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BUSINESS

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G-7 likely to downplay currency concerns

AP, Essen, Germany

Finance officials from the world's wealthiest countries met with their counterparts from the fastest-growing economies Saturday, as it appeared unlikely that any nation would be singled out for criticism over currency movements.

The group is also expected to take a middle line on concerns about the rising power of hedge funds worldwide, calling for more vigilance on their actions but also reaching out to their operators in a bid to ensure harmony.

Ahead of the meeting talk had focused on European worries over the weaker yen that makes Japanese goods less expensive than those made in the EU. China's tight control of its currency and huge

trade surpluses have also raised concerns in the West.

But German Finance Minister Peer Steinbrueck said there was no evidence he was aware of that the weak yen was hurting Germany's economy.

"We have a very, very advantageous trade balance during all the last years," he said.

International Monetary Fund Managing Director Rodrigo Rato said Saturday that Japanese authorities have stopped intervening in markets on behalf of the yen for the past several years "and that is a very good policy."

"Japan is moving out of long and difficult deflationary circumstances," Rato said at the G-7 meeting. "The best thing Japan can do for the global economy is to keep

growing," he said.

The G-7 finance ministers and central bankers also jumped into market issues with Chinese Finance Minister Jin Renqing and central bank governor Xhou Xiaochuan.

When the G-7 formed, comprising Britain, Canada, France, Germany, Italy, Japan, and the United States, China was an insular, closed communist state. In the three decades since, however, China's growth has exploded as it embraces elements of capitalism.

China has amassed more than \$1 trillion (in foreign currency reserves as it buys dollars to control the value of the yuan a practice G-7 finance ministers have criticized in the past.

Doubt cast on potential gold rush in India's retail sector

AFP, New Delhi

The leader of India's ruling Congress party has sounded an alarm over fears that big foreign firms looking to enter the country's retail sector could force millions of mom-and-pop stores to shut.

Sonia Gandhi has called on the government to "consider having the relevant issues properly examined before further decisions" are taken on giving international retailers more access to India's lucrative retail sector.

Gandhi turned down the premier's job when Congress won office but is thought to wield great political power as Congress' leader, which makes her interjection a significant development.

Her call this week came amid reports that Michael T. Duke, the vice chairman Wal-Mart -- the

world's largest retailer -- was due in India on February 22 to partner formally with Bharti Enterprises to start a nationwide store chain.

The Congress leader said in a letter to Prime Minister Manmohan Singh that she had "received suggestions from many quarters about the desirability to first study the possible impact of transnational supermarkets on the livelihood security of those engaged in small-scale operations."

India's 15 million dusty, chaotic and cramped corner shops fear competition from the giant retailers.

They worry that big, air-conditioned stores with swish, shrink-wrapped produce will drive them out of business, despite assurances from industry figures that the market is large enough to accommodate virtually all players.

US economy to grow slowly in early 2007

REUTERS, Washington

The US economy will grow slowly during the first half of the year, but pick up strength as the months pass, a survey of top forecasters showed on Saturday.

Panelists surveyed in the Blue Chip Economic Indicators newsletter said real gross domestic product, the government's broadest measure of economic output, would likely increase by 2.7 percent this year from last year.

This was somewhat stronger than the forecast of 2.3 percent last month, with more than half of those surveyed increasing their predictions.

In the first quarter, they expected real GDP to grow at a 2.5 percent annual rate and then pick up until it reached a stron-

ger 3 percent rate in the fourth quarter.

Inflation, as measured by the government's Consumer Price Index excluding food and energy prices, is expected to remain around the Fed's perceived comfort range of 1 to 2 percent for all of this year and next, the survey forecast.

Core CPI is expected to advance by 2.3 percent in 2007 and by 2.2 percent in 2008.

Even though the forecasters worried about a slowdown in home building and weakness in business inventories, they said consumer spending would cover any shortfalls. Almost all, or 93.3 percent, said residential investment would contract this year and most thought it would shrink 11.6 percent.

EU rule shocks Japan carmakers

ANN/ THE DAILY YOMIURI

Major Japanese automakers are reeling from the European Union's announcement Wednesday that all manufacturers selling cars in the bloc must slash by 35 percent from 1995 levels, the amount of carbon dioxide their vehicles emit.

Japanese automakers will need large-scale funding and technological know-how to strengthen their research and development activities for clearing the new standard.

Some economists predict the move may trigger new alliances within the industry, involving both domestic

and foreign companies.

Commenting on the EU's decision to toughen regulations, a Toyota Motor Corp. official said, "Though the details are still unclear, we think it's very severe."

The new standard requires car manufacturers to make efforts to reduce CO2 emissions to 130 grams per kilometer by 2012, and then further reduce the amount by 10 g/km through, for example, improving tires.

Japanese makers' record for new vehicles in the EU was 170 g/km in 2004, lower than the 161 g/km figure of European manufac-

turers, including U.S. affiliates.

In its regulations on car emissions, the EU puts more emphasis on reducing CO2, while Japan and the United States stress the importance of reducing nitrogen oxides and particulate matter.

Thus European makers, such as Mercedes-Benz and BMW, are highly advanced in the development of diesel engines that reduce CO2 emissions.

Although Japanese manufacturers are well ahead in the development of hybrid cars, they lag behind in the development of diesel engines.



PHOTO: AKTEL

AKTEL Managing Director Ahmad Bin Ismail recently inaugurates the 17th customer care centre of the mobile phone operator in Mymensingh. Head of Corporate Affairs Javed Tariq and Head of Customer Service Segufta Yesmin were also present.



PHOTO: NCC BANK

Md Nurul Amin, managing director of National Credit and Commerce Bank Ltd (NCC), inaugurates Garter AED Packaging (BD) Ltd at Kanchpur in Narayanganj recently. NCC Bank financed Tk 20 crore to the project.