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BUSINESS

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China announces 'crucial' economic reforms

AFP, Beijing

China announced a number of key economic reforms on Saturday after closing a high-level conference on improving the management of its increasingly complex financial sector.

The two-day, closed-door meeting of top policy-makers chaired by Premier Wen Jiabao "formulated plans crucial to the country's financial system over the coming few years," said the official Xinhua news agency.

Wen announced plans to speed up the growth of the bond market by expanding the size of corporate bonds, Xinhua said.

He also said China would steadily push forward foreign exchange rates reform and expand the use of foreign exchange reserves.

The China Development Bank, one of the country's three policy banks, will "take the lead in starting commercial operations", Xinhua said.

It was also announced that shareholding reform will be launched at the Agricultural Bank of China, the last of the 'big four' state-owned banks to move towards market listing.

The meeting is only the third of its kind since 1997, when former premier Zhu Rongji convened what was then an emergency meeting in response to the spiralling Asian financial crisis of that year.

At the last conference in 2002, policymakers set in motion the reform of China's currency regime as well as the decision to overhaul China's debt-strapped state banks in preparation for the opening of the sector to foreign competition last year.

"This meeting is very significant," She Dinghui, finance professor of Beijing University, said earlier.

"It's very likely that very important measures on China's financial reforms will come out after the meeting and they will become the reference point for changes in the following years."

China's financial system today is a mixture of archaic state-planning and newly introduced market mechanisms, which has made the management of the world's fourth largest economy an increasingly complex affair.

Dollar holds steady against euro, yen

AFP, New York

The US dollar held steady against the euro and the Japanese yen Friday with traders saying the American currency gained some support from an upbeat survey on consumer confidence.

The euro was changing hands at 1.2965 dollars at 2200 GMT, little moved from 1.2962 dollars late Thursday.

The US currency was meanwhile swapping hands at 121.21 yen late Friday, barely changed from 121.20 a day earlier.

Traders said the dollar was propped up by the University of Michigan's consumer confidence index, released Friday, which rose to a reading of 98 in January compared with 91.7 in December.

The rise in the index was stronger-than-expected as most analysts had only predicted it would tick up to 92.4.

Analysts said the index reading helped support the dollar as consumer spending accounts for some two-thirds of US economic activity. The reading revived hopes the world's biggest economy could be shaking off last year's downturn.

The British pound meanwhile remained firm and was expected to remain well-bid ahead of Wednesday's publication of the minutes from the Bank of England's January rate meeting, when it stunned markets with a rate hike.

In late New York trade, the dollar stood at 1.2477 Swiss francs from 1.2466 Thursday.

The pound was being traded at 1.9741 dollars from 1.9740.



PHOTO: BASIC BANK

BASIC Bank Ltd recently signed on-lending agreements with Brac, Asa and TMSS, three NGOs of the country, for providing financial assistance for small enterprises under Agribusiness Development Project of ADB to alleviate rural poverty. Md Mosaddiquir Rahman, general manager of the bank, SN Kairy, finance director of Brac, Sushil Kumar Roy, executive vice president of Asa, and Hosne-Ara Begum, executive director of TMSS, signed the deal on behalf of their organisations.



PHOTO: DHAKA BANK

The 'Annual Managers' Conference 2007' of Dhaka Bank Ltd was held yesterday in Dhaka. Chairperson of the bank Jesmine Sultana, directors Selina Hai, Rowshan Ara Hanif, Nilufar Hossain and Hosne Ara Shahid, Managing Director Shahed Noman and senior officials, among others, were present at the conference.



PHOTO: DBBL

Md Yeasin Ali, managing director of Dutch-Bangla Bank Ltd (DBBL), presides over the '1st Managers' Conference-2007' of the bank held recently in Dhaka. AHM Nazmul Quadir, additional managing director, Abul Hashem Khan, deputy managing director (Operation), and KS Tabrez, deputy managing director (Administration), were also present.

US, Japanese bosses call for ambitious trade pact

AFP, New York

Powerful US and Japanese business leaders called Friday for a free-trade agreement to link the world's two largest economies.

After day-long talks in New York, the US Business Roundtable organization and Japan's Keidanren group also pledged to work together on taking advantage of China's rapid growth, and on climate change.

The groups said their proposed "Economic Partnership Agreement" (EPA) held "tremendous potential" for the US and Japanese economies, and urged their governments to start negotiations as soon as possible.

Both countries should push for a global liberalization deal at the World Trade Organization (WTO), the business groups said in a joint statement.

"But while world trade talks move slowly, the governments have an opportunity to push ahead and lead by example, to demonstrate the importance of open trade, investment and regulatory reform, and to establish a new foundation for United States-Japan economic relations," they said.

The EPA would enmesh two economies that together account for 40 percent of global gross domestic product.

Outside of its free-trade partners Canada and Mexico, the United States carries out more trade with Japan than with any other country, the groups noted.

The United States is Japan's top trading partner, and Japanese companies invest more in the country than anywhere else with about 600,000 Americans on their payrolls.

"These economic facts reflect unprecedented good economic relations in recent years," the joint statement said.

OUTSOURCING BUSINESS Philippines sees huge jump by 2010

AFP, Manila

The Philippines expects a huge jump in its outsourcing business, with earnings forecast at 12.4 billion dollars by 2010 after 3.63 billion dollars in 2006, the Trade and Industry Department said Friday.

Trade and Industry Secretary Peter Favila, in a statement, said that the number of Filipinos working in the sector was expected to jump to 920,764 in 2010 from the current 244,675.

The anticipated upturn will follow efforts to encourage more outsourcing of high-value back-office business operations in the country, said Favila.

Although call centers have mushroomed and earned 2.69 billion dollars in 2006, the Philippines is also encouraging investments in more sophisticated back-office operations like accounting, software development, engineering and architectural design, medical, legal and data transcription and animation.

"Our over 75,000 licensed professionals have the technical expertise to perform higher value services" than just call center operations, Favila said.

He cited GENPACT, a member of the General Electric group of companies that had established an 800-seat call center here which they hope to expand to 3,000 employees in the coming years.