

WTO chief urges India to help break impasse in trade talks

AFP, New Delhi

World Trade Organisation chief Pascal Lamy said he understood India's stand in global trade talks but asked New Delhi to look at the "bigger picture" and help break the impasse in the negotiations, a report said Friday.

The WTO director-general also said even if India pursued bilateral trading pacts with the United States and the European, it would still have to open up its markets for

their products and services, the Press Trust of India reported.

"(Indian) Commerce Minister Kamal Nath is perfectly legitimate in the assessment he is making," Lamy said when asked to comment on Nath's statement that there was "no offer" at the WTO talks which collapsed this week in Geneva.

"But so are those on the other side ... We must look at the bigger picture," the news agency quoted Lamy as telling a private Indian television network in an interview.

Talks ended in a stalemate after the United States refused to make substantial cuts in farm subsidies, drawing strong reactions from developing nations such as India and Brazil and even the European Union.

Lamy told the NDTV network that while developed countries must make more concessions than developing nations, advanced developing countries such as India, China and Brazil should also do more than poor developing

countries.

"India must also look at the big picture given its size, potential and record in terms of modernisation," he said.

Reacting to reports that India would continue bilateral talks with the United States and was working on a Comprehensive Economic Cooperation Agreement with European Union, he said India would still have to give greater market access to these countries.



PHOTO: RAHIMAFROOZ

Vladimir T Dzshunkovskiy, chargé d'affaires of the Embassy of the Russian Federation in Bangladesh, inaugurates 'Crystal Corner', an outlet for crystal products, at Agora shopping centre in Gulshan, Dhaka recently. Afroz Rahim, group chairman of Rahimafrooz Bangladesh Ltd, the owning company of Agora, and Samir Asaf, group CEO of the company, among others, were present.



PHOTO: RB GROUP

Deputy Director of RB Group and film actor Illias Kanchan inaugurates 'Walton Plaza', a showroom of Walton brand electrical products, electronics and automobiles, in Ashulia, Dhaka recently.

Weekly Currency Roundup

July 23-July 27, 2006

Local FX Market

Demand for US dollar was stable in throughout the week and USD rose slightly against Bangladeshi taka.

Money Market

In the Treasury bill auction held on Sunday, bid for BDT 10,195.00 was accepted, compared with total of BDT 11,760.00 million in the previous week's bid.

Overnight money market was steady throughout the week. The call money rate remained unchanged throughout the week and ranged between 6.50 and 7.00 percent.

International FX Market

The dollar weakened across the board on Friday, most notably against the yen, as speculation grew that the Federal Reserve may pause its rate-raising campaign next month. The yen rallied across the board, and extended its gains in New York trading hours. At the beginning of the week, the dollar gained ground on Monday, recovering from the recent sell off sparked by concerns that the Federal Reserve could pause its two-year run of rate rises. The dollar rose half a percent on the day against the yen, but was still off a three-month peak hit on July 19. The euro had fallen 0.5 percent to against the dollar, but was still above the three-month low hit last week.

In the middle of the week, the dollar held steady on Tuesday ahead of key US economic data that could provide fresh insight into whether the Federal Reserve will pause its two-year campaign of credit tightening in August. The dollar is still the world's main reserve currency but its dominance is under threat as central banks of many countries diversify away from the US currency in search of better returns. The euro edged up against the dollar on Wednesday, on some relief buying after a key German business sentiment index came in stronger than expected. But the dollar held on to most of the gains it made on Tuesday, when strong US consumer confidence and home sales data boosted expectations the Federal Reserve will bump up interest rates for the 18th straight time next month. The yen ticked higher against the euro and the dollar, recovering some of its recent losses, and supported by comments from a Bank of Japan policymaker warning of possible further rate rises this year. The euro and the dollar were both down around a third of a percent against the Japanese currency.

At the end of the week, the dollar hit a two-week low against the euro on Thursday, extending the previous session's sharp fall triggered by a Federal Reserve survey suggesting the US economy may be slowing and interest rates could soon peak. The euro also hit a record high against the yen, in anticipation of a European Central Bank interest rate hike next week and on expectations that Japanese rates will stay lower than those of other major economies for some time to come. Although the Bank of Japan raised interest rates for the first time in six years earlier this month, at 0.25 percent they are still far below those of the euro zone or the United States. The European Central Bank is widely forecast to raise rates next week to 3.0 percent from 2.75. The dollar was down 0.1 percent against the euro, just off an earlier two-week low, after falling more than one percent on Wednesday. The dollar also hit a two-week low against a basket of currencies and fell to a one-week low against the yen.

- Standard Chartered Bank



PHOTO: RUPALI BANK

Senior officials of Rupali Bank Ltd and UK-based Eastern Union Remittance & Exchange Ltd, a money transfer company, sign a remittance agreement recently in Dhaka. Under the deal, Bangladeshi expatriates will be able to send their money home quickly and easily through the branches of the bank.



PHOTO: APOLLO HOSPITALS

Apollo Hospitals Dhaka recently signed a corporate agreement with the Swiss embassy in Bangladesh. Under the deal, the hospital will provide medical services and special corporate benefits for the employees of the embassy. Richard Larison, chief executive officer of the hospital, and Hans-Peter Fitze, deputy head of the embassy, signed the contract while other senior officials from both the sides were present.

US wants 'fair' WTO deal: Bush

AFP, Washington

President George W. Bush said Thursday the United States remained committed to a balanced world trade pact that opens up foreign markets in return for cuts to US farm subsidies.

Bush said his administration is "very much in favor" of the World Trade Organisation's "Doha Round" of talks moving forward, despite its collapse this week at an acrimonious meeting in Geneva.

"We think it makes a lot of sense. We think it makes a lot of sense for American workers that we open up markets," he said in a speech to the National Association of Manufacturers.

"We think it makes sense for people who are locked in impoverished nations that we open up markets. We think trade helps lift people out of poverty, that's what we believe. So we're strongly supportive of the WTO round."

Bush said he had directed his US trade representative, Susan Schwab, to stay "flexible" at the troubled WTO negotiations, "particularly when it comes to our agricultural subsidies".

"Look, I said to the world last

September, we'll reduce them, just so long as our folks have got access to markets, that's all we ask. Just give us a chance to compete fairly," he said.

The WTO talks ran aground Monday on three major issues.

They are domestic farm subsidies provided by the United States, import tariffs levied by the European Union, and market access in developing countries for industrial goods and services.

Washington has come under fierce attack from the EU and from big developing countries for not giving more ground on its farming payouts.

But the Bush administration insists that others were offering nothing in return in terms of market access for US goods.

The WTO now faces an uphill battle to secure a Doha pact any time soon given a tough US political calendar, but Bush said "we'll continue to work on this agreement".

"My attitude is, we want to be treated fairly, and the American people and the American manufacturer and the American farmer can compete with anybody, any time, anywhere so long as the rules are fair," he declared.

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