

Lifting of US steel tariffs double victory for WTO

AFP, Geneva

The World Trade Organisation won a double victory with the decision by Washington to lift steel tariffs -- proving even its biggest members must obey the rules, while preventing a global trade war.

And the triumph may provide the extra impetus needed to relaunch the latest round of talks aimed at further freeing global trade, diplomats said Friday.

"It shows that the WTO dispute settlement machinery works and I think that it is a very welcome and positive sign," said Australia's ambassador to the WTO, David

Spencer.

"I think it will improve the prospects of continuing with our Doha negotiations," he told AFP, referring to the Doha Development Agenda that stalled in Cancun, Mexico three months ago amid deep divisions between rich and poor nations.

"It takes away this threat of a retaliatory war, which Europe and Japan were threatening ... It just generally improves the atmosphere," said Spencer.

Facing a threat of some 2.2 billion dollars in retaliatory sanctions from the European Union and the prospect of similar moves

by seven other trading partners including Japan and China, President George W. Bush on Thursday scrapped three-year tariffs on certain steel imports imposed in March 2002.

The safeguard measures, ultimately ruled illegal by the WTO last month, were ordered to allow a failing US steel industry time to restructure, according to Washington.

"This proves the WTO has teeth," said Jean-Pierre Lehmann, director of the Evian Group, a trade-related think-tank in Switzerland.

It challenged the notion held by anti-globalisation protesters that the organisation is under US influence, he said.

"Bush's decision to impose the tariffs violated the multilateral trading system at a time when member states were trying to conclude the Doha round of negotiations," said Lehmann.

"It is a good thing the WTO successfully exercised discipline."

EU Trade Commissioner Pascal Lamy said Washington's compliance -- which had been in doubt -- vindicated the WTO's rules-based format.



PHOTO: BENGAL PLASTIC INDUSTRIES

Bengal Group Chairman Morshed Alam inaugurates a new showroom of the Bengal Wares, a unit of Bengal Plastic Industries Limited, at South Jatrabari in Dhaka recently. Among others, Md Jashim Uddin, director of Bengal Group, was present.

Globalisation U-turn may increase inflation

IMF's ex-chief economist says

REUTERS, Washington

A reversal in the globalisation trend could sharply increase global inflation, which has declined significantly since the early 1980s, according to the IMF's former chief economist, Ken Rogoff.

In a quarterly IMF publication, Rogoff, now an economics professor at Harvard University, argued that globalisation has helped fight inflation by increasing competition, which has raised overall output and made prices more flexible.

He said global inflation had dropped to under 4 per cent from around 30 per cent a year in the early 1990s.

"If the trend toward greater globalisation were to reverse -- say, if heightened conflict made international shipping much more difficult and expensive -- the benefits of increased trade and competition could be reversed, leading to a sharp increase in inflation," he wrote in the IMF's December issue of Finance and Development published on Friday.

Critics of globalisation -- who say that the liberalised flow of capital and jobs across borders makes the rich richer and the poor poorer -- have held protests around the globe at meetings of international bodies such as the World Trade Organisation and the International Monetary Fund.

Rogoff noted that the last great

area of globalisation -- between 1870 and 1910 -- ended with the outbreak of World War One, which led to the breakdown of the gold standard and curbed trade. Global trade did not recover until after World War Two, he added.

Rogoff argued that the only defense to keep global inflation -- which measures the average aggregate rate of increase of national prices across all countries -- at bay was to rely on improvements in central bank institutions.

"Central banks must recognise that an adverse supply shock may temporarily lead to deflation but be alert to the threat that, over the medium term, it can lead instead to inflation," he said.

The IMF should therefore, advocate greater central bank autonomy and urge members to stay alert to the risk of inflation, even in the present very low inflation environment.

"Some day the technological and political forces that have been leading to greater economic competition will almost surely run in reverse for a period.

"When this happens, markets will quickly separate the wheat from the chaff," he added.

Rogoff said countries that used the present benign inflation environment to strengthen their institutions will be able to weather the storm, while those that didn't may be vulnerable.



PHOTO: ASSOC OF CONSTRUCTION INDUSTRY

Bangladesh Association of Construction Industry (BACI) President Mir Zahir Hossain, Vice-president of BACI Atiqur Rahman and Director General of Central Procurement Technical Unit (CPTU) of IMED of Planning Ministry AKM Fazlul Karim pose for a photograph at a discussion on Draft Standard Tender Document organised jointly by BACI and CPTU in Dhaka on Thursday.



PHOTO: DUTCH-BANGLA BANK

Dutch-Bangla Bank Limited (DBBL) Managing Director Yeasin Ali recently poses for a photograph along with the representatives of i-flex Solutions Limited, India and other officials of DBBL at the inaugural session of a training course on Banking Software in Bangladesh at Bangalore in India. Twenty-one DBBL officials attended the training programme.

Japan to provide \$0.7m for aid to 4 Asean states

AFP, Tokyo

Japan plans to provide 700,000 dollars in technical assistance to help develop island areas in four Southeast Asian countries, a press report said Saturday.

The plan will be announced at a summit meeting here between Japan and the Association of Southeast Asian Nations (Asean) on December 11-12 to commemorate the 30th anniversary of the group's ties with Tokyo, the Jiji Press news agency said.

Jiji, quoting government sources, said the aid will be provided to Indonesia, Brunei, Malaysia and the Philippines through a Japanese-financed special fund established at the Asian Development Bank for three years from late January.

The summit is expected to confirm commitments by Japan and Asean member states to beefing up the comprehensive economic partnership between the two sides.

The Japanese aid will help prop up the economies of the island areas which have abundant natural resources but are fraught with slower economic development hampered by poverty and piracy, among other things, the report said.

CURRENCY

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

Sell	Buy	Currency	TT Clean	OD Sight Doc	OD Transfer
58.7300	58.7800	USD	57.8850	57.7150	57.6459
72.4317	72.4934	EUR	69.5373	69.3330	69.2500
102.4897	102.5770	GBP	99.2786	98.9870	98.8685
44.0651	44.1026	AUD	41.9261	41.8030	41.7529
0.5506	0.5511	JPY	0.5317	0.5302	0.5295
46.4232	46.4627	CHF	44.9732	44.8411	44.7874
7.9633	7.9701	SEK	7.4883	7.4663	7.4573
45.3654	45.4040	CAD	43.9655	43.8364	43.7839
7.5743	7.5807	HKD	7.4472	7.4253	7.4165
34.4296	34.4589	SGD	33.5799	33.4812	33.4412
16.1209	16.1346	AED	15.6332	15.5873	15.5686
15.7855	15.7990	SAR	15.3131	15.2681	15.2498
10.0080	10.0165	DKK	10.0917	10.0650	10.0541

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor. kroner	NZ dollar	Malaysian ringgit
45.57	57.35	96.45	39.905	6.6449	0.6951	3.80

Local Interbank FX Trading :

Local interbank market was subdued on Saturday as the international market was closed. The greenback was stable against Bangladeshi taka.

Local Money Market: Money market was active. Call money rate was slightly down and ranged between 4.00 and 4.50 per cent compared with 4.50 and 5.00 per cent previously.

International Market: The dollar slipped to a record low of 1.2169 against the euro for a sixth straight day on Friday.

amid a broad sell-off caused by disappointment that US job creation in November fell short of recent inflated expectations. The yen rose to a fresh two-week high against the dollar at 107.65. The greenback dropped more than a percentage against the Swiss franc to a new five-year low of 1.2745 francs based on the data, while sterling rose to 1.7274 against the US currency, a gain of 0.33 per cent. At the closing of New York on Friday, euro was at 1.2163/65, GBP at 1.7291/99 and yen at 107.66/74 against dollar.

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ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle draw was held at ReadyCash Banglaesh

Prizes	Name of Winners	Card No
Sentra Travels and Tours free	Mahbuba Hasna	504798000006273
Dhaka Cox's Bazaar Dhaka Birman Ticket	Sadia Ahmed	5047980010017200
Saint Martin free Domestic Tour for Two		
Bhuyyan Computers free Computer/English Spoken Course	M Helal Badsha	5047980010002679
System Information Technology free		
Computer learning Course/Mohammed Osman Gani		5047980010002993
Drik.net free 100 hours Browsing	Momtaz Uddin Ahmed	5047980000047866
Dominous Pizza free Meal Box	AK Azad Khan	5047980000027496
You and Eye free Eye Test and Glass	Gazi Abdur Razzak	5047980000046276
Nanking Chinese free Lunch/Dinner for Two	AM Aminuzzaman	5047980010023229
Fedex free Shipment	KM Mehboobur Rahman	5047980000016725
Fedex free Shipment	Mr MA Kamal	5047980000013746
Fedex free Shipment	Dr UH Nasera Begum	5047980000025771
Fedex free Shipment	Mohammad Elias	5047980000025086
Great Wall free lunch/Dinner for two	Ashan Ullah	5047980010014113
Great Wall free lunch/Dinner for two	Md Ishtiaque Latif	5047980010034724
Great Wall free lunch/Dinner for two	Sandhya Chakraborty	5047980010023674
Great Wall free lunch/Dinner for two	Md Shaheduzzaman	5047981000016620

Winners can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation. Ready Cash encourages its cardholder to read The Daily Star and The Daily Prothom Alo on every Sunday for a new listing of card winner or call our Customer Service at: 8125294-7, 8130497, and 8123850.

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