said.

China has made remarkable achievement in foreign trade this year, concluding negotiations with Russia, Ukraine and Vietnam on their market access conditions

concerning accession to the World Trade Organization (WTO), he said.

China has just successfully held the WTO Hong Kong meeting and signed free trade area (FTA) agreement with Chile, he said.

Actually China is talking with 27 countries and regions on the establishment of nine FTAs, according to the ministry.

The Sixth WTO Ministerial Conference was held from Dec. 13 to 18 in Hong Kong with fruitful achievements. The 149 WTO members agreed to eliminate all forms of agricultural export subsidies by the end of 2013 and provided a formula for tariff reduction on non-agricultural products.

During the meeting, developed

nations also agreed to eliminate cotton export subsidies in 2006 and implement duty-free and quota-free market access for all products from least-developed countries.

"China has also made progress in market economy status issue this year," Bo said. Figures from the Ministry of Commerce showed 51 countries had officially acknowledged China's market economy status.

On China's textile talks with the European Union and the United States this year Bo said the trade dispute involved interest of over 20 million Chinese textile workers.

The final agreements with the European Union and the United States are fair and win-win, and

gain a relatively favourable international market for domestic textile industry, Bo said.

Since the elimination of global textile quota at the beginning this year, China's rocketing textile export has caused trade disputes with the European Union and the United States.

After rounds of talks, China signed a textile agreement with the European Union in June, and with the United States in November. According to the two agreements, some Chinese clothing and textile exports have been placed under import restrictions in the next few years.



PHOTO: AKTEL

Ahmad Bin Ismail, managing director of mobile phone operator AKTEL, and MI Khasru, chief operating officer of Chittagong-based real estate company Sanmar Properties Ltd, exchange documents after signing an agreement recently in the port city. Under the deal, Sanmar Properties has become a corporate client of AKTEL.



PHOTO: HSBC

Mamoon M Shah, manager (Personal Financial Services) of the Hongkong and Shanghai Banking Corporation (HSBC) Ltd in Bangladesh, and Hasin Jabbar, chief executive officer of Vantage Tours & Travels Ltd, pose for photographs at a memorandum of understanding (MoU) signing ceremony recently in Dhaka. Under the MoU, the 'Premier' customers of HSBC will enjoy certain exclusive benefits from Vantage Tours.

US markets hope for rebound after gloomy end to '05

AFP, New York

US stock market players hope for a rebound in the first week of 2006 after 2005 drew to a gloomy close for the blue-chip Dow average.

Over the past week, the Dow Jones Industrial Average lost 1.52 percent to close at 10,717.50, losing value over the course of the full year for the first time since 2002.

The tech-rich Nasdaq slipped 1.96 percent over the week to 2,205.32, but unlike the Dow managed to stay up over the year.

The broader Standard and Poor's 500 benchmark declined 1.61 percent from the previous week to 1,248.29 points, but also managed to stay up over the year.

Despite 2005's weak close, many were still optimistic about 2006's prospects.

"The near-term pattern on the Dow, S and P 500 and Nasdaq suggests that further pullbacks are a distinct possibility," said Morgan Stanley technical strategist Mark Newton.

He said that recent market weakness has been relatively contained, considering November's strong rise, "which leaves the overall monthly trend still quite bullish".

Phil Dow, director of equity research at RBC Dain Rauscher, said that while the Dow failed to gain traction in 2005, "the popular stock averages could enjoy eight percent gains next year".

The past week saw hopes for a "Santa Claus rally" fizzle out as investors cashed out what gains they had achieved over 2005 to maximise tax advantages.

Participants were also spooked by fears of a gloomy New Year for the US economy as yields on the Treasury bond market inverted, signalling that longer-term government notes are paying out less than shorter-term bonds.

In times of normal economic growth, the yield rises progressively from short- to long-term bonds.

The yield on the 10-year Treasury note Friday was up to 4.389 percent, but still below the two-year yield of 4.400 percent. The yield curve first inverted in the past week on Tuesday.

In late 1999, 30-year bond yields fell below overnight rates, just before the Dow reached its "dot-com" heights in January 2000 and the Nasdaq peaked in March 2000. Both indices then went into freefall.

"I think the yield has worried investors. Some investors believe that it's a signal that a recession lies ahead. I believe that is a faulty interpretation," Hugh Johnson of Johnson Illington Advisors said.

"We only have a record of the yield on the two-year Treasury going back to 1976. So it's not a statistically significant sample," he said.



PHOTO: STAR

Commerce Minister Altaf Hossain Choudhury formally launches three new textile products of Asian Textile Mills Ltd at the company's stall at Dhaka International Trade Fair in the capital yesterday.



PHOTO: PRIME BANK

Md Nader Khan, former chairman of the Board of Directors of Prime Bank Ltd, inaugurates the 41st branch of the bank at East Laldighi in Chittagong on Tuesday. Directors and senior officials of the bank were present at the inauguration.

Asian Textile launches 3 products

STAR BUSINESS REPORT

Asian Textile Mills Ltd, an export-oriented factory, yesterday launched three textile products at its stall at Dhaka International Trade Fair (DITF).

Commerce Minister Altaf Hossain Choudhury formally launched fabrics for shirt, suit, and women's dress.

Vice Chairman of Export Promotion Bureau Mir Shahabuddin Mohammad, FBCCI Vice President Dewan Sultan Ahmed and Asian Textile Chairman Harun-ur-Rashid, among others, were present at the launching programme.

Asian Textile chairman urged the government to provide the textile sector with 25 percent cash incentive for export.

Commerce Minister said his ministry will look into the demand.

He also expressed satisfaction over the quality of the products of Asian Textile. He also urged people to buy local textile products.

India to release 3.65m tonnes of sugar in Q1

REUTERS, New Delhi

The Indian government announced yesterday the release to the market of 3.65 million tonnes of sugar during the January-March quarter to ensure adequate supply and keep prices in check.

The government controls distribution of sugar within the country, allocating fixed quantities that can be sold by producers every month.

Mills have to give 10 percent of their production to the government as levy sugar at a lower price which is then sold to the poor at cheaper rates.

"Out of this quota, 1.2 million tonnes of indigenous free sale sugar

will be released for the month of January, 2006," the statement said.

"With levy quota release of 216,000 tonnes for January, the total availability of sugar for domestic consumption for the current month would be 1.41 million tonnes."

India, the world's biggest sugar consumer, had a dismal sugar harvest in 2004/05 (October-September) but is expecting a good sugar crop in 2005/06 due to good monsoon rains in the western state of Maharashtra and coastal areas of Tamil Nadu.

The sugar industry expects output to cross 18 million tonnes thanks to the rains.

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