

China urges FTA with South Korea

AFP, Seoul

China has urged a free trade agreement (FTA) with South Korea in order to help boost burgeoning trade and investment between the two countries, officials said Saturday.

The suggestion came as Chinese Commerce Minister Bo Xilai met with his South Korean counterpart Chung Sye-Kyun, officials of the Ministry of Commerce, Industry and Energy said.

Bo stressed the need to push forward free trade agreement talks. Beijing seeks an FTA with Seoul to help ease its chronic trade deficit with South Korea.

Bo raised the same issue when he met with South Korean Trade Minister Kim Hyun-Chong here Friday, according to the Ministry of Trade and Foreign Affairs.

South Korea is reluctant to rush into an FTA with China amid fears that low-priced Chinese agricultural products could flood the domestic market, causing trouble for the country's already impoverished farmers.

South Korea and China have agreed to make efforts to double bilateral trade to 200 billion dollars per year by the year 2012.

Bo also expressed concern over what he called a militant union at Ssangyong Motor, which was acquired by Shanghai Automotive Industry Corp. in October 2004.

Shanghai Motor bought a controlling stake of 48.9 percent in Ssangyong for 500 million dollars, becoming the first Chinese firm to own a major concern in the world's fifth-largest auto market.



PHOTO: DUTCH-BANGLA BANK
Yeasin Ali, managing director of Dutch-Bangla Bank Ltd, inaugurates an ATM (automated teller machine) booth of the bank on Johnson Road in Victoria Park, Dhaka yesterday.

Asian markets bounce back

AP, Hong Kong

Markets across Asia rebounded Friday after plunging the last two weeks, helped by gains on Wall Street and investors hunting for bargains. India's market recovered 1.3 percent after plunging 16 percent since May 10.

Japan's benchmark Nikkei 225 index rose 277.01 points, or 1.77 percent, to finish at 15,970.76 points. Before Friday's gain, the index had tumbled 9.2 percent since May 8.

The Tokyo market gained steam in the afternoon, after traders saw recoveries in other Asian markets, particularly India. Those gains "cleared one concern for now," said Ryuta Otsuka, strategist at Toyo Securities.

The turmoil in India's market, which had fallen 16 percent before Friday's gain, has been a major focus in Tokyo because Japanese investors hold about 1 trillion yen (\$8.9 billion) worth of Indian mutual funds, Otsuka said.

Also boosting sentiment was an Thursday's gain in U.S. stocks, where the Dow Jones industrial average gained 0.84 percent to 11,211.05, and the Nasdaq composite index jumped 1.34 percent.

In Hong Kong, the bounce back was led by property and export companies. The blue-chip Hang Seng Index rose 198.21 points, or 1.3 percent, to 15,895.10.

The benchmark index fell about 2.7 percent this week. Before Friday's recovery, it had lost 8.8 percent since May 8.

BANGKOK: Thai shares rose 2.4 percent on bargain-hunting across the board amid rebounds in regional markets after closing at a five-month low on Thursday.

KUALA LUMPUR: Malaysian shares ended higher, with the weighted Composite Index of 100 blue chip stocks finishing up 0.7 percent at 930.75.

SEOUL: Banks, telecom companies and non-life insurers gained in Seoul, with the Korea Composite Stock Price Index rising 2.1 percent after closing at a six-month low Thursday.



PHOTO: AB BANK
RQM Forkan, senior executive vice president of Arab Bangladesh (AB) Bank Ltd, and Mohammad Ali, deputy managing director of Shahjalal Islami Bank Ltd (SIBL), exchange documents after signing a VISA affiliation membership agreement recently in Dhaka. Under the deal, the SIBL will become an associate member of VISA under the principal VISA membership of AB Bank. M Kamal Uddin Chowdhury, SIBL managing director, and other senior officials from both the sides were also present.



PHOTO: PUBALI BANK
Khondkar Ibrahim Khaled, managing director of Pubali Bank Ltd, speaks at an orientation course organised for the newly recruited senior officers of the bank recently. Helal Ahmed Chowdhury, additional managing director, Mirza Ali Insaf, general manager of HRD, Badruddin Ahmed, principal of the training institute of the bank, are also seen.



PHOTO: GLOBAL ONLINE SERVICES
Global Online Services Ltd, a corporate internet service provider (ISP), recently organised a two-day training programme on 'Customer Relations' for its employees. Chairman of the company Syed Faruque Ahmed and Managing Director Syed Farhad Ahmed, among others, were present at the training session.

Dollar rebounds as investors ponder US inflation data

AFP, London

The dollar firmed against the euro in late-trading here Friday as investors pondered the impact of US inflation data and decided to close out positions ahead of a three-day week end in New York and London.

The single European currency in late trade was at 1.2739 dollars against 1.2804 late Thursday in New York.

The dollar was meanwhile trading at 112.59 yen after 111.68 on Thursday.

In Washington the US Commerce Department reported that inflation in April came to 0.5 percent from March, or 2.9 percent for the year.

The core rate, which excludes food and energy, rose 0.2 percent, or an annual 2.1 percent.

Analysts at Gain Capital said the results were slightly negative for the dollar, as they suggested that US inflation was well contained.

But for Dean Maki, an economist with Barclays Capital, an annual inflation reading above 2.0 percent could induce Federal Reserve policymakers to raise interest rates when they convene next month.

Most currency watchers hold that any dollar rally is likely to prove temporary, given the market's mounting concerns over the US current account deficit -- now about 6.0 percent of gross domestic product -- and expectations of a narrowing in the yield differential between the US and its major competitors.

The US currency has fallen heavily over the past month or so amid growing concern about global economic imbalances and speculation that US interest rates are near a peak at 5.00 percent.

Adding to the pressure have been signs of reserve diversification by world central banks.