China to push forward currency reform

AFP, *Beijing*

China said Thursday it would push forward gradual currency reforms in a "rational" way, in response to demands from Washington to take quicker steps to allow the Chinese yuan to appreciate.

"We will continue to firmly push forward the reform of the currency regime and perfect the yuan exchange mechanism that is now taking shape," foreign ministry spokesman Liu Jianchao said.

China would also develop a domestic market for foreign exchange, increase the flexibility of the exchange rate and allow financial institutions greater capacity to set prices and guard against risks, Liu said.

"We will maintain the rational, balanced and relatively stable level of the yuan," he added.

On Wednesday, the US Treasury Department attacked China for making "far too little progress" in reforming its exchange rate, but pulled back from accusing the booming country of manipulating its currency.

In a twice-yearly report on global exchange-rate policies, the Treasury Department said China manages an inflexible currency regime that fosters dangerous imbalances in world trade.

Liu discounted the allegations and reiterated Beijing's position that currency regime reforms would come at a pace set by the condition of the nation's economy.

"China all along has maintained a highly responsible attitude and proceeded from the actual situation of China's economic development and regional and global economic stability to decide a currency policy that conforms with China's national economy," he said.

PHOTO: BENCHMARK

Tanim Noman Sattar, head of Wealth Management of Standard Chartered Bank, and HBM Zahidur Rahman, chairman of Baton Rouge restaurant, pose for photographs at a memorandum of understanding (MoU) signing ceremony recently in Dhaka. Under the MoU, the bank's 'Priority' cardholders as well as 'Platinum' and 'Gold' credit cardholders will enjoy privileged services and special discounts at the restaurant at Gulshan.

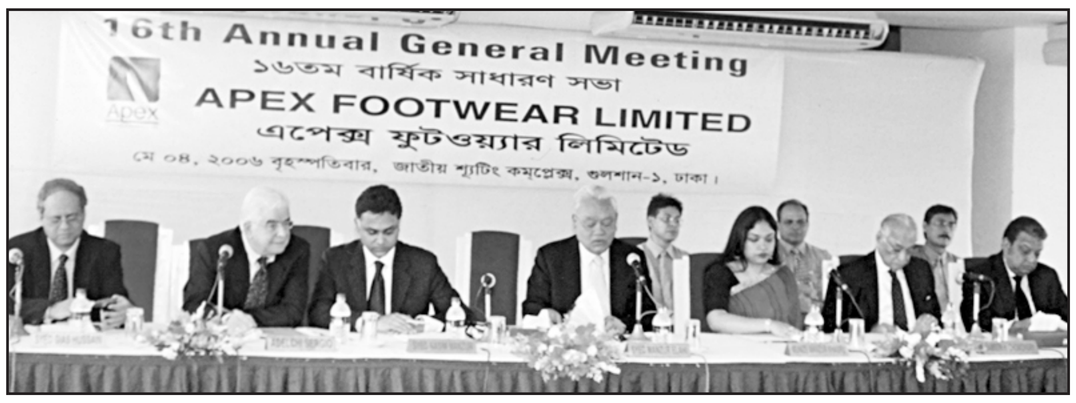

PHOTO: GREY WORLDWIDE

Syed Manzur Elahi, chairman of Apex Footwear Ltd, presides over the 16th annual general meeting (AGM) of the company recently in Dhaka. Samson H Chowdhury, independent director, Niaz Ahmed Choudhury, Syed Gias Hussain and Adelchi Sergio, newly elected directors, were also present.

UAE to resist US pressure to open telecoms sector

AFP, *Dubai*

The United Arab Emirates will resist pressure in free trade talks with the United States to open its telecommunications sector to foreign investors, a minister said in newspaper reports published Thursday.

The UAE will not allow foreign investment in its telecoms sector before 2010, Sultan bin Said al-Mansuri, public sector development minister, was quoted as saying in the Arab daily Al-Hayat.

"The entry of foreign companies to the sector is one of the main stumbling points in the negotiations," he said.

In remarks about the same issue published in the Dubai-based Arab language paper Emarat al-Yom on Wednesday, Sultan said: "This is rejected, we will not give up one of our rights."

"We must give the current operators the chance to develop before we allow new ones in."

State-owned Etisalat has a monopoly on fixed and mobile telephony and Internet services. Authorities announced last year plans for a second operator which they said in December would be 50-percent owned by the government.

Etisalat sealed a deal in April to buy Pakistan's largest telecom company for 2.6 billion dollars.

Sultan also said that the United States and Australia with whom the UAE is also discussing a free trade agreement (FTA) have demanded entry into several other sectors besides telecoms.

The fifth round of US-UAE talks, which opened Tuesday in Abu Dhabi, ended early Wednesday, one day ahead of schedule. At the close of the talks, the UAE's deputy economy minister Abdullah Ahmed al-Saleh said the discussions focused on investments and described the meetings as "positive".

No date was given for the next round of talks, which were launched in March 2005 and are aimed at eliminating tariffs and barriers and expanding commercial ties between the United States and UAE.

Sultan's hardline position on protecting certain economic sectors comes two months after government-controlled Dubai Ports World was forced to relinquish the rights to operate six US ports as part of it 6.9-billion-dollar acquisition of British shipping giant P and O due to US security concerns.

ROK central bank sees lower growth

AFP, *Seoul*

South Korea's central bank said Thursday it may have to lower its 2006 growth forecast due to high oil prices and a stronger won and opted to keep its key interest rate unchanged at 4.0 percent in May for a third consecutive month.

The Bank of Korea had previously expected South Korea, the fourth largest economy in Asia, to grow 5.0 percent this year, up from 4.0 percent in 2005.

"The environment, especially oil prices and foreign exchange rates, are different (from what we expected). Circumstances may have changed to lower our forecast for the economic growth rate," bank governor Lee Seong-Tae said.

But the change "is unlikely to be that big" in projections, Lee added.

South Korea has been under growing pressure from higher oil prices and a stronger won which can make its exports, the key driver for the economy, more expensive.

Citing stable inflation, the central bank kept the benchmark interbank overnight rate unchanged at 4.0 percent, having last raised it a quarter percentage point from 3.75 percent in February.

The bank said in a statement the economy was still expanding, with exports growing steadily, consumer spending picking up and corporate capital investment also increasing.

"Inflation is stabilizing but the latent inflationary pressure stemming from the economic recovery and higher oil prices still exist, with real estate prices still rising," it said.

The bank has a tough task to provide further support for economic growth amid fears of a slowdown in the second half and also to curb inflation amid signs of a speculative bubble in the property sector and record oil prices.

Inflation growth rate stood at 2.0 percent year-on-year in April as cheaper prices of agricultural goods offset higher oil prices. The country aims to keep inflation at 3.0 percent for the whole year.

PHOTO: BENGAL MEAT

Trevor MacDonald (L), general manager (GM) of Dhaka Sheraton Hotel, and Noman Anwar, GM (Sales and Marketing) of Bengal Meat, exchange documents after signing a memorandum of understanding (MoU) recently. Under the MoU, the meat processing company will supply hygienic and halal meat to the hotel on a regular basis.

PHOTO: ARAMEX INTERNATIONAL

Officials of Aramex International, a global express delivery company, among others, are seen at the opening ceremony of the company's new branch in Narayanganj on Tuesday.

PHOTO: EMIRATES

Hanif Zakaria, Emirates' area manager (Bangladesh), poses for photographs with top Bangladeshi travel agents and staff of the airline prior to leaving for Dubai recently to attend Emirates Holidays' launching ceremony for 'A World of Choice' 2006-07 brochures.

Bengal Meat to supply meat to Dhaka Sheraton

Bengal Meat will supply hygienic and halal meat to Dhaka Sheraton Hotel on a regular basis.

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

Trevor MacDonald, general manager (GM) of the hotel, and Noman Anwar, GM (Sales and Marketing) of the meat processing company, signed the MoU on behalf of their sides.

Aramex opens new branch in N'ganj

Aramex International, a global express delivery company, opened a new branch office in Narayanganj on Tuesday with a joint venture with Narayanganj Express.

The customers in Narayanganj area will now get express and freight services from the company, says a press release.

Mahbubul Anam, managing director of Aramex International, Bangladesh, attended the opening ceremony as chief guest while Saman Gunawardena, country manager, was also present.

Russia moots full convertibility of rouble from July 1

PTI, *Moscow*

Russian President Vladimir Putin has said his government proposed to introduce full convertibility of the rouble from July 1 this year.

Putin also proposed the trade of Russian crude and other commodities in local bourses to prop its convertibility and make the national currency more attractive in the backdrop of the sliding greenback and instability of other currencies.

He made the announcement in his state of the nation address to the parliament Wednesday, just weeks before a G-8 summit under Russia's rotating presidency.

Finance Minister Alexei Kudrin told reporters after Putin's address that July 1 was a realistic date for the introduction of rouble convertibility.