

# EU offers full market access to former colonies

AFP, Brussels

The European Union offered Wednesday to scrap almost all remaining quotas and tariffs on exports from African, Caribbean and Pacific nations, its executive branch said.

The European Commission and the 78-nation ACP group face a year-end deadline to conclude new trade agreements because a current preferential market access accord is due to expire then.

Under the EU's new offer, all quotas and tariffs on ACP goods would be lifted once a deal was signed, with the exception of rice and sugar.

Levies on sugar would be phased out by 2015, while those on rice would be lifted a few years later, the Commission said without setting a firm date.

The offer did not cover South Africa, which the Commission said produces "a number of globally competitive products."

South Africa's trade ties with the EU are also covered by a bilateral agreement.

Ninety seven percent of EU

imports from ACP nations are already tariff-free or are taxed only at very low levels while 40 of the poorest countries already enjoy free access to EU markets.

"Trade and development for ACP countries is about much more than just access to the European market," EU Trade Commissioner Peter Mandelson said.

"But by removing all remaining tariffs and quotas for all African, Caribbean and Pacific countries we will create the best possible opportunities for these economies," he added.

The ACP group, made up mostly of former European colonies, have benefitted from preferential access to EU markets since the signing of the Lome accord in 1975.

But other equally poor countries, mostly in Latin America, have contested the ACPs' preferential treatment and have won backing from the World Trade Organisation.

In 2001, the world trade referee gave the EU until the end of this year to come up with a new framework that would be more compatible with international rules of commerce.

After their WTO defeat, the

Europeans and the ACP opened talks in 2002 for new so-called economic partnership agreements which are being conducted by regions -- eastern, central and southern Africa, the Caribbean and the Pacific.

But little progress has been made, and pressure is building as the year-end deadline approaches.

A number of development pressure groups, including Oxfam and Action Aid, consider the deadline to be unrealistic and have called for it to be pushed back.

The European Commission had promised that it would offer greater market access as part of the negotiations, which some development pressure groups have accused the EU of using to gain greater access to ACP markets.

Brussels said the new offer was not conditional on ACP countries matching the EU in tearing down tariff and quota barriers and that any greater market access they would have to provide to meet WTO rules could be phased in.



PHOTO: SANOFI AVENTIS

Iftekharul Islam, managing director of sanofi-aventis, a multinational pharmaceutical company operating in Bangladesh, and Akhter Matin Chaudhury, managing director of Nuvista Pharma Ltd, which was formerly known as Organon Bangladesh Ltd, exchange documents after signing an agreement recently. Under the deal, sanofi-aventis will produce some sterile products for Nuvista Pharma. Senior officials from both the sides are also seen.

## CURRENCY

Following is Wednesday's (April 4, 2007) forex trading statement by Standard Chartered Bank

Major currency exchange rates			Exchange rate of some currencies		
	BC Sell	TT Buy		Per USD	BDT per Currency
US dollar	69.05	68.05	Indian rupee	42.93	1.60
Euro	93.47	89.23	Pak rupee	60.73	1.13
Pound	137.84	132.67	Lankan rupee	108.25	0.63
Australian dollar	57.28	53.71	Thai baht	35.00	1.96
Japanese yen	0.59	0.57	Malaysian ringgit	3.46	19.82
Swiss franc	57.44	54.58			
Swedish kroner	10.28	9.30			
Canadian dollar	60.63	58.14			
Hong Kong dollar	8.85	8.69			
Singapore dollar	46.55	44.71			
UAE dirham	18.96	18.38			
Saudi riyal	18.56	18.00	1 M	68.15	69.16
Danish kroner	12.93	11.66	2 M	68.27	69.38
Kuwaiti dinar	235.25	233.60	3 M	68.42	69.60
			6 M	68.87	70.33

\* All currencies are quoted against BDT  
\* Rates may vary based on nature of transaction

\* The forward rates are indicative only and fixed dated.

### Local Market

**FX:** Local inter-bank FX market was active on Wednesday. The demand for USD remained stable, and the volume of cross currency transactions remained steady. The USD remained unchanged against the Bangladeshi taka.

### Money Market

Money market was active on Wednesday. Call money rate remained unchanged and ranged between 6.50 and 7.00 percent.

### International Market

The dollar hit a five-week peak versus the yen on Wednesday. Carry trade involved borrowing low-yielding currencies like the yen and Swiss franc to fund purchases of higher return assets. Investors sold the low-yielding Japanese

currency in favour of higher returns from other currencies, but gains were capped ahead of key US employment data later this week. Rallying stock markets on Tuesday had reignited risk appetite, luring people into carry trades. The yen hit a five-week low versus the euro and dollar and the Swiss franc set an eight-year trough against the single European currency, investors started to become less comfortable with pushing positions further for now. Versus the dollar, the euro rose 0.15 percent on the day. The Australian dollar fell as much as 0.8 percent versus the greenback after the Reserve Bank of Australia decided to hold rates steady at 6.25 percent, disappointing those investors who had been banking on a rate hike.

## Tata Tea move not to hit workers

ANN/ The Statesman

Tata Tea said that the process of restructuring of its North India Plantation Operation (NIPO) into Amalgamated Plantations Private Limited (APPL) is not at the cost of the workers' interest.

"Tata Tea... has assured all workers and employees that their interests would be safeguarded as per industry norms," a letter from Tata Tea to the unions read.

"There has been a few misunderstandings between the management and the workers due to statements made in the Press in the last few days but I want to assure that all management staff and workers involved in the plantation operations would be transferred to the new company," Mr Percy Siganporia, managing director Tata Tea, said here on Tuesday.

Mr Siganporia laid to rest speculations that if a worker bought shares of the new company he would not be entitled to bonus as per industry norms.

"We want workers to participate in an ownership model basis for overall growth and development and believe it is in the best interests of all sections of employees to purchase shares for their economic gains," Mr Siganporia said.

## Thai-Japan FTA reassures investors

AFP, Bangkok

Thailand expects big gains for its exports after signing a free trade deal with Japan, which analysts said Wednesday would reassure skittish investors about doing business in the kingdom.

The deal that slashes 90 percent of tariffs was signed after a series of economic policy blunders by Thailand's military-installed government, including controversial currency controls and proposed limits on foreign investments.

The policy shift had raised fears of a protectionist tilt in the new government and cast doubt on the kingdom's willingness to welcome foreign investment.

Analysts said the deal would provide a much-needed boost to Thailand's export-driven economy -- especially for automobiles, textiles, and farm goods.

## Toyota's sales jump while GM, Ford fall

AP, Detroit

The best monthly sales performance ever for Toyota and gains by fellow Japanese automakers Honda and Nissan helped the industry in March top last year's best month for US sales despite declines by GM, Ford and DaimlerChrysler.

Toyota's U.S. sales jumped 11.7 percent in March compared with a year ago, boosted by record hybrid sales and strong overall car sales. Industrywide, light vehicle sales by major automakers rose 0.8 percent to 1.54 million, Autodata Corp. said Tuesday.

The overall rise in US sales came despite GM and DaimlerChrysler's sales falling about 4 percent each, and Ford posting a 9 percent drop. Ford still held off Toyota for the No. 2 US sales spot for the month, and Ford regained from GM the claim to having the nation's top-selling pickup truck, even though F-series sales fell 15.1 percent.

The numbers come as the Detroit Three have seen Asian rivals led by Toyota capture growing shares of the US market. Autodata's figures show GM, the world's largest automaker, had 22.4 percent of the US market in March, with Ford holding 17.1 percent and Toyota with 15.7 percent. Still, GM and Ford

said sales of their newer vehicles generally improved.

Jesse Toprak, chief economist for the Edmunds.com auto Web site, said the Japanese automakers will continue to prop up the broader sales picture. At year's end, he estimates GM's share at 24 percent, Toyota's at 17 percent and Ford's at 15 percent.

"The trend for the rest of the year will continue, but the growth for Toyota will slow down somewhat," Toprak said.

In all, Toyota Motor Corp. sold 242,675 Toyota and Lexus vehicles in the US, including 140,009 cars, up 19.4 percent from the same month a year ago, and 102,666 trucks, a 2.7 percent increase. So far this year, Toyota has sold 61,635 hybrids in the US, up 68 percent from the first three months of last year. That includes 28,453 hybrids last month.

"This month marks a milestone eight years in the making," Jim Lentz, executive vice president of Toyota's US division, said in a statement. "Record US sales of Toyota and Lexus hybrids have now topped the half-million mark."

Toyota's previous best sales month was last July, when it sold 241,826 vehicles in the US.



PHOTO: LEMON COMMUNICATION

Shaharior Hossain Chowdhury, president of Real Estate and Apartment Association of Sylhet, and Tanvir Ibrahim, head of Corporate Sales of Banglalink, 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 'Enterprise' package.



PHOTO: DHAKA TRAVEL MART 2007

Hasan Mansur, president of Tour Operators Association of Bangladesh (Toab), and Kazi Wahidul Alam (sitting right), chairman of Dhaka Travel Mart 2007 scheduled for April 26-28 at Dhaka Sheraton Hotel, pose for photographs at a memorandum of understanding (MoU) signing ceremony on Tuesday in the capital. Under the MoU, Toab has become a premium partner of the travel mart.

## STOCK