

Global trade tensions high amid sanction warnings

REUTERS, Dublin/Brussels

Global trade tensions simmered Friday as the EU stood firm on threats to slap sanctions on US goods over steel and export tax break disputes and Norway warned of retaliation against Washington.

In a week when a US decision to cap imports of Chinese clothing sent the dollar tumbling, Italy's finance minister said Europe might have to follow the United States in imposing tariffs on China.

The European Union is threatening sanctions on up to \$6 billion of US goods in a transatlantic trade row, and EU Trade Commissioner Pascal Lamy said the 15-nation bloc was prepared to hit back at the United States.

"Retaliation is the last resort that the system provides, the final tool that can be used to incentivise compliance," Lamy said.

"Retaliation clearly hurts... But we are ready to retaliate if necessary," he told the Irish Institute of European Affairs in Dublin ahead of the start in

2004 of Ireland's EU presidency.

The European Commission is eyeing sanctions on \$2.2 billion of US goods in December in a fight over steel import tariffs imposed by President George W Bush.

It also plans punitive duties on up to \$4 billion of US goods gradually from March 2004 unless Washington repeals disputed tax breaks for US exporters by the end of the year.

The World Trade Organisation (WTO) has ruled that both the steel duties and the export tax break system

are illegal.

In a sign trade tensions could spread, Norway threatened to impose a 30 per cent extra duty on some US goods over steel.

The measures would affect imports from the United States worth 84 million Norwegian crowns (\$12.21 million) in 2002. The extra duties would hit products including wine, steel pipelines, apples, garage doors made of steel and hunting rifles.



Shah Abdul Hannan, chairman of Islamic Banks Consultative Forum (IBCF) and Islami Bank Bangladesh Limited, shares views with directors and senior executives of Premier Bank Limited in Dhaka on Wednesday. BH Haroon, sponsor director and member of Islami Shariah Council, Kazi Abdul Mazid, advisor, and MA Yussouf Khan, managing director of Premier Bank, were present at the meeting.



Lever Brothers Bangladesh Limited Chairman and Managing Director Sanjiv Mehta speaks at the first superstore retailers' conference organised by Lever Brothers in Dhaka recently.

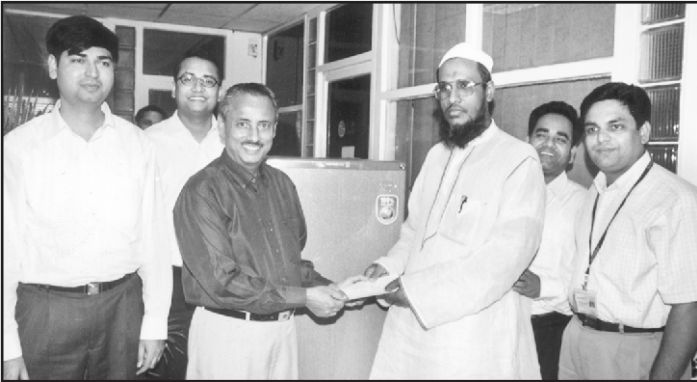


PHOTO: NISHU ADVERTISING

MA Mannan, chairman and managing director of Butterfly Marketing Ltd, hands over a refrigerator to MA Mannan, winner of LG 100% Discount Offer, a promotional campaign of Butterfly Marketing organised to mark the Eid-ul-Fitr.

US-China trade further frayed

REUTERS, Washington

US-China trade tensions deepened Friday with a US International Trade Commission decision allowing anti-dumping duties on Chinese iron pipe fittings, capping a week when the two countries fought over textile trade.

The ITC completed a yearlong investigation by ruling in a 6-0 vote that two small American firms were harmed by China's sales of pipe fittings at below-market prices.

The vote paves the way for the US Commerce Department to finalize US duties expected to average about 11 per cent on the iron pipe fittings used for natural gas, oil and water pipelines.

The \$ 20 million worth of Chinese pipe-fitting shipments are dwarfed by China's textile and apparel exports to the United States, which are valued at about \$11 billion a year.

Beijing has voiced outrage over Bush administration plans, announced on Tuesday, to limit surging Chinese exports of knit fabrics, bathrobes and brassieres.

The US textile industry, which has lost hundreds of thousands of jobs from cheap imports, is pressing for protections on a far broader range of clothing from China.

By year's end, Washington and Beijing could also find themselves caught up in a trade fight over furniture.

ITC investigators on Friday were probing China's rapidly growing shipments of wooden bedroom furniture, amid requests by the US industry for stiff

anti-dumping duties.

A preliminary vote on whether US companies are harmed by China's furniture exports is expected in mid-to late December, around the time the Commerce Department makes a preliminary decision on possible anti-dumping duties against China.

The disputes come against a backdrop of Beijing's anger over US steel tariffs and Washington's evaporating patience with China's suspected patent and copyright infringement believed to be costing US industries billions of dollars a year.

The two US pipe-fitting companies that sought the anti-dumping duties are Ward Manufacturing of Blossburg, Pennsylvania, and Anvil International Inc., of Portsmouth, New Hampshire.

Thomas Gleason, vice president of Marketing and sales for Ward Manufacturing, told Reuters on Thursday the Commerce Department notified his firm the final anti-dumping rate would average about 11 per cent, far below what he said was needed to discourage unfair imports.

During testimony yesterday, American firms, many based in Southern states that have been losing textile and manufacturing jobs, complained about China's bedroom furniture exports.

Iraq resumes oil exports to Jordan

AFP, Cairo

Iraq resumed oil exports to Jordan and strengthened oil industry cooperation with former foe Kuwait and other Gulf states this week amid more sabotage attacks on Iraqi pipelines.

One million barrels of Iraqi crude arrived on November 15 in the Jordanian Red Sea port of Aqaba, the first such oil exports to Jordan since the US-led war that toppled Saddam Hussein in April, officials said.

Under an October 28 agreement, Jordan said it would buy 2.6 million barrels of Iraqi oil for local consumption at a cost of more than 70 million dollars.

Energy ministry official Khaldun Qtaishat said the oil was being shipped from Iraq's oil port of Mina al-Bakr in the Gulf to Jordan's Red Sea port of

Aqaba.

It will ensure Jordan's supplies until the end of the year along with purchases from Saudi Arabia. The shipments were bought at the world market price and not preferential rates, he added.

Before the war, Jordan took all its oil from Iraq, importing 5.5 million tonnes annually by road, half of it free and the other half at a preferential price. Issam Jehad, an advisor to Iraqi oil minister Ibrahim Bahr al-Ulum, said Kuwait had agreed in principle to supply Iraq with oil products to meet winter shortages as well as allow Baghdad to use its terminals to export oil.

Jehad said Kuwait also gave a provisional nod to buy natural gas from its former occupier in return for billions of dollars of debt and agreed to assist in rebuilding the Iraqi oil sector.

CURRENCY

Following is yesterday's forex exchange rate statement by Standard Chartered Bank						
Sell	Currency		Buy			
TT/OD	BC		TT Clean	OD Sight Doc	OD Transfer	
58.9686	58.7800	USD	57.8700	57.7000	57.6310	
70.9458	71.0062	EUR	68.0551	67.8552	67.7740	
100.7043	100.0546	GBP	97.7540	97.4669	97.3502	
43.2958	43.3326	AUD	41.1571	41.0363	40.9871	
0.5451	0.5455	JPY	0.5263	0.5248	0.5242	
45.5978	45.6366	CHF	44.1756	44.0458	43.9931	
7.8012	7.8079	SEK	7.3408	7.3193	7.3105	
45.4250	45.4637	CAD	44.0110	43.8817	43.8292	
7.5754	7.5819	HKD	7.4468	7.4249	7.4161	
34.3149	34.3441	SGD	33.4605	33.3623	33.3223	
16.1209	16.1346	AED	15.6291	15.5832	15.5646	
15.7847	15.7981	SAR	15.3083	15.2633	15.2451	
9.7980	9.8063	DKK	8.9132	8.8870	8.8764	

Exchange rates of some currencies against US dollar						
Indian Rupee	Pak Rupee	Lankan Rupee	Thai Baht	Nor. Kroner	NZ Dollar	Malaysian Ringgit
45.715	57.25	96.75	39.905	6.8499	0.6325	3.80

Local Interbank FX Trading :

Local interbank market was subdued due to weekend in the international markets. The greenback remained steady against Bangladeshi taka.

Local Money Market:

Money market was active. Call money rate rose slightly to 8.0-12.0 per cent as against 6.0-9.0 per cent previously.

International Market:

International market remained closed due to weekend. On Friday, dollar became slightly weaker against the majors as concerns about possible terror threats eased amid steady price action on Wall Street.

At New York closing on Friday, Euro was at 1.1910/12, GBP at 1.7032/38 and Yen at 108.75/80 against dollar.

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