

EU gets WTO approval for \$4b trade sanctions against US

AFP, Geneva

The European Union on Wednesday obtained the WTO's go-ahead for a record four billion dollars (3.5 billion euros) in trade sanctions against the United States in a long-running dispute over tax breaks for US companies.

Brussels presented a list of US goods against which it may impose punitive duties, complaining that Washington had failed to comply with a World Trade Organisation (WTO) ruling against the tax breaks.

"Yes, the DSB (WTO's dispute settlement body) granted authorisation," a trade source told reporters after the closed-door meeting at the WTO's Geneva headquarters.

The level of retaliation is the highest-ever authorised by the WTO in its eight-year history, but authorisation does not mean the measures automatically take effect.

And the EU announced earlier in Brussels that it would give Washington until the autumn to change its so-called foreign sales corporations tax system (FSC).

EU Trade Commissioner Pascal Lamy said he was "encouraged" by US action to repeal the law but warned that if Washington made no progress, the EU would seek to adopt the sanctions by January 1, 2004.

US companies such as Boeing and Microsoft have benefited from the FSC system, which allows US firms carrying out business through subsidiaries in offshore tax

havens to benefit from reduced export taxes.

The United States still intends to comply with the WTO's rulings in the case, Steven Fabry, the US representative, told delegates, according to a source.

He also reportedly criticised the "flawed reasoning" of the FSC arbitration process.

The EU has listed 95 categories of US products on which it could impose additional duties of up to 100 per cent that range from dairy, cereal, meat and vegetables products, to wood, leather, fur and textiles.

It also includes glass and ceramic products, iron and steel, cutlery, nuclear reactors, boilers and machinery, copper and aluminium, toys and games and

sound recorders.

No products other than those on the submitted list would be targeted, Carlo Trojan, the EU's ambassador to the WTO, told the meeting.

"Although the United States has sent some encouraging signs of their will to comply, they have failed, however, so far to implement the DSB recommendations and rulings," he added.

And he stressed that Brussels had not made the request "hastily", underlining the history of the dispute.

The EU first challenged the US tax breaks in 1997 on the grounds that they provided a de facto subsidy that gives US companies an unfair advantage over European rivals.



PHOTO: JANATA BANK
Murshid Kuli Khan, managing director of Janata Bank, speaks at a discussion on 'The Artha Rin Adalat Ain-2003' held in Dhaka on Monday. Kazi Habibul Awal, additional secretary of the Ministry of Law and Parliamentary Affairs, and Md Nazrul Huda, deputy governor of Bangladesh Bank, were present.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank

Selling		Currency	Buying		
FF/OD	BC		FF Clean	OD Sight Doc	OD Transfer
58.9500	59.0000	USD	58.0300	57.8596	57.7903
67.4329	67.4901	EUR	65.1909	64.9994	64.9216
94.7562	94.8366	GBP	92.0878	91.8173	91.7074
38.0994	38.1317	AUD	36.3152	36.2085	36.1652
0.5104	0.5108	JPY	0.4941	0.4926	0.4920
44.7948	44.8328	CHF	43.4519	43.3243	43.2724
7.3531	7.3594	SEK	7.2159	7.1947	7.1861
42.4773	42.5133	CAD	41.2496	41.1285	41.0793
7.5662	7.5726	HKD	7.4332	7.4113	7.4025
34.0751	34.1040	SGD	33.2455	33.1478	33.1082
16.1813	16.1950	AED	15.6723	15.6263	15.6076
15.8455	15.8589	SAR	15.3523	15.3072	15.2888

Local Interbank FX Trading:
The local interbank foreign exchange market was active Thursday. Market experienced a boost in dollar supply through remittances from expatriate Bangladeshis and increased exports, which resulted in further weakening of US dollar against the Bangladeshi taka.

Local Money Market:
Demand for call money remained high. Liquidity condition in the market improved due to an injection of funds from repo auctions. Call money rates eased further. At the end, call money rates ranged between 10.00 and 12.00 per cent compared with 9.00-20.00 per cent previously.

International Market:
Euro was trading more than a cent below the recent four-year peaks against the US dollar in nervous trade ahead of a European Central Bank meeting on Thursday. Speculation is rising the ECB may cut rates to spur growth in the region. Yen continued to keep recent gains against the euro and dollar. Euro fell more than 1.5 per cent against the yen on Wednesday and was trading just below 132 on Thursday. Abundance in the yen has also raised speculation that Japanese monetary authorities could once more intervene to sell their currency. Sterling is also weak and expectations of a rate cut.

At 1445 hours on Thursday, euro was at 1.1330/35, GBP at 1.65969/74 and yen at 116.35/38 against the dollar.

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PHOTO: WEAB
Nasreen Awal Mintoo, president of Women Entrepreneurs Association of Bangladesh (WEAB), and Surekha Kotari, president of the Federation of Indian Chambers of Commerce and Industry (FICCI) -- Ladies Organisation, exchange documents after signing a memorandum of understanding on cooperation in New Delhi recently.

US vows to comply with WTO ruling on tax break

AFP, Washington

The United States, responding to new pressure from Europe, said Wednesday it intends to comply with a World Trade Organization ruling on a law that gives tax breaks to US exporters.

The office of the US Trade Representative (USTR) said it is working with Congress on the Foreign Sales Corporation (FSC) law, which gives tax breaks to US exporters.

The statement came after the European Union said it would impose a record four billion dollars in sanctions on US products if Washington failed to act this year.

The European Commission issued a warning after the World Trade Organization (WTO) approved a list of products on which the EU could impose punitive levies.

"This is part of the process, and the EC is acting within their rights," USTR spokesman Richard Mills said in a statement.



PHOTO: EMPLOYMENT BANK
MA Yousuf, managing director of Employment Bank, other high officials and participants of a week-long training course for the branch managers of the bank pose for a photograph at the concluding ceremony in Dhaka yesterday.

SHIPPING

Chittagong port

Berthing position and performance of vessels as on 08/05/2003.

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disch
J/1	Ever Gain	GI (Log)	Yang	CCNL	3/5	9/5	1631
J/2	Heng Fu	Wheat	Viza	Uniship	19/5	11/5	1012
J/3	Gali-2	Rice	Kaki	Able	2/5	12/5	526
J/4	Eastern Star	GI	MAGD	Royal	6/5	9/5	6335
J/5	Continent-4	Rice	Bedi	CLA	25/4	10/5	931
J/6	Zang SS Chong Nyon Ho	Rice	Kand	SSTL	17/4	10/5	932
J/7	Dae Gak Bong	Wheat	Tuti	Uniship	29/4	14/5	960
J/8	Celje (Liner)	GI	Sing	Prog	6/5	12/5	672
J/9	Chieftian-II	C Clink	Sing	Move	28/4	11/5	2650
J/10	Pathein	Rice(P)	Yang	Mutual	30/4	12/5	945
J/11	Orient Freedom	Cont	P Kel	PSSL	4/5	8/5	
J/12	New Sea star	Cont	P Kel	QCCL	6/5	10/5	149/403
J/13	Eagle Strength	Cont	Sing	Nol	4/5	9/5	144X
CCT/1	Kota Cahaya	Cont	Sing	PIL(BD)	6/5	10/5	329/259
CCT/2	QC Teal	Cont	Tanj	QCCL	6/5	8/5	194/223

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Eltanin	8/5	Kand	Total	Rice	
Al Monsoor	8/5	Kaki	Total	Rice	
Banga Bodor	8/5	Sing	Bdship	Cont	Sing
Amalfi	8/5	Kant	Uniship	Clink	
Qc Honour	9/5	P Kel	QCCL	Cont	Sing
Jaami	9/5	Col	Everbest	Cont	Col
Fair Skies	9/5	-	Rsship	For Demolition	
Pavonis	9/5	Yang	Royal	GI	
Moon Bird	10/5	Mumb	Everett	P Cargo	
Banga Borak	11/5	P Kel	Bdship	Cont	Sing
Kota Berjaya	10/5	Sing	Pil(BD)	Cont	Sing
Qc Lark	11/5	P Kel	QCCL	Cont	P.Kel
Bambu Kuning	11/5	Indo	OTBL	For Demolition	
Yong Jiang	12/5	--	Bdship	GI	--
Banga Lanka	12/5	--	Baridhi	Cont	Col
Banga Borti	12/5	PKL	Bdship	Cont	Sing
Viscount	12/5	--	Prog	GI	--

Tanker due

Name of vessels	Date of arrival	L Port call	Local agent	Cargo
Praja Breeze	9/5	Kert	Atlantic	HSD(RM/5)
Danat Qatar	9/5	Rast	USS	Crude Oil

Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Barge: S-657	P Cargo	Kol	Sakhi	21/2
Dea Captain	--	--	Arafeen	R/A(3/5)

Outside Port Limit

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Oh Shan Tok	Fert (BAG)	Zhan	TOSL	24/4
Zang San	Sugar/Wheat	Kaki	SSTL	30/4
Ambika	Rice	Kaki	Abahoni	1/5
Mu Du Bong	Rice	Kand	Able	6/5
Inwa	Rice	Yang	Total	7/5
Banglar Shikha	Cont	Sing	BSC	8/5
Orottes	JP-1	Kuwa	MSTPL	6/5

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

STOCK