

Lamy urges G8 to 'just do it' on trade talks

AFP, Brussels

WTO director general Pascal Lamy stressed on Friday the growing urgency of making a breakthrough in struggling free-trade talks, urging leaders of the Group of Eight richest countries to "just do it".

"There is urgency. We cannot maintain forever a trading system that is clearly unbalanced against developing countries," he told an economics conference in Brussels. "Time has come to deliver."

After nearly six years of tough negotiations, the latest round of free-trade talks is reaching a pivotal moment, with June seen by many participants as a make-or-break chance for real progress.

Differences, notably on trade in agricultural products, have blocked progress in the so-called Doha Development Round, launched with great fanfare in the Qatari capital in late 2001.

Raising pressure for a breakthrough in June, the US administration's authority to negotiate international trade deals expires at the end of the month and the Congress is in

no rush to renew it.

"My own sense is that concluding these negotiations is not only technically possible, but politically a must," Lamy said.

When leaders of the Group of Eight most powerful countries meet next week in Germany, Lamy said he would give them a three-word message on the trade talks: "just do it."

Ahead of a key ministerial meeting of WTO powerbrokers the European Union, the United States, Brazil and India later this month, Lamy warned against digging into positions that could jeopardize the whole negotiations.

"As we enter the crunch time in this pre-final phase, it is not unusual to see WTO members overplay their contributions and undervalue contributions by others," he said. "This is an old trick."

G4 MEET IN JUNE 'DECISIVE' FOR STALLED TALKS: BRAZIL
Another report from Brasilia adds: A meeting next month of four major WTO players -- the United States, European Union, Brazil and India -- will be "decisive" for stalled WTO

world trade talks, Brazilian Foreign Minister Celso Amorim said Thursday.

The four powers have pledged to reach an agreement by the end of the year to unblock the World Trade Organization's Doha Round, which was suspended in July 2006 due to a lack of progress.

Ministers of the so-called Group of Four are to meet June 19 to 22 for crunch WTO trade talks in an as yet undetermined European city.

"I think this meeting will be decisive ... (because) there isn't much time left. And because I see things are moving forward," Amorim said in an interview.

The upcoming G4 meeting will be focused on agriculture, a key sticking point in the round of WTO trade negotiations begun in the Qatari capital in 2001. Developing countries are seeking reductions in farm subsidies by the rich countries, which in turn want greater market access for their industrial products and services.

Ministers of the Group of 20 emerging countries, led by Brazil and India, will hold preparatory talks

on June 11 in Geneva, Switzerland, for the critical G4 meeting, Amorim said.

The G20 meeting will provide "a coordination opportunity before this decisive meeting," he said, explaining: "Decisive doesn't mean that everything, down to the last detail, has to be resolved, but it will be a meeting in which we should say if we are leaning toward an agreement or not."

Amorim said the clock was ticking on the Doha Round: "The round should finish by the end of the year or in the first days of next year ... because it will be much more difficult to gain approval (on a trade agreement) in the US Congress in the throes of an election campaign."

Americans go to the polls in November 2008 to elect a successor to President George W. Bush.

That timeframe would require a political evaluation of the numbers and rules of an agreement by the end of July and a definition of the details of its application in September, he said.



PHOTO: AKTEL

Mobile phone operator AKTEL has donated Tk 2 lakh to SEID (Special Education for Intellectually Disabled) Trust, a non-government voluntary organisation. Javed Tariq, head of Corporate Affairs of AKTEL, is seen handing over the cheque to Dilara Sattar, director of SEID Trust, at a function recently.



PHOTO: LEMON COMMUNICATIONS

Mohammed Diner Hossain, chief executive officer of Dominox Technologies Ltd, an internet service provider and a computer training institute in Chittagong, and Tanvir Ibrahim, head of Corporate Sales of Banglalink, pose for photographs at a corporate agreement signing ceremony recently. As per the deal, Dominox Technologies will enjoy special tariff plan and value added services under the mobile phone operator's 'Enterprise' package.



PHOTO: STAR

Fashion designer Bibi Russell inaugurates the first outlet of Saaj, a fashion house, at Banani in Dhaka yesterday.

China blasts US paper duty

ANN/ CHINA DAILY

The United States' decision to impose anti-dumping duties on gloss paper imports from China, South Korea and Indonesia on Wednesday will hurt trade relations and won't help American paper manufacturers, analysts say.

The US Department of Commerce said on Wednesday that it made a preliminary decision to impose duties of 23.19 percent to 99.65 percent on Chinese imports of gloss paper, used in catalogues and premium magazines.

It is a second blow to Chinese

gloss paper exporters in two months. On March 30, the Department of Commerce announced anti-subsidy duties of 10.90 percent to 20.35 percent, which are expected to take effect in August.

The March charge was the first time the United States launched anti-subsidy acts on a "non-market economy" like China in 23 years.

The Ministry of Commerce was not immediately available yesterday to comment on the new charge, but said in the past two months that the March accusation went against a 1986 US court ruling.

Weekly Currency Roundup

May 27-May 31, 2007

Local FX Market

The demand for US dollar was stable in the week. There was ample liquidity in the market, and the dollar rose 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 6.75-7.50 percent.

International FX Market

This week the US dollar recovered against the euro and was near a six-week high, backed by the fact that US Federal Reserve will not cut its benchmark interest rate anytime soon. The euro was range bound against the dollar, in spite of good growth expectation from the Eurozone economies. The yen remained steady against the dollar and gained ground against the euro, after hitting a record low the week before.

US dollar

The US dollar gained ground against the euro, despite weak housing data for the month of April released the previous week. Minutes from the Fed's May meeting showed that policymakers felt inflation was their main worry and that growth should recover as the year drags on. The May non-farm payrolls report on Friday is expected to show a rise, while a snapshot of manufacturing activity is seen holding up well in May. This cooled expectation that the Fed would not cut its benchmark interest rate anytime soon.

Euro

The euro lost ground against the dollar after hitting record high in April. The market was relatively unfazed by robust comments from European Central Bank policymakers on Eurozone growth and by a statement from China's deputy central bank governor that the euro's share in China's central bank reserves was set to grow. The euro ranged between \$1.35 and \$1.34 although traders expect the euro to be above the \$1.34 level. However, a break of \$1.34 would probably trigger a deeper pull-back in the euro, traders said.

Yen

The yen remained flat against the dollar, but gained back some of the losses it had incurred against the euro. The low yielding yen looked weak as investors continued to invest in high yielding currencies, funding their carry trades will low yielder like the yen. The Bank of Japan is not expected to raise its interest rate of 0.25 percent any time soon, which has severely hurt the Japanese currency this year.

- Standard Chartered Bank



PHOTO: GRAMEENPHONE

ABM Ali, executive director of Haroon Group, and Khandaker Omar Farhan, DGM (Direct Sales-Business Solutions) of Grameenphone Ltd, pose for photographs at a corporate agreement signing ceremony recently. As per the deal, the mobile phone operator will provide complete communication facilities under its 'Business Solutions' package for Haroon Group.

US adds 157,000 jobs

AFP, Washington

US employers added 157,000 jobs in May, the Labor Department said Friday in a sign of acceleration in the world's biggest economy.

The unemployment rate held steady at 4.5 percent, the agency said.

The report on nonfarm payrolls, seen as one of the best indicators of economic momentum, was well ahead of the Wall Street consensus forecast of 135,000 new jobs.

The agency made some minor downward revisions to estimates for prior months. The number of jobs added in April was revised to 80,000 instead of 88,000 and in March to 175,000 from 177,000.

The service sector led gains in May with 176,000 new jobs, while the manufacturing sector saw a net loss of 19,000 positions.

STOCK