

Oil prices push closer to all-time highs

AFP, New York

Crude oil futures raced closer to all-time record highs Friday as speculative buying picked up amid tight US fuel supplies, analysts said.

New York's main oil futures contract, light sweet crude for delivery in August, climbed 1.43 dollars to close at 73.93 dollars a barrel, and briefly topped 74 dollars for the first time since August 11, 2006.

The market action came exactly one year after New York crude hit its all-time high of 78.40 dollars a barrel.

In London, Brent North Sea crude for August delivery leapt 1.17 dollars to settle at 77.57 dollars – the highest point since August 10, 2006 and about one dollar away from the record of 78.64 hit three days earlier.

"The speculative assault on crude remains very impressive," said Petromatrix analyst Olivier Jakob.

Prices were also lifted by news that the International Energy Agency has lifted its 2008 forecast for oil product demand by 2.5 percent to 88.2 million barrels a day.

Eric Wittenauer at AG Edwards said that even though 2007 demand

was revised down slightly by the IEA after methodological revisions "2008 demand estimates suggest growth of 2.5 percent, which is very robust."

Prices over the week have risen over one dollar a barrel in New York and two dollars in London.

"We have been endlessly cataloguing the supportive influences all week: a strong Brent, North Sea production problems, a decline in August loadings, a weaker dollar and OPEC keeping the global supply outlook tight," said Mike Fitzpatrick at Man Financial.

"Additionally, a push to a new record high in the stock market gives a bullish macroeconomic outlook that points to strong energy demand ahead, and endorsed by the latest IEA report."

"Throwing political risks into the mix, which yesterday's vote in the (US) House to pull troops out of Iraq by April 1, and the drafting of a third round of sanctions against Iran clearly are, and it becomes increasingly difficult to parse a scenario that has oil prices falling."

It also emerged Wednesday that US gasoline or petrol reserves had climbed by 1.2 million barrels to 205.6 million in the week ending July 6. That beat analysts' forecasts

of a gain of 825,000 barrels. But gasoline stocks were 3.8 percent lower than at the same stage last year.

Traders also assessed the latest monthly oil market report from the International Energy Agency (IEA).

The IEA predicted Friday that tightness on the global oil market would ease next year, forecasting that supplies would exceed robust demand.

"Overall, both in terms of spare upstream capacity and refinery flexibility, 2008 looks at this stage to be slightly more comfortable than 2006 and 2007," the IEA said.

The IEA suggested again that the OPEC producers' cartel should pump more crude, notably during the ongoing US summer driving season when many Americans take to the highways for their holidays.

Earlier this week Abdullah al-Badri, secretary general of the Organization of Petroleum Exporting Countries, said OPEC did not plan to raise its oil output to ease the pressure on crude prices.

Analysts noted that recent gains in Brent prices followed the closure of a number of North Sea oilfields for maintenance and because of a pipeline problem.

IMF accepting applications for its chief until Aug 31

AFP, Washington

The International Monetary Fund on Thursday formally launched its appeal for candidates to replace managing director Rodrigo Rato and said it would accept applications until August 31.

"The nomination period will commence immediately and will close on August 31, 2007," the IMF said in a statement.

"In September, the Executive Board will consider the candidate(s) who have been nominated on the basis of the (listed) candidate profile, without geographical preferences."

The IMF added that "although the Executive Board may select a Managing Director by a majority of votes cast, the objective of the Executive Board is to select the Managing Director by consensus."

Rato, who has cited personal reasons for his decision, announced at the end of June that would step down from his duties in October, well ahead of the end of his mandate in 2009.

Under a long-standing and increasingly criticized gentleman's agreement, Europe chooses the head of the IMF and the United States picks the president of the World Bank, the IMF's sister institution.

The only declared candidate so far is former French finance minister and Socialist mainstay Dominique Strauss-Kahn.

ADB decides to create 20-year special fund for Pakistan

APP, Islamabad

The Asian Development Bank (ADB) has decided to help create a 20-year 'Special Fund' for Pakistan aimed at extending a long-term source of funds for capacity building initiatives of various stakeholders including government organisations, regulatory authorities, retailers and potential clients.

The Fund would be created in the State Bank of Pakistan (SBP) which would have the possession, management and control of the Fund, its undertakings, properties and assets. *Khalid Times* reported.

The ADB has agreed to initially extend \$20 million for the Fund but an equal amount of funds in a local currency would also be made available by the government as part of the counterpart funding.

The Fund would be established as an endowment fund, whereby the income generated from it would be used for supporting the activities on a grant basis, and the initial \$20 million equivalent capital contribution would remain in place for the life of the fund.

The Fund would establish its own rules, subject to ADB concurrence, specifying among other things, the selection criteria for the capacity building initiatives and literacy programmes it would support, including general percentage allocations to be applied among the different categories of activities, the investment strategy for the Fund, and accounting and auditing procedures.

It is expected that the initial capital of the Fund and the unutilised income generated from the Fund would be invested by SBP in approved government securities.

The Fund would be administered and managed by a 'Governing Body' consisting of five voting members and one observer.

The Governing Body would be comprised of an SBP Nominee, CEO of Pakistan Poverty Alleviation Fund (PPAF), CEO of the Pakistan Micro finance Network, Pakistan Banking Association (PBA) Nominee, a representative from the education sector to be nominated by the other four voting members and an ADB Observer with non-voting status.

Sarkozy, Merkel to tackle Airbus problems

AFP, Paris

The French president and German chancellor are to meet in the home-town of European plane maker Airbus, on Monday for talks on improving the management of its politically-charged parent company, EADS.

According to several sources, Nicolas Sarkozy and Angela Merkel are to agree to scrap the company's dual management system which sees a French and German executive share the func-

tions of the EADS chief executive and chairman positions.

This complicated structure, as well as the difficulty of balancing other national interests at the heart of the company, has been blamed for many of the problems afflicting Airbus, which is based in Toulouse, southwest France.

"EADS has to become a normal company," new French President Sarkozy said at the Paris Air Show last month, underlining complications caused by the group's unusual management and share-

holder structure.

"We agree with the view that a company like EADS can only exist if it has efficient structures," said German Chancellor Merkel at the end of May after a meeting with the French Prime Minister Francois Fillon.

Airbus is pushing through a radical restructuring plan to correct some of the organisational and commercial problems that led to it posting a loss last year despite delivering a record number of planes.



PHOTO: CITYCELL

Mobile phone operator CityCell recently signed an agreement with Flora Telecom Ltd. Under the deal, Flora Telecom will sell CityCell's wireless internet connection 'mycitycell ZOOM', enabling CityCell customers to get internet connections from retail outlets of Flora. Damien Sarker, executive vice president of Flora Telecom, and Arif Khan, GM of Sales & Distribution of CityCell, signed the deal.



PHOTO: WEA

A 16-member delegation of Women Entrepreneurs' Association (WEA), Bangladesh, led by WEA President Sabrina Islam left for Karachi, Pakistan on Thursday on a five-day visit at the invitation of Karachi Chamber of Commerce and Industry (KCCI) to take part in an exhibition of Bangladeshi products styled 'KCCI-WEA Expo'.

Wall Street rides momentum to fresh record highs

AFP, New York

Wall Street lifted to a second straight day of record highs Friday, riding momentum from a powerful rally in the prior session as investors shook off a weak US retail spending report and a spike in oil prices.

The Dow Jones Industrial Average of 30 blue chips climbed 42.76 points (0.31 percent) to 13,904.49 at the closing bell, notching another all-time high and topping 13,900 for the first time ever.

The tech-heavy Nasdaq composite added 5.27 points (0.02 percent) to 2,707.00.

The broad-market Standard Poor's 500 index gained 4.41 points (0.28 percent) to a preliminary close of 1,552.11, setting another all-time record and topping its intraday high set during the tech boom of 2000.

Setting a positive tone was an upbeat earnings report from General Electric, the US conglomerate with an array of businesses that is often viewed as a microcosm of the overall economy. GE said profits rose 10 percent despite losses from subprime mortgages.

Proton won't be privatised, says minister

APP, Kuala Lumpur

Malaysia has no plans to privatise national carmaker Proton and the issue of a strategic foreign partner for the troubled firm will be resolved as soon as possible, a minister said Thursday.

Second Finance Minister Nor Mohamed Yakcop was quoted by state news agency Bernama as saying that there were various options available for Proton but the one thing that would not happen "is that we are not taking it private."

The government is talking to both Germany's Volkswagen AG and US automaker General Motors on a possible alliance for Proton to provide technical expertise, stem a sharp decline in its market share and cut losses.



PHOTO: GRAMEENPHONE

AFM Yeahyea Choudhury, company secretary of Progressive Life Insurance Company Ltd, and Rahat Khan, manager (Direct Sales) of Grameenphone (GP) Ltd, among others, pose for photographs at a corporate agreement signing ceremony recently. As per the deal, GP will provide complete communication facilities under its 'Business Solutions' package for the insurance company.



PHOTO: BANGLALINK

Mobile phone operator Banglalink has recently opened a 'Banglalink Point' at Zila Parisad Market in Rangpur recently. Members of the operator's regional team, among others, were present at the inauguration.