

Star BUSINESS

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WTO breakthrough a must before Bush's TPA expires

Warns Lamy

AFP, Manila

The Doha Round of trade talks must reach a breakthrough by July or they will be stalled once again, World Trade Organisation director-general Pascal Lamy said in Manila on Friday.

He said the breakthrough must come before the expiration of the US President's Trade Promotion Authority (TPA) on July 1. Lamy said.

The TPA gives US President George W Bush the power to submit trade deals for accelerated approval by lawmakers in a straight "yes" or "no" vote, without amendments.

Lamy said that if the breakthrough could be achieved, a conclusion to the Doha trade talks could be reached in about eight

months. But if the breakthrough does not take place, "we are back to where we were when the negotiations broke down," last year, he said.

This could lead to "an erosion of the multilateral trading system," he warned.

He defined a WTO breakthrough as reaching a "basic agreement on agricultural subsidies... agricultural tariffs and industrial tariff reductions."

The basic template to such an agreement is ready and negotiators only have to agree on "the precise numbers" in the accord, Lamy said.

Lamy said the "major players," namely the United States, the European Union, India, Brazil and Japan, were "consulting quietly with each other," to ensure such a breakthrough could be achieved.

The Doha talks, launched in 2001 in the Qatari capital, aims to remove barriers to global trade but are currently deadlocked, notably over steps to reduce agricultural subsidies and subsidies.

The WTO talks were suspended last July, but trade ministers at the World Economic Forum in Davos last month agreed that negotiations should resume.

In a speech to Philippine businessmen Lamy stressed the country had much to gain in the success of the WTO talks, both in obtaining better access to foreign markets and in shoring up its own industries to foreign competition.

About half a dozen leftist protesters who were allowed into the forum chanted "Pascal Lamy, get out," before being escorted from the room.

Tokyo, London bourses announce alliance

AFP, Tokyo

The Tokyo and London stock exchanges announced plans Friday for a business alliance aimed at expanding their global reach, reflecting intensifying competition between the world's top bourses.

For now the alliance is purely operational, but the two exchanges said they were not ruling out a capital tie-up further down the road.

The two exchange operators said they would consider creating new jointly traded products and schemes to encourage access by member firms to each other's markets with the eventual aim of round-the-clock trading.

They will also share information on technology.

"This is a big step forward in the dialogue between us. There is a real appetite here to make progress in a number of key areas," LSE chief executive Clara Furse told a press conference in London.

"We envisage our cooperation delivering real benefits," she added.



PHOTO: GRAMEENPHONE
Managing Director of Grameenphone Ltd Erik Aas speaks at a function in Chittagong on Thursday to mark one-year celebration of 'Business Solution' package of the mobile phone operator.



PHOTO: JCI BANGLADESH
Rumi Saifullah, JCI (Junior Chamber International) Bangladesh 2006 national president, receives Asia Pacific World Leadership HRM Award from Praful Patel, civil aviation and tourism minister of India, at the Asia Pacific World HRM (human resource management) Congress held recently in Mumbai.

Weekly Currency Roundup

February 18-February 22, 2007

Local FX Market

US dollar remained stable against the Bangladeshi taka last week on back of comfortable supply.

Money Market

Overnight money market was steady throughout the week. The call money rate remained unchanged throughout the week and ranged between 6.25-6.75 percent.

In the treasury bill auction held on Sunday, bid for BDT 7,500.00 was accepted compared to BDT 8,000.00 last week. Weighted average yield remained unchanged for all categories of T-Bills.

International FX Market

The dollar steadied on Friday, holding little changed against the euro and the yen, but still set to post its steepest weekly decline in two months against a basket of major currencies. The greenback fell in early US trade after data showed a sharp decline in US housing starts last month, but later recovered some ground as trading activity wound down ahead of a long weekend in the United States. The week began as the yen edged down against the euro and dollar on Monday as investors reflected that even if the Bank of Japan tightens monetary policy this week, Japanese interest rates will remain extremely low. With much of Asia shut for Chinese New Year celebrations, and the United States marking Presidents' Day holiday, currencies were likely to remain in tight ranges ahead of the BOJ decision and US inflation data on Wednesday. The dollar was up 0.25 percent against the yen, recovering from Friday's six-week low. The euro gained a quarter of a percent on the day against the yen.

In the middle of the week, the yen extended losses against the dollar and euro on Tuesday, hurt by growing expectations that a possible Bank of Japan interest rate rise was unlikely to change the yen's appeal as a funding currency. The dollar hit a six-week low against the euro before US inflation data on Wednesday after weak figures last week and comments from the Federal Reserve chairman stirred expectations that the Fed may start to cut rates this year. The dollar had risen against the yen and was edging further away from a six-week low set last week. The euro was up 0.3 percent against the yen, approaching its record high of 159.00 set last week. The single currency had risen to its highest since early January, before trimming gains later on the day. The Swiss franc was also holding near a six-week high against the dollar.

The dollar rose broadly on Thursday after robust inflation data and minutes from the Federal Reserve's latest policy meeting suggested officials were concerned higher inflation was a potential risk. The euro and other European markets were broadly unfazed by the surprise resignation of Italian Prime Minister Romano Prodi on Wednesday. The yen stayed under pressure across the board, sliding to a record low against the euro a day after the Bank of Japan raised interest rates to a decade-high 0.5 percent but emphasised the pace of further tightening would be slow. The euro was down 0.3 percent on the day against the dollar, having hit a six-week high earlier this week.

-Standard Chartered Bank

Japan, Venezuela sign 15-yr oil deal

AFP, Tokyo

Japan on Friday signed a 15-year, 3.5 billion-dollar oil deal with Venezuela in a bid to ease its near-total dependence on the turbulent Middle East, companies said.

The state-run Japan Bank for International Cooperation will fund the deal, which marks the country's biggest entry into the South American energy sector.

Two Japanese trading houses, Marubeni Corp. and Mitsui and Co., signed the agreement for a 3.5

billion-dollar loan to Petroleos de Venezuela S.A. (PDVSA), which is fully owned by leftist President Hugo Chavez's government.

PDVSA will pay back the loan over 15 years by providing oil and gas to the trading houses, the Japanese companies said in statements.

Mitsui said the deal would help in "diversifying Japan's energy supply sources and creating and expanding business opportunities for Japanese companies in the oil and gas sector in Venezuela."

Japan is almost entirely depend-

ent on Middle Eastern oil, the price of which has fluctuated wildly in recent years due to the region's volatile politics. Japan has also been burned in energy deals with Iran and Russia.

Despite being a close US ally, Japan in 2004 signed a two billion-dollar deal to develop Iran's largest onshore oil field. But last year Japan finally slashed most of its stake in the Azadegan project as the Islamic republic was set to come under sanctions for its nuclear development.

STOCK



Standard Chartered Bank has announced the launch of its campus recruitment campaign for international graduates and management trainee positions for 2007. Sandeep Mookherjee, head of Human Resources of Standard Chartered Bank Bangladesh, is seen speaking at the campaign while Osman Morad, chief executive officer of Standard Chartered Bank Bangladesh, looks on.