

Star BUSINESS

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EU seeks cooperation with India to resolve WTO deadlock

AFP, New Delhi

The president of the European Parliament called Friday on India and Europe to work on a free trade

pact while trying to break the deadlock in the World Trade Organisation talks.

The proposed India-EU free trade deal would be complementary

to the multilateral arrangement, Josep Borrell, head of the 732-member European Parliament, told reporters in New Delhi.

Borrell, who arrived in India on

September 30, was speaking at the end of a week-long visit to India during which he met Indian Trade Minister Kamal Nath.

"We have to work to take out the stalemate," said Borrell, referring to the global trade talks which collapsed in Geneva in July over agricultural subsidies.

The talks hit a dead end when Australia, Brazil, the EU, Japan, the United States and India could not agree on a formula for cutting farm subsidies.

The talks were launched in the Qatari capital Doha in 2001 with the aim of lowering barriers to trade and using commerce to give developing countries a boost.

Borrell said the European Parliament was in favour of India and the European Union beginning talks for a Free Trade Agreement in the meantime.



PHOTO: SOCIAL INVESTMENT BANK

Social Investment Bank Ltd in association with Bashundhara Group arranged a cataract surgery programme for the poor in Narayanganj recently. Chairman of the bank Rezaul Haque inaugurated the programme while senior officials of the bank and Bashundhara Group, among others, were present.

Tokyo, Jakarta to hold new round of FTA talks next week

AFP, Tokyo

Japan said Friday it will begin a sixth round of talks with Indonesia next week on a bilateral free trade agreement, aiming to overcome differences in the faltering negotiations.

The two Asian nations agreed in July last year to begin working towards the signing of a comprehensive Economic Partnership Agreement, which includes trade in goods and services, investment, movement of people and competition policies.

The Japanese delegation for the talks in Tokyo from Tuesday to Friday will be headed by Deputy Foreign Minister Mitoji Yabunaka while Indonesian Ambassador Soemadi Brotodiningrat leads the team from Jakarta.

There will be consultations on trade in goods and services, and investment. Participants will work on a draft agreement, the Japanese foreign ministry said in a statement.

Indonesian Trade Minister Mari Elka Pangestu said in August that there were "a number of difficult issues to be resolved" in the talks,

rating the chance of their conclusion by the end of the year as 50-50.

Pangestu said Indonesia's differences with Japan were not related to tariffs but to the issue of standards placed on products. She said negotiations on services and investments had also run into difficulties.

Japan has been increasingly pursuing free trade pacts, seeking to secure access to raw materials and markets for its exports.

It has stepped up negotiations amid a stalemate in global trade liberalization talks, which were suspended in July amid an impasse between the European Union and the United States over agricultural reform.

Japan's first FTA, with Singapore, took effect in late 2002 and Tokyo has since agreed on deals with Mexico, Malaysia, Thailand and the Philippines.

It has ongoing negotiations with South Korea, six oil-rich Gulf nations and the 10-nation Association of Southeast Asian Nations (Asean) as a whole.

Weekly Currency Roundup

October 01-October 05, 2006

Local FX Market

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

Money Market

In the Treasury bill auction held on Sunday, bid for BDT 7,940.00 million was accepted, compared with total of BDT 9,000.00 million in the previous week's bid. Weighted average yield rose slightly for 28D T-bills but remained unchanged for all other categories of T-bills sold on the day.

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

At the beginning of the week, the dollar rose against major currencies on Friday as a slew of economic data eased investors' concerns about a sharp slowdown in the US economy. The US currency was bolstered by a better-than-expected reading on manufacturing activity in the Midwest as well as data showing still buoyant US consumer sentiment in September. In late afternoon trading, the euro was down 0.2 percent against the dollar. Sterling was down 0.3 percent against the dollar, near a two-week low.

In the middle of the week, the dollar slipped to one-week lows against the euro on Tuesday after data showed US manufacturing growth slowed to its weakest in 16 months, bolstering expectations of a cut in US interest rates. The euro was supported by firm survey data from Monday's euro zone manufacturing sector, ahead of an anticipated European Central Bank interest rate hike to 3.25 percent on Thursday. The euro hit a one-week high before easing a little on the day. The dollar was 0.1 percent lower against the yen, moving further away from a 5-1/2-month high struck on Monday. The euro was steady on the day against the yen. On Monday it hit a one-month high against the yen, stopping around half a yen short of record peaks seen at the end of August. The dollar rose across the board on Wednesday, with investors reckoning that falling oil and commodity prices could support growth in the world's biggest economy and reduce chances of a near-term interest rate cut. The dollar stood was up a third of a percent on the day, and was also up 0.1 percent against the yen, nudging back towards Monday's 5-1/2 month peak. The euro hit a one-month high against the yen, close to the August record high, before reversing some gains. The recent fall in energy and metal prices has made investors more cautious about where they look for high yields, sparking a sell-off in emerging markets and particularly the South African rand.

At the end of the week, the euro sat in tight ranges against the dollar and yen on Thursday as investors positioned themselves for a widely-expected interest rate increase by the European Central Bank later in the session. The ECB is seen raising rates to 3.25 percent to keep inflation in check, leaving investors to focus more on the post-decision news conference for comments from ECB President Jean-Claude Trichet that might yield clues on future credit tightening. The euro was flat on the day against the dollar. The single European currency was a touch weaker against the yen, while the dollar remained steady, off a 5-1/2-month high struck earlier this week. Sterling was flat against the dollar, but analysts said speculation about a surprise tightening this month could give way to losses if the decision goes as expected.

-Standard Chartered Bank



PHOTO: GRAMEENPHONE

M Nazrul Islam, managing director of Jamuna Bank Ltd, and Mir Rashedul Hossain, deputy head of Corporate Sales of GrameenPhone (GP) Ltd, pose for photographs at an agreement signing ceremony recently. As per the deal, GP will provide complete communication facilities under its 'Business Solutions' package for the bank.



PHOTO: LEMON COMMUNICATIONS

Tanvir Ibrahim, head of Corporate Sales of Banglalink, and Md Abdul Khaleq, president of Tamakumondi Lane Banik Samiti in Chittagong, a business association, exchange documents after signing a corporate agreement recently. As per the deal, the association will enjoy special tariff and value added services under the mobile phone operator's 'Professional' package.

Apec ministers to meet in Feb

AFP, Sydney

A flurry of ministerial meetings leading up to next year's Apec summit in Sydney will kick off in the Australian city of Perth in February, Prime Minister John Howard said Friday.

Ministers responsible for mining and small- and medium-sized enterprises within the Asia-Pacific Economic Cooperation (Apec) member countries will gather in Perth ahead of a series of other ministerial meetings to be held across Australia.

Apec groups Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Singapore, Russia, Taiwan, Thailand, the United States and Vietnam.

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