

Mandelson sees EU in 'strong position' in WTO talks

AFP, Brussels

EU trade chief Peter Mandelson said Monday that the 27-nation bloc had gained a "strong position" in WTO free-trade talks after new proposals were made last week to break six-years of deadlock.

"Diplomatically Europe is in a strong position," Mandelson told EU foreign ministers, in remarks made available by his office to journalists. "We are seen as the main champions of this multilateral process."

"What's interesting, at this stage, is that the EU is one of the least negatively talked about players, which is unusual, given how we were being targeted 18 months or so ago," he said.

The EU has long been criticised in WTO talks for not giving more ground on agriculture, but WTO negotiators made proposals last week focusing more on the need for concessions from the United States and developing countries.

The proposals tabled last week aimed at breathing new life into the Doha Development Round of trade liberalisation negotiations, launched in the Qatari capital in 2001, and brokering a compromise among the 150 WTO members.

The members are at odds over the extent of new reductions in barriers to trade in agriculture, industrial goods and services amid cross-cutting disagreements

between rich and poor countries over cuts in import tariffs and farm subsidies.

Mandelson said that Europe should keep up the pressure on developing countries to cut their tariffs on industrial goods although he acknowledged they were unlikely to do so unless Washington cut farm subsidies.

"We need to continue to push hard on industrial tariffs. There is no reason to assume that the landing point will not move further in our favour," he said.

WTO representatives are to meet this week in negotiating groups in Geneva, Switzerland, to give their initial reactions to the proposals. After an August recess, the talks are to resume in early September.

**'NEW WTO PROPOSALS NEED MORE WORK'**  
Earlier report adds: The European Union's Portuguese presidency said Sunday that the latest WTO proposals for unblocking world trade talks were a "basis for discussion" but that more work was needed on them.

"There is a basis for discussion. Now we have to work again on the proposition," Portuguese Economy Minister Manuel Pinho told AFP, but added: "We are still far" from an agreement.

He was speaking after chairing talks of EU trade ministers at which EU Trade Commissioner Peter

Mandelson briefed on developments in the Doha round of negotiations, ahead of fresh World Trade Organization talks this week.

Pinho would not be drawn on precisely what areas needed work, but he said "it is a quantitative negotiation, and each side must be ready to give ground in terms of quantity."

"There is also a problem of scope to resolve," he said after the working dinner in Brussels, without elaborating.

"We must be hopeful now but there is still plenty of work to do," he added.

Last week, WTO chief negotiators had called for sharp cuts in US support for farmers and in industrial import duties imposed by emerging nations, as the European Commission has frequently called for in the long-running talks.

Brussels said in a statement Tuesday that the proposals "represent a useful step forward" and that it would consult with member states before giving a "considered view" at the WTO.

Mandelson is also scheduled to brief EU foreign ministers on the proposals on Monday.

The proposals are aimed at ending nearly six years of deadlock in the Doha Development Round of trade liberalisation negotiations, launched in the Qatari capital in 2001, and brokering a compromise among the 150 WTO members.

Dollar hits new record low against euro

AFP, Tokyo

The dollar touched a fresh record low against the euro in Asian trade Monday, hit by jitters about US housing market problems and heavy falls on Wall Street at the end of last week, dealers said.

The euro rose as high as 1.3845 dollars in early Tokyo trading, beating its previous all-time best of 1.3843 seen on Friday.

By mid-afternoon, the euro stood at 1.3829 dollars, up from 1.3820 on Friday in New York.

The dollar was at 120.92 yen, close to a six-week low, after 121.26 in New York. The euro eased to 167.22 yen from 167.70.

"The dollar remains weak because of concerns about the US housing market and worse-than-expected corporate earning reports which weighed on stocks," said Kikuko Takeda, currency research manager at the Bank of Tokyo-Mitsubishi UFJ.

Disappointment over company results and worries about problems in the US sub-prime mortgage sector -- loans to homeowners with patchy credit histories -- caused sharp falls on global equity markets on Friday.

German growth slows in Q2

AFP, Frankfurt

Growth of the German economy, the biggest in the 13-country eurozone, slowed in the second quarter because of a slight lull in the construction sector, the Bundesbank said in its monthly report on Monday.

"Overall, current data show that the cyclical upturn in the German economy continued in the spring," the German central bank wrote.

"However, overall economic growth will not have been as high as at the beginning of the year," the report cautioned.

While consumer spending quickly recovered from the dent caused by the sharp rise in value-added tax (VAT) at the beginning of the year and exports continued to make a positive contribution to growth, investment activity dipped in what was likely to be a technical reaction to the favourable winter months experienced in sectors such as the construction industry, the Bundesbank said.



PHOTO: GRAMEENPHONE

Hussain Muhammad Zahedi, managing director of Freight Management Ltd, and Azizul Abedin, group manager (Business Solutions) 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 Freight Management.



PHOTO: BANGLALINK

Priti Chakraborty, chairman of J&J Essential Products Ltd that markets cosmetics, and Tanvir Ibrahim, head of Corporate Sales of Banglalink, among others, pose for photographs at a corporate agreement signing ceremony recently. As per the deal, J&J Essential will enjoy special tariff and value added services under the mobile phone operator's 'Enterprise' package.

CURRENCY

Following is Monday's (July 23, 2007) forex trading statement by Standard Chartered Bank

Major currency exchange rates				Exchange rate of some currencies	
	BC Sell	TT Buy		Per USD	BDT per Currency
US dollar	68.83	67.83			
Euro	96.60	92.32	Indian rupee	40.14	1.70
Pound	143.13	138.10	Pak rupee	60.50	1.13
Australian dollar	62.06	58.41	Lankan rupee	111.78	0.61
Japanese yen	0.58	0.56	Thai baht	33.66	2.03
Swiss franc	58.34	55.21	Malaysian ringgit	3.42	19.99
Swedish kroner	11.02	9.79			
Canadian dollar	67.00	64.05	USD forward rate against BDT		
Hong Kong dollar	8.82	8.66		Buy	Sell
Singapore dollar	46.59	44.74	1M	67.92	68.93
UAE dirham	18.89	18.32	2M	68.05	69.14
Saudi riyal	18.50	17.94	3M	68.19	69.37
Danish kroner	13.41	12.05	6M	68.64	70.08
Kuwaiti dinar	236.54	234.72			

**Local Market FX**  
Local inter-bank FX market was active on Monday as international market opened after the weekend break. The demand for USD was stable and there was ample liquidity in the market. The USD remained unchanged against the Bangladeshi Taka.

**Money Market**  
Money market was active on Monday. Call money rate was stable and most of the deals ranged between 6.50 and 6.60 per cent.



PHOTO: EXIM BANK

Md Nazrul Islam Mazumder (3-L), chairman of Export Import (Exim) Bank of Bangladesh Ltd, speaks at the bank's 'Half-yearly Branch Managers' Conference 2007' in Dhaka on Saturday. Directors and managing director, among others, are seen.

STOCK