

Global economy resisting high oil prices

AFP, London

The world economy is bounding ahead, largely unaffected by record high crude oil prices, which have quadrupled over the past six years, economists say.

Oil prices have surged close to record peaks in recent days owing to tight global supplies and fierce demand led by the United States and China -- the first and second biggest consumers of energy in the world.

A barrel of crude oil on world markets cost just 20 dollars at the start of 2001 -- and has since risen to close to 80 dollars.

The world economy will grow by a robust 4.9 percent this year and next, slightly down from 5.4 percent in 2006, according to forecasts from the International Monetary Fund.

Deutsche Bank economist George Buckley argues that recent bumper gains in crude oil prices will be unlikely to crimp global economic growth.

"It could be the other way around," Buckley said. "I think it's more likely that the strength of global growth is pushing commodity, including oil, prices up quite sharply.

He explained that the economic growth rates of China and other emerging countries were "good reasons to think why oil prices have

gone up so much."

According to the International Energy Agency, growth in global oil demand stood at just 0.9 percent in 2006, when the market was rocked by record high prices.

But the IEA's current world forecast for this year is 2.0 percent - despite oil prices soaring close to historic high points.

And emerging economic powerhouse China is forecast to record growth in oil demand of 5.0 percent in 2007.

Meanwhile, the OPEC oil producing cartel on Monday held its forecast for growth in global oil demand in 2007 at 1.5 percent, or 1.3 million barrels a day.

The Organisation of Petroleum Exporting Countries, which pumps almost 40 percent of global crude, said demand would be particularly strong in the booming economies of China and India and in some Middle East countries.

Growth would be "more moderate" in western industrialised states, it said.

Capital Economics oil market analyst Simon Hayley believes the world economy is far more resilient to oil price increases than in previous decades.

"Developed economies have got a lot less oil-intensive since the 1970s," Hayley noted.

"Now these economies are

more service-based so there's a smaller proportion of GDP (gross domestic product) that is directly affected by these prices."

Also, due to the greatly reduced power of trade unions, higher oil prices were less likely to fuel significant wage inflation, he added.

Other analysts note that consumers have more faith in the ability of central banks to control inflation nowadays, meaning they are less likely to make big wage demands in anticipation of future price rises.

Over the course of the past two years, the price of crude oil has consistently stayed above 50 dollars per barrel.

On Tuesday, New York's main oil futures contract, light sweet crude for delivery in August, touched 75.35 dollars per barrel. That was last seen on August 10, 2006 and was within striking distance of its record high of 78.40 dollars set in July last year.

In London on Monday, Brent North Sea crude for August delivery hit 78.40 dollars per barrel, which was last seen on August 9, 2006 and extremely close to its record peak of 78.64 dollars hit two days earlier.

High crude prices cause consumer price inflation by increasing the costs of transport, heating and other energy products.

WTO negotiators attempt to break Doha deadlock

AFP, Geneva

The WTO launched a crucial bid to break the deadlock in the Doha Round of global trade talks on Tuesday with new proposals that advocate sharp cuts in US farm support and in developing country industrial import duties.

The World Trade Organisation's chief agriculture negotiator made new suggestions that would involve cuts in US agricultural support to below 16.2 billion dollars a year, compared with a ceiling of 19 billion dollars allowed now, officials said.

Meanwhile, his counterpart leading talks on "Non Agricultural Market Access," proposed reductions in industrial tariffs charged by 27 developing nations to less than 23 percent.

The proposals in two of the three key pillars of the Doha Development Round were part of broader efforts to overcome nearly six years of failure in the Doha trade liberalisation talks.

The propositions will form the backbone of further talks over the coming weeks to broker a compromise that must be approved unanimously by the 150 WTO members - preferably before the talks are hampered by fallout from the 2008 US Presidential election campaign.

Chief negotiators have said they intend to raise the pressure for a compromise deal in September, after countries have had time to mull over the new technical papers during a summer break.

WTO Director General Pascal Lamy called the proposals a "fair and reasonable basis" for reaching an "ambitious" agreement.

"Members will not be fully satisfied with the texts. But what separates members today is smaller than what unites them," Lamy said.

Washington said in a statement that it was examining the proposals made Tuesday, as officials scrambled to understand the real-world implications of the cuts.

"Both of the texts will demand close analysis as we develop a comprehensive US reaction," said Gretchen Hamel, a spokeswoman for the US Trade Representative.

The European Union called the texts "a useful step forward" but voiced caution.



PHOTO: DBBL

Dutch-Bangla Bank Ltd (DBBL) has donated Tk 9.36 crore to Diabetic Association of Bangladesh (DAB) to modernise and equip Ibrahim Cardiac Hospital & Research Institute, BIRDEM. Managing Director of the bank Md Yeasin Ali, among others, was present at the inauguration of a cath lab, set-up by the bank.



SQUARE Hospitals Ltd and Pioneer Insurance Company Ltd have recently entered into a corporate agreement under which employees of the insurance company and their dependants will get different medical services from the hospital at special rates. Sanawar Hossain, director (Medical Services) of the hospital, and QAFM Serajul Islam, managing director of the insurance company, signed the deal, while other senior officials from both the sides were present.

Dow Jones approves Murdoch takeover deal

AFP, New York

The board of US media firm Dow JonesCo voted to approve a five-billion-dollar takeover bid by Rupert Murdoch's News Corp., the target company announced late Tuesday.

The firm confirmed a report in its daily business title The Wall Street Journal that it "would be prepared to approve, and recommend to the Dow Jones stockholders" the agreement, in a statement on its website.

The fate of the deal now rests with controlling shareholders in the Bancroft family, which holds 64 percent of the voting stocks in Dow Jones.

Amid reports of divisions within the family, the proposal is expected to be presented to

the Bancrofts at a meeting on Thursday, though it could take more days before they make a decision on the deal, the newspaper said.

If it goes ahead, the deal could reshape the US media industry landscape and expand Murdoch's global media empire.

News Corp. said in a statement it was "grateful to the Board of Dow JonesCompany for its strong vote of support in favor of our offer to acquire Dow Jones."

The company said it was confident Dow Jones "will become an even more formidable and respected company" in combination with News Corp.'s "global content and distribution platforms."

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 18/07/2007						
Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving Import Disch.
J/4	Banglar Mookh	Wheat(G)	--	Benam	R/a	23/7 13
J/6	Banga Biraj	Cont	Sing	Bdship	15/7	19/7 --
J/7	Qing Jiang	Gl	Hanj	Cosco	08/7	20/7 286
J/8	Banga Lanka	Gl/cont	Col	Baridhi	13/7	22/7 60
J/11	Mir Damad	Repair	Clg	BSC	06/7	21/7 --
J/12	Pacific Express	Cont	Sing	Pl(Bd)	17/7	20/7 317
J/13	Banga Borak	Cont	Sing	Bdship	17/7	19/7 226
CCT/1+2	Eagle Pioneer	Cont	Sing	CT	14/7	19/7 202
CCT/3	Eagle Prestige	Cont	Sing	QCSL	17/7	19/7 206

Vessels due at outer anchorage					
Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo	Loading ports
Hansa London	18/7	Sing	PSSL	Cont	Sing
Yong Yue-8	18/7	Col	QCSL	Cont	Col
Lady Fatima	19/7	Col	Seacon	Cont	Col
Banglar Moni	19/7	Yang	PML	GI(log)	--
Danu M	18/7	Jaka	Intraport	Scraping	--
Hpaan	19/7	Yang	MTA	GI(log)	--
Fraternity Wisdom	19/7	P.kel	Everett	GI(St.C)	30 Units
Freindly Sea(liner)	20/7	Yang	Everett	GI(St. C)	13 Units
Mol Karina	19/7	P.kel	Seacon	Cont	Sing
Pac Makassar	22/7	Sing	CEL	Cont	Sing
Discovery-11	21/7	Moro	Litmond	R. Phos	--
Kissama	19/7	Kol	BSC	Cont	Sing

Tanker due					
Afroditi	19/7	Rast	Uniglobal	Crude oil	--
Al Deerah	20/7	Kuwa	MSTPL	HSD/MS	--

Vessels at Kutubdia					
Name of vessels	Cargo	Last Port call	Local agent	Date of arrival	
Outside port limit:					
Wira Keris	--	--	IBSA		R/A (15/07)
United Dynamic	Crude Oil	Jebel	DSL		27/6

Vessels at outer anchorage					
Vessels ready:					
Sc Tianjin	CPO	Dumai	Wth		17/7
Phu Tan	Cont	Sing	BSC		17/7
Banga Bijoy	Cont	Col	Baridhi		17/7
Phu My	Cont	Sing	Jardine		18/7
Inter Noble	GI(St. C)	Sing	Oil		18/7

Vessels not ready:					
Excellent Pescadores	R. Sugar	Tuti	Park		14/7
Energy Falcon	C. Clink	Kohsi	Litmond		14/7
Banglar Robi	--	--	Uniglobal		R/A (18/7)

Vessels awaiting employment/instruction:					
Yongxing	--	--	PSSL		R/A (17/7)
Aetos	--	--	Rainbow		R/A (17/7)

Vessels not entering:					
Arya Payam	R. Sugar	Braz	USL		20/6
Parshva	C. Clink	Kohsi	ANCL		25/6
Noora	C. Clink	Krabi	ASLL		1/7
Gassam	C. Clink	Krabi	ASLL		4/7
Allegiance	Wheat(g)	Sing	Lams		9/7
Rea	Soyabean	Bahia	Rainbow		11/7
Dong Shun Ocean	Gl(y. Peas)	P. Side	Mutual		12/7
Sarim	C. Clink	Krabi	Litmond		17/7
Ocean Bridge	C. Clink	Sing	Sunmoon		18/7
Pride A	Scraping	Fujai	Rsship		11/7

The above are the shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by Family, Dhaka.



PHOTO: PARTEX ENERGY

Partex Energy Ltd and Rural Electrification Board (REB) have signed an agreement under which REB will purchase 3-5MW captive power from Partex Energy. Aziz Al Mahmood, director of the power generating company, and Matija Begum, secretary to REB, signed the deal on Sunday, while Habibullah Majumdar, chairman of REB, was present among others.

STOCK