

EU's ex-colonies stand firm in talks on new trade pacts

AFP, Brussels

Poor African, Caribbean and Pacific countries warned the EU on Friday before talks over new trade pacts that they will not sign at any price a deal sweeping away their privileged access to Europe's markets.

The 78 mostly former European colonies making up the so-called ACP group and the European Union are struggling to conclude the new agreements by the end of the year, when a current preferential market access accord is due to expire.

Amid growing pressure on the EU to take a softer line, the ACP told Europe ahead of the latest round of talks on Friday in Brussels that it could not accept a deal that did not adequately take their concerns into account.

"The ACP group expressed its political will to conclude the economic partnership agreement on time, on condition that ACP concerns and interests are addressed," they said in a statement.

The European Commission,

which negotiates trade deals on its members behalf, is coming under growing fire not only from ACP countries, but also non-governmental organisations and EU lawmakers for driving a bargain to hard to accept.

The agreements are supposed to help ACP countries develop while diversifying their economies but at the same time have to allow for some opening of their markets to European goods and services in order to be compliant with WTO rules.

Existing trade agreements giving preferential market access to ACP countries have to be replaced by the end of the year because the World Trade Organisation ruled that they were illegal.

With the year-end deadline looming ever larger, the EU sought in April to boost the negotiations with an offer to scrap all tariffs and quotas on ACP countries' exports with the exception of sugar and rice.

While the offer was mostly well-received, the special treatment of sugar has not gone down well with

some ACP countries because it is a vital export for some of them such as the Barbados, the Fiji islands or Mauritius.

However, ACP countries are also troubled by the prospect that they would have to open their markets, especially for services, to European companies in order to meet WTO rules.

"If (the agreements) are signed because of a WTO deadline rather than because they are good for development, they will fail," said Thomas Dene with the African NGO MWENGO.

"If African, Caribbean and Pacific countries are forced to liberalise their trade, and make commitments in other areas like services and investment, millions of poor people could lose their livelihoods," he added.

The ACP group has benefited from preferential access to EU markets since the signing of the Lome accord in 1975.

Dhabi Group keen to invest in energy sector

UAE-based conglomerate Abu Dhabi Group has expressed interest to invest in the energy sector of Bangladesh and other sectors, says a press release.

In a formal letter addressed to the Board of Investment (BoI) executive chairman recently, the Group has sought support from the BoI and other government bodies for making investment in energy, hospitality and real estate sectors of the country.

Dhabi Group is interested in bringing more private investment in Bangladesh and intends to make investment in energy sector, which would include both gas- and coal-based power generation, the letter said.

The conglomerate also wants to invest in services sector that will include hospitality and real estate business, the letter added.

A delegation representing Dhabi Group, led by Amjad Awan, energy consultant of the Group, and Muneer Farooqui, CEO of Warid Telecom, a concern of the Group in Bangladesh, recently met Nazrul Islam, executive chairman of BoI, at the latter's office to discuss the issues.

Amjad Awan said, "Dhabi Group will take necessary steps for implementing the proposed projects in Bangladesh through any of the companies of the Group."

The team also called on Tapan Chowdhury, energy ministry adviser, AKM Zafarullah Khan, secretary to Power Division, and AMM Nasiruddin, secretary to Energy Division, and visited different power plants and probable locations to conduct feasibility study for the proposed projects.

In the formal letter, Dhabi Group's Chief Executive Bashir A Tahir also requested the government through BoI to join the consortium as an equity partner in the proposed projects by providing land and other facilities, the release added.



PHOTO: PRIME BANK
Prime Bank Ltd organised a 'Family Night' to mark its 12th founding anniversary recently. Children of the employees of the bank who got GPA 5 in their SSC and HSC examinations were awarded at the function, which was attended, among others, by Chairman of the bank Imam Anwar Hossain, directors, managing director and senior officials.



PHOTO: ISLAMI BANK BANGLADESH
Islami Bank Bangladesh Ltd recently signed an instant cash arrangement agreement with Habib Qatar International Exchange Ltd of Qatar under which Bangladeshi expatriates in the Gulf country will be able to send their money home easily and quickly through the branches of the bank. Mohammad Abdul Mannan, deputy executive president of the bank, and Syed Kamar Hasnayeen Nakvee, managing director of Habib Qatar International Exchange, signed the deal while senior officials from both the sides were present.

Weekly Currency Roundup

May 20-May 24, 2007

Local FX Market

The demand for US dollar was stable in the week. There was ample liquidity in the market, and the dollar fell slightly against the Bangladeshi taka this week.

Money Market

Overnight money market was stable. The call money rate was range bound throughout the week and most of the deals ranged between 7.25-7.50 percent.

In the Treasury bill auction held on Sunday, bid for BDT 8,000.00 was accepted compared to BDT 7,500.00 last week. Weighted average yield rose slightly for all categories of T-bills sold on the day.

International FX Market

This week saw the yen hit a record low against the euro. The Canadian dollar also hit a 30 year high against the US dollar. The US dollar however gained ground on most of its rivals backed by strong economic data which quelled the expectation of a Federal Reserve interest rate cut.

US Dollar

The US dollar recovered against its major rivals, especially the euro and the sterling. The rise was backed by strong consumer confidence on the economy and defused expectations that the Federal Reserve will cut interest rate later in the year. The Fed rate stands at 5.25 percent, and slow economic growth has been putting pressure to cut the interest rate.

Euro

The euro failed to gain grounds against the US dollar despite expectation that the European Central Bank will raise interest rates to 4 percent in June, which has been factored in. The euro also came under pressure from slightly below-forecast German Ifo business sentiment data.

Yen

The yen, which briefly rose against all the currencies the week before, fell across the board this week, hitting a record low of 163.94 against the euro. The rise of yen in the earlier week was attributed to the fact that China has announced that it would allow the yuan to rise and fall 0.5 percent. However, investors took heart from the fact that the Asian equity markets were not affected by this news, and took it as a green signal to gear up their carry trades.

- Standard Chartered Bank

STOCK



PHOTO: UNITREND LTD

A delegation representing Abu Dhabi Group, led by Amjad Awan, energy consultant of the Group, and Muneer Farooqui, CEO of Warid Telecom, a concern of the Group in Bangladesh, recently to discuss investment proposals of the consortium in the country's energy and other sectors.