

WTO sets three-week window to get talks back on track

AFP, Geneva

The 150 members of the World Trade Organisation will have three weeks in which to get multilateral talks back on track, in the wake of failed talks amongst four trading powers in Germany this week, trade sources said on Friday.

WTO director general Pascal Lamy brought all members together to discuss the way forward for the stalled Doha round of trade talks, which remain mired in an impasse over agricultural subsidies and trade tariffs among many issues.

Multilateral talks will continue at WTO headquarters in Geneva until mid-July, at which point a decision will be taken as to whether to hold a

ministerial meeting, the sources said.

The talks in Potsdam between the so-called "G4" -- the European Union, the United States, Brazil and India -- broke down on Thursday, and both sides traded recriminations as to who has to blame.

Brazil's top negotiator, foreign minister Celso Amorim, blamed the EU and US for the collapse, saying the two developed powers had arrived at Potsdam with their minds already made up on how much they were prepared to offer, and what they expected from the other two parties.

"What they agreed, they considered to be the agreement," he said.

This was denied by US officials,

with Agriculture Secretary Mike Johanns telling reporters that there was no pre-summit stitch-up between Washington and Brussels.

All parties agreed with Lamy, however, that a comprehensive global trade deal was still possible despite all the difficulties.

It is "difficult but not impossible" for all 150 members of the WTO to arrive at a deal, Amorim said.

His words were echoed by US trade representative Susan Schwab, who told journalists that "we have not by any means given up on the Doha round... For now we go away disappointed, but not prepared to give up".

India says no future for group of four in WTO talks

AFP, New Delhi

India's trade minister said Friday there was no chance for a grouping of four key WTO members to break the deadlock in multilateral trade talks, a day after he walked out of negotiations in Germany.

"It's the end of the day for G-4. Now it's for the full (WTO) membership to take the Doha round forward," Kamal Nath told reporters.

The so-called G4 -- acting as representatives of major industrialised economies and emerging nations -- hoped to spearhead negotiations on a global trade deal by hammering out differences on key issues.

The grouping is made up of the United States, the European Union, India and Brazil.

Nath and Brazilian Foreign Minister Celso Amorim walked out of crucial talks Thursday after facing fresh demands to open their markets to industrial goods and services.

India has argued that any lowering of its trade barriers needs to be matched by lower farm subsidies in the West.

"Where agriculture is concerned, India has always maintained there can be no compromise with our subsistence farmers," Nath said.

"Developed countries are looking at promoting and protecting the prosperity of their farmers, whereas in India we are talking about protecting the livelihood of our farmers," he said.

"Certainly there cannot be a trade-off between prosperity and livelihood."



PHOTO: PREMIER LEASING INTERNATIONAL

Premier Leasing International Ltd and Credit Rating Information and Services Ltd (CRISL) signed a memorandum of understanding (MoU) recently. Under the MoU, CRISL will rate the leasing company. Muzaffar Ahmed, president and CEO of CRISL, and Kazi Emdadul Hoque, managing director of Premier Leasing, signed the MoU at a function in Dhaka, while other senior officials from both the sides were present.

US economy 'uncomfortably' close to stalling: IMF

AFP, Washington

The US economy appears to be emerging from a period of sluggish growth but is "uncomfortably close" to the "stall speed" associated with past recessions, the International Monetary Fund said Friday.

In its annual report on the United States, the IMF cut its outlook for US gross domestic product growth but said it shares the assessment of US authorities "that the most likely scenario is a soft landing."

The IMF said its "baseline" forecast for the US economy is for GDP growth of 2.0 percent over the course of 2007 -- down slightly from its 2.2 percent forecast in April.

The forecast implies a pickup in activity after the 0.6 percent growth pace of the first quarter.

The report said US activity "should pick up as the drag from housing dissipates, business investment recovers, and higher foreign growth supports net exports."

"However, growth is uncomfortably close to the 2.0 percent 'stall speed' associated with past recessions, even if other accompanying factors -- rising unemployment and high real interest rates -- are not evident," the IMF said.

The report said US growth is likely to accelerate to 2.7 percent in 2008, still considered below the

optimum pace of 3.0 to 3.5 percent. In 2006, the world's biggest economy expanded 3.3 percent.

The US economy's soft patch appears to have come "fortunately" at a time when the rest of the global economy is accelerating, the IMF said.

IMF first deputy managing director John Lipsky said the stronger-than-expected US economic data in recent weeks, while not included in the report, suggest that the benign economic scenario is even more likely.

"We're feeling more comfortable that the assumptions we have made about the reacceleration are justified," he told journalists.

Among the risks still facing the US, the IMF said the slump in housing could spill over and affect consumer spending and high oil and commodity prices could push up inflation.

The report said the US Federal Reserve appears to have been prudent in holding its base rate at 5.25 percent for the past year, and said this rate "appears consistent with a soft landing."

But it noted that the central bank has "rightly" emphasized inflation risks but must be alert to quickly shifting conditions.

"Policymakers will need to be alert to the speed with which employment and activity can

weaken in a downturn," the IMF said.

The IMF said the big US balance of payments deficit is not a problem at present but could create some global shockwaves under certain circumstances.

It said the US is still able to attract buyers of Treasury bonds, "suggesting that markets are discounting the need for real dollar depreciation to rebalance US demand and reduce the current account deficit."

"While the innovativeness and depth of US fixed-income markets may help explain the continuing attraction of foreign capital, the size of financing needs and the absence of a dollar risk premium underline potential vulnerabilities," the IMF report said.

It said the likelihood of financial market chaos in which the dollar is dumped and falls sharply "remains a low probability -- but high-cost -- risk" that could have global impact.

"A flight from dollar assets would risk disrupting US financial markets, thus lowering domestic demand and -- given the evidence that US financial market conditions are the main conduit for spillovers abroad -- foreign demand as well."

Russia may enter WTO by year-end

XINHUA, Moscow

Russia's accession to the World Trade Organization (WTO) will be completed by the end of this year, a senior Russian trade official said at an Internet conference Friday.

The multilateral negotiations will resume in Geneva this July and may lead to the completion of the negotiations, Maxim Medvedkov, trade negotiations department chief at the Economic Development and Trade Ministry, was quoted by the Itar-Tass news agency as saying.

A final estimate of possible consequences of the Russian entry into the WTO for the domestic industries will be released in August, he said. Russia is the largest economy still outside the Geneva-based world trade body. It signed a bilateral WTO agreement with the United States last year, clearing the last major hurdle to its accession.

China backs Zoellick's WB nomination

AFP, Beijing

China has given its backing to Robert Zoellick, a former top US trade negotiator, in his bid for the presidency of the World Bank, state media said Friday.

A finance ministry spokesman said Zoellick was a figure of global standing and "has rich experience in international communication," according to the Xinhua news agency.

The spokesman added that shareholder countries of the World Bank shared a common responsibility to select the right president. China is both a major shareholder and borrower from the bank.

Zoellick, the sole candidate for the position following Paul Wolfowitz's controversial resignation, was interviewed Wednesday by the development lender's executive board, a bank official told AFP.

US President George W. Bush announced in late May he had chosen Zoellick, a former US trade chief and deputy secretary of state, to succeed Wolfowitz, who was forced to resign in a favouritism scandal.



PHOTO: BANGLALINK

Mobile phone operator Banglalink opened a 'Banglalink Point' on HSS Road in Jhinaidaha recently. Members of the regional management team of the operator, among others, were present at the opening ceremony.



PHOTO: RANKSTEL

Md Ashrafuddin Ahmed, corporate finance director of RanksTel, a PSTN (public switched telephone network) operator, and Ashoke Ranjan Kapuria, chairman of Eagle Paribahan, a transport company, exchange documents after signing a corporate agreement recently.

China's IT outsourcing has edge over India: Experts

PTI, Beijing

China's information technology (IT) services outsourcing industry is poised to boom and enjoys distinct advantages over that of India due to huge domestic market and its close interaction with local clients in service and manufacturing industry, experts have been quoted by the Chinese media as saying.

"China's large and fast-growing domestic IT services market is a great strength for its outsourcing industry," corporate vice-president and managing director of Electronic Data Systems (EDS), China and South Korea, David Wirt has said.

Unlike their Indian counterparts, outsourcing companies in China work closely with local clients from industries such as banking, securities and manufacturing. These experiences allow them to develop their own domain expertise and enhance innovative capacity.

"This is impossible for Indian outsourcing companies due to their small local market," Wirt said. "They have to buy expertise and knowledge due to the small domestic market," Wirt was quoted as saying by 'China Daily'.

China has been promoting its outsourcing sector to rival that of market leader, India. Chinese provinces have vying with each other in offering foreign companies favourable policies and tax breaks to set up call centres and offices.

China's software outsourcing companies raked in USD 1.4 billion in revenue in 2006, up more than 40 percent compared to previous year.

The sales volume of China's software industry grew 23 percent year-on-year to 480 billion yuan in 2006, the ministry of information industry said.

The ministry also predicted China's market for software and information services would reach one trillion yuan by 2010.

Brunei high commission, Apollo Hospitals sign corporate agreement

The employees of High Commission of Brunei Darussalam in Bangladesh will get medical services at special rates and other corporate benefits from Apollo Hospitals Dhaka.

A corporate agreement to this effect was signed recently between the high commission and the hospital, says a press release.

H Razak Hussaini, deputy chief of mission of the Brunei high commission, and Dr Praful B Pawar, director (Medical Services) and interim chief executive officer of the hospital, signed the deal, while other senior officials from both the sides were present at the signing ceremony.