

# World Bank shake-up looming: Wolfowitz

AFP, London

World Bank president Paul Wolfowitz said the aid agency will reduce or drop some activities to focus on areas where it can be more effective, in an interview with a British newspaper published Saturday.

Wolfowitz told the Financial Times that the bank's chief economist Francois Bourguignon was carrying out a review and is charged with drawing up the future strategy of the world's biggest aid agency.

Many bank officials want to refocus efforts on supporting economic growth rather than education, health and other social projects, the

business daily said.

Wolfowitz said the time was right to ask "what have we learned" since the bank's present strategy was laid down by his predecessor James Wolfensohn in 2001.

"What interventions are most effective for promoting development?" he asked. "Where can the bank be most effective?"

"The question is -- what is our comparative advantage and where can we contribute?"

Downplaying the prospect of radical change, Wolfowitz said: "I do not think there is urgent change of direction needed."

However, he added: "I do think some greater clarity about trade-

offs is in order.

"The strategy is going to have to say these are the things that it is important to do more of -- which inevitably means there are some things we have to stop doing or do less of."

Wolfowitz, a former deputy Pentagon chief, is facing controversy over the terms extended to his partner Shaha Riza when she was seconded to the World Bank from the US State Department, the FT said.

A spokesman for the then chairman of the bank's ethics committee told the newspaper that it did not approve Riza's package.

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The Zambian government has sold its largest state-run commercial bank to Rabobank of The Netherlands in a deal worth more than eight million dollars, a minister announced Friday.

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The Dutch firm will effectively take control of 45 percent of the shares with management rights while 25 percent of the shares will be floated on the Lusaka stock exchange with the government retaining the minority shares.

The opposition and trade unions in Zambia had protested against the sale, fearing the new owners could cut jobs and close unprofitable branches in rural areas.

**Chery first domestic auto maker to top China car sales**

AFP, Beijing

Chery Automobile became the first Chinese auto maker to top the domestic car sales list since 1987 by selling 44,568 vehicles in March, state media reported Friday.

The company's sales last month beat the 40,071 units at Shanghai GM, a General Motors joint venture, 38,627 at Shanghai VW and 37,016 at FAW-VW, two joint ventures of Volkswagen AG, the official Xinhua news agency said.

The four best sellers held a combined 33 percent of China's car market in March, the report said.

Wang Chao, a spokesman for Chery, told AFP that his company sold 10,019 units abroad in March and exports in the first three months were close to 30,000 vehicles.

Chery said earlier this year that it aimed to boost its exports to 70,000 units this year from 50,000 in 2006.

"Our business (overseas) is going well," Wang said. "We will definitely meet the goal of 70,000 and are trying our best to do even better."

The company, based in the eastern province of Anhui, became China's seventh largest auto maker and fourth largest producer of sedans in 2006, with sales of 305,200 vehicles including 272,400 sedans, Xinhua said.

**AFP, Google sign content deal**

AFP, Washington

Agence France-Presse and Google signed a licensing agreement Friday giving the search engine the right to post AFP news and photos and settling a lawsuit filed by AFP two years ago.

A joint statement by the companies said the accord allows the Internet giant to post AFP content on Google News and other services. Details of the pact were not made public.

The deal "will enable the use of AFP's newswire content in innovative, new ways that will dramatically improve the way users experience newswire content on the Internet," the statement said.



A Bangalink Point was opened recently on Rupkatha Road in Pabna. Officials of the mobile phone operator's regional team were present at the inauguration.



The Annual Business Conference-2006 of Agrovet Division of Eskayef Bangladesh Ltd, a leading pharmaceutical company, was held recently in Kuala Lumpur, Malaysia. Senior officials were present at the conference.

## Gas rich nations may form gas 'Opec'

PTI, New York

importer of natural gas and Venezuela is likely to be one soon, too.

Instead of forming a group to manipulate prices, Forbes says natural gas producers appear to be responding to the growing trade in liquefied natural gas or LNG (as opposed to gas that travels along a network of pipelines), and increasing competition in regional markets.

If a cartel is formed, it will likely to include Russia, Venezuela, Iran, Qatar, Indonesia and Algeria, Tsafos says. But he is skeptical that the organisation would have enough political leverage to influence prices if it wanted to do so.

There would be no dominant country to enforce the organisation's policies, like Saudi Arabia in OPEC.

Russia and Qatar have been lukewarm to the idea of forming an outright cartel, the report said, adding while Moscow has said it would like deeper cooperation. If has been unwilling so far to take steps that might ratchet up conflict with the West and Qatar has close ties with the US and American energy companies.



Participants in a workshop styled 'Train the Trainers' pose for photographs at the concluding ceremony of the programme organised recently by Delvi Consultants Ltd, a service providing company for pharmaceutical sector.

## Weekly Currency Roundup

April 02-April 05, 2007

## Local FX Market

US dollar remained stable against the Bangladeshi taka last week on back of comfortable supply. The USD remained 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 6.80 percent.

## International FX Market

The dollar held broadly steady against major currencies on Monday. Investors are awaiting for key US data this week to judge whether the Federal Reserve would cut interest rates this year. Focus will be on a survey by the US Institute for Supply and Management (ISM) later, which is expected to show that growth in the US manufacturing sector slowed in March. The euro was little moved after a survey showed growth in the euro zone manufacturing sector slowed slightly in March. The survey did little to change expectations the European Central Bank would raise rates as early as June. The yen shrugged off Japan's quarterly tankan survey showing business confidence deteriorating for the first time in a year, as it did nothing to change expectations that the Bank of Japan would leave rates steady after lifting them in February. The euro was steady on the day at \$1.3353. The US currency was steady at 117.71 yen while the euro was unchanged at 157.24 yen. The Australian dollar, the day's best performer, hit a 10-year high of US\$ 0.8146 on a stronger-than-expected rise in Australian retail sales in February.

The yen fell to a five-week low against the euro and hit a one-month low versus the dollar on Tuesday. The improving risk appetite on the back of firmer stocks prompted investors to increase investment on high-yielding currencies. One key driver of carry trades has been Japanese domestic investors who, frustrated by low rates at home, purchased higher-return overseas assets abroad -- a trend set to accelerate after the new fiscal year started on Monday. Stronger yield gave sterling a boost against the yen with the view that the Bank of England might raise British interest rates from 5.25 percent on Thursday. Investors were also keen on the data ahead of this week's key US employment report. Soft US manufacturing data on Monday failed to shake expectations that the Federal Reserve might cut rates at some point later this year. The euro was up 0.6 percent at 158.31 yen after hitting 158.53, last seen on Feb. 27. The dollar was up 0.7 percent at 118.67 yen while it was up 0.3 percent at 1.2185 Swiss francs. The yen hit a 5-week low of 234.82 per sterling and a 10-year trough of 96.53 against the Aussie. The euro was slightly down at \$1.3350, holding between \$1.3300 and a two-year high of \$1.3411 hit in March.

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 dollar hit a five-week high versus the yen for a second day, at 119.08 yen, before retreating to 118.87 by 1156 GMT. The euro also hit a 5-week high, at 159.05 yen. Versus the dollar, the euro rose 0.15 percent on the day to \$1.3363. European Governing Council member Nicholas Garganias said that economic data in the coming months would be pivotal in any further ECB rate moves. 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. Sterling was a steady against the dollar with investors unwilling to move ahead of the Bank of England's closely watched rate decision on Thursday. The median forecast from economists polled by Reuters last week gave a 25 percent likelihood of an April hike. In the United States, in contrast, the next interest rate move is expected to be a cut from the current 5.25 percent. The focus is now on data for clues on how soon this will come.

The dollar was steady against other major currencies on Thursday and stayed locked in ranges. Investors looked to Friday's US jobs report for fresh impetus. Sterling players were cautious ahead of a Bank of England rate decision. Speculation over an interest rate hike from the current BoE's verdict has helped sterling firm this week. The dollar, in contrast, came under pressure on Wednesday after data showed growth in the US service sector slowed a four-year low in March. This has reinforced the view that US interest rates could be cut later this year. The jobs data on Friday will provide more clues on whether the Federal Reserve will lower rates from the current 5.25 percent to support the economy. By 1000 GMT, the dollar stood at 118.72 yen, pulling back from Wednesday's five-week high of 119.08 yen. The euro was at \$1.3361, little changed on the day. The single currency was at 158.60 yen, hovering within reach a five-week high touched in the previous session.

- Standard Chartered Bank