

Star BUSINESS

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Mandelson calls for concrete offers in WTO talks

AFP, Brussels

Brazil, India, the European Union and the United States need to put concrete offers on the table in WTO trade talks if negotiations are to succeed by June, EU trade chief Peter Mandelson said Friday.

"We need to see those numbers" on reductions in farm support and agriculture and industrial tariffs, the EU trade commissioner said at the European Business Summit in Brussels.

"It is the responsibility of the G4 to put the numbers on the table," he said, referring to the four big players in the current round of World Trade Organisation negotiations.

Mandelson warned that "the clock is ticking" for progress to be made in the talks with the US administration's powers to negotiate trade deals set to expire at the end of June.

WTO negotiators are struggling

to revive the faltering round of talks on breaking down barriers to trade in agriculture, services and industrial goods which were launched in the Qatari capital Doha in 2001.

An agreement between the world's two biggest trading powers, the US and EU, and the two leading developing or emerging nations Brazil and India, is widely regarded as crucial to the hopes of brokering a compromise among the WTO's 150 members this year.

On the EU's offers on agriculture, Mandelson told AFP later that "with the flexibilities we have been offering, I believe we can meet all reasonable demands."

"We are getting close to an agreement on market access and also, to a lesser extent, on domestic subsidies," he said in reference to the most sensitive aspects of the talks on agriculture.

The key to an agreement on agriculture depends on the level of

tariff reductions the EU is ready to grant and whether the United States will commit to strict ceilings on domestic aid to its farmers.

"A lot of intensive, detailed work remains to be done," said the assistant US trade representative for Europe and the Middle East, Shaun Donnelly.

"It is not going to be easy for any of us. We should not kid ourselves," he added.

Donnelly said that while the EU and the US had "a special role to play" in the negotiations, big developing countries "have a leadership role to play."

The prospect that the US administration could set its authority to negotiate trade deals curbed is adding a sense of urgency to the long-floundering talks, although Donnelly was "optimistic" that the powers could be renewed.

Putting an end to the prevailing controversy, Vodafone and Essar, another stakeholder of Hutch, on Thursday agreed on partnership terms, settling all contentious issues pertaining to the administrative control and sharing of network with another telecom player, Airtel.

According to the agreement signed, Vodafone and Essar have decided to work jointly for the growth of Hutchison Essar. While Vodafone will have controlling interest in the company, Essar will continue to be a 33 percent stakeholder and its vice-chairman will be chairman of the newly formed Vodafone Essar group.

Japanese banks to push biometric ATM cards

ANN/ THE DAILY YOMIURI

Financial institutions, including the Bank of Tokyo-Mitsubishi UFJ, which have adopted biometric cash card technology that uses the pattern of veins in a person's palm for identification purposes, will allow each others' customers to use their automated teller machines, according to sources.

The banks have established a council to work on details of the plan, and some members of the group may allow other banks' customers to use their biometric-compliant ATMs as early as May, sources said.

The number of people in Japan with biometric cards, a more secure alternative to conventional cash cards, is estimated to be more than 5 million. The banks' move is expected to provide additional convenience for customers.

Vodafone, Essar ink Hutch deal

ANN/ THE STATESMAN

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Standard Chartered

Tanm Noman Sattar, head of Wealth Management and Priority Banking of Standard Chartered Bank, and Jessica Sim, country manager of Singapore-based Parkway Group Healthcare Pte Ltd, pose for photographs at an agreement signing ceremony recently. Under the deal, the bank's Priority customers will get special discounts on hospital bills, medical evaluation of Parkway doctors and special rate for hotel. Senior officials from both the sides are also seen.

PHOTO: STANDARD CHARTERED BANK

The dollar strengthened against the yen and Swiss franc on Friday after a report showing US jobs growth gave investors courage to add to riskier trades financed by borrowing in low-yielding currencies. The week began as the yen fell against the euro and the dollar on Monday as investors continued to resume yen-funded carry trades which had been unwound during a sharp spike in risk aversion a fortnight ago. In recent sessions, a recovery in stock markets, a strong US jobs report -- which calmed concerns about a possible sharp slowdown in the world's biggest economy -- and rate hikes in the euro zone and New Zealand shifted market focus back to yield differentials, encouraging investors' risk appetite. The euro gained 0.2 percent against the yen and also ticked up versus the dollar. The European Central Bank raised rates to 3.75 percent last week and signalled it will probably hike again in coming months, though the tone of its statement suggested that rates may be nearing their peak.

Weekly Currency Roundup

March 11- March 15, 2007

Local FX Market

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

Money Market

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

International FX Market

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In the middle of the week, the yen rose against the dollar and euro on Tuesday as jitters about the US mortgage market and caution ahead of key US retail sales data prompted investors to trim exposure to high-yielding currencies. The dollar was down 0.2 percent against the yen, having hit a three-month low last week. The euro was down 0.4 percent against the yen, moving further away from February's record high near 160. The euro was down 0.1 percent versus the dollar. The yen kept most of the previous day's gains against the dollar and euro on Wednesday, after investors unwound risky carry trades as falling stocks and turmoil in the US mortgage sector fanned risk aversion. The dollar was trading slightly higher on the day against the yen having fallen more than one percent on the day on Tuesday. Sterling -- one of the more popular carry trades -- was down 0.3 percent on the day at against the yen. The single currency was down slightly against the dollar.

At the end of the week, the yen's broad rally against other major currencies paused on Thursday as a recovery in global stock markets made investors slightly more comfortable about yen-funded carry trades. A recovery in shares has prompted some to go back into carry trades, which still look attractive from a yield perspective -- Japanese rates are just 0.5 percent compared to 5.25 in Britain and 7.5 percent in New Zealand. The dollar was up 0.1 percent at against the yen, while the euro was steady yen. The ECB is expected to raise rates to 4 percent in coming months but has signalled that policy may be nearing its peak.

- Standard Chartered Bank

STOCK



PHOTO: GRAMEENPHONE

Hossain Ahmed, proprietor of Sonar Bangla Transport Agency, and Yasir Azman, head of Dhaka Region 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 Sonar Bangla Transport.