

US loses challenge on Canadian lumber subsidy case

WASHINGTON, Aug 4: In a two-one decision along national lines, a special panel has dismissed a US appeal of a decision barring penalties against what it calls imports of subsidized softwood lumber from Canada, says a USIS press release.

At issue in the decision announced yesterday by the Extraordinary Challenge Committee (ECC) was an earlier binational panel ruling that went 3-2, also along national lines, against US imposition of 6.51 per cent countervailing duties on the imports to offset the alleged subsidies.

The Office of the US Trade Representative (USTR) has now three times lodged extraordinary challenges to binational panel decisions and three times lost.

The committee's two Canadian members rejected a USTR argument that two of the three Canadians on the binational panel should be removed because they had failed to report and that a reconstituted panel should review the case.

They rejected also USTR's argument that the panel exceeded its powers by forcing the US Commerce Department to reverse its decision. Under the US-Canada Free Trade

Agreement (FTA), a binational panel cannot reverse a domestic government agency's decision, but can only uphold the decision or send it back with instructions for further review.

Dissenting was the US committee member, Judge Malcolm Wilkey, who said, "It seems to me that it could not be clearer that the conflict of interest... certainly materially affected the panel's decision" by casting doubt on its members' impartiality.

"If we want to sabotage the entire panel review process," Wilkey said, "we can do it by tolerating these clear and mistakable violations and declining to vacate the panel's opinion in this case."

He said also the binational panel did indeed exceed its powers by usurping the role of the Commerce Department in deciding a subsidy case, ignoring US law.

A Commerce Department spokesman who asked not to be identified said the countervailing duty will be revoked as a result of the extraordinary challenge decision. He said US imports of Canadian softwood lumber amounted to about 4,800 million dollar in 1993, 3,500 million dollar in 1992, and 2,500 million dollar in 1991.

"The US government is ex-

tremely disappointed with the ECC decision," he said. "We are in the process of reviewing the decision and will not comment on specifics until the decision has been thoroughly analysed."

The August 3 announcement was only the latest development in a bilateral dispute going back to 1982.

At issue this time was a 1992 Commerce Department finding the US imports of softwood lumber were subsidised by Canada, estimating the subsidy at 6.51 per cent. Under the FTA, Canada requested a binational panel review.

A binational panel remanded the case twice to Commerce in 1993, the second time using such narrowly defined instructions as to leave Commerce no choice, it said, but to reverse its original subsidy finding. The two US panel members wrote in dissent that the three Canadians were exceeding the panel's authority by substituting their own views for US subsidy law.

In April, 1994 USTR lodged the extraordinary challenge to the remand, charging possible conflicts of interest on the part of two panelists.

The extraordinary challenge committee decision brought immediate response in a flurry of press releases.

John Ragosta, lawyer for the US Industry Coalition for Fair Lumber Imports, said the committee's failure to correct the panel decision raises doubts about the entire dispute-settlement process, which has essentially been transferred from the FTA to the successor North American Free Trade Agreement (NAFTA).

"Today's decision tells US industries that even if unfair trade injures your industry and even if US trade laws have been violated, you can be denied your legal rights," Ragosta said. "This is a sad day for free trade."

Senator Max Baucus said the decision was "a grave disappointment," contending that Canada provides hundreds of millions of dollars in subsidies by setting timber prices at half or less the market rate, threatening US industry and jobs with a flood of imports.

Roy MacLaren, Canada's international trade minister, welcomed the committee decision in a statement saying, "We expect the US administration to implement the ECC's findings as quickly as possible, which will result in refunds, with interest, of the approximately 800 million dollars in cash deposits that have been paid to date."

Asian stock markets close mostly higher

HONG KONG, Aug 4: Asian stock markets closed mostly higher Thursday, with share prices rebounding slightly on the Tokyo Stock Exchange reports AP.

Tokyo's 225-issue Nikkei Stock Average gained 44.11 points, or 0.21 per cent, closing at 20,676.84. On Wednesday, the index had fallen 27.40 points, or 0.13 per cent, to 20,632.73.

The Tokyo Stock Price Index of all issues listed on the first section was up 3.21 points, or 0.19 per cent, to 1,656.52. The TOPIX edged up 0.71 point to 1,653.31 the day before.

Trading was light, with an estimated 250 million shares changing hands on the first section, down from Wednesday's 304 million shares.

In Hong Kong, share prices closed solidly higher in moderate trading.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, rose 56.96 points, or 0.5 per cent, closing at 9,642.85. On Monday, the index had slumped 109 points.

WELLINGTON: New Zealand share prices closed higher in busy trading, with strong demand for most leading issues. The NZSE-40 Capital Index rose 19.68 points to 2,101.88.

TAIPEI: Share prices closed higher in thin trading. The market's Weighted Index rose

66.01 points to 6,789.57 after Wednesday's 156-point fall.

MANILA: Share prices closed higher in heavy trading. The Philippines' unified composite index of 31 selected issues rose 13.34 points to 2,897.62.

SEOUL: Share prices closed higher on renewed expectations that the authorities will raise the ceiling on foreign stock ownership. The Korea Composite Stock Price Index rose 4.02 points to 927.49.

SYDNEY: Australian share prices closed slightly higher in response to a late rally in bond prices and rising share-price index futures. The All Ordinaries Index rose 11.1 points to 2,083.5.

SINGAPORE: Share prices closed mixed. The 30-share Straits Times Index (STI) Index rose 4.04 points to 2,271.17.

KUALA LUMPUR: Malaysian share prices closed higher in moderate trading despite some profit-taking. The Kuala Lumpur Stock Exchange's Composite Index rose 7.74 points to 1,086.80 points. The industrial index gained 17.50 points to 1,754.58.

BANGKOK: Thai share prices closed slightly higher. The Stock Exchange of Thailand (SET) Index rose 9.43 points to 1,416.71.

Dhaka Stock Prices

At the close of trading on August 4, 1994

Trading weakens

Star Report

The trading on the floor of the Dhaka Stock Exchange (DSE) weakened Thursday, the closing day of the week.

The turnover in volume incurred a loss of 64,126 per cent and the turnover in value decreased by 80,513 per cent.

A total of 36,906.00 shares changed hands at Taka 63,68,645.75 as against Wednesday's 1,02,877.75 shares worth Taka 3,26,82,088.25.

Gainers dominated the floor. They outnumbered the losers by 27 to 20 while the share prices of only three issues remained unchanged.

The number of issues traded fell from 67 to 50. Beximco Ltd led the gainers in terms of volume. Its 7700 shares were traded.

Bengal Food (5211), Ashraf Textile (3400), GQ Ball Pen (1625) and Ctg Cement (1090) also gained significantly.

ACI Ltd experienced a gain of Taka 40.00 per share, leading the gainers in terms of value.

Beximco Synthetic dominated the losers' list in terms of volume with 8040 shares traded.

The DSE All Share Price Index continued to rise. It reached 702,234.18 from 700,854.71, registering a gain of 1,375 points.

Trading at a glance

DSE All Share Price Index 702,234.18

Market Capitalisation Tk 3,194,66,57,066.50

Turnover in Volume 36,906.00

Turnover in Value 63,68,645.75

Company's name Change Number (per share) of shares Tk traded

Gainers (27)

City Bank	5.06	100
Islami Bank	1.00	1
National Bank	0.02	5
Al Baraka Bank	10.00	33
5th ICB M Fund	0.05	330
Aziz Pipes	0.86	35
Bengal Carbide	28.02	130
Eastern Cables	0.32	975
Singer BD	19.15	65
Howader PVC	4.00	10
National Tubes	0.46	230
BD Thai Aluminium	1.93	290
Bengal Food	0.12	5121
Dhaka Vegetable	0.40	325
Ashraf Textile	0.04	3400
Saltham Textile	1.00	60
Tallu Spinning	3.57	50
ACI Ltd	40.00	50
Rahman Chemicals	3.09	10
Apex Tannery	1.62	40
Bata Shoe	0.10	240
GQ Ball Pen	1.89	1625
Beximco Ltd	0.12	7700
Ctg Cement	2.56	1090
Apex Footwear	2.93	570
BICG	5.00	80
B Fisheries (Deb)	2.14	106

Losers (20)

Al Baraka Bank	1.00	15
Rupali Bank	1.00	60
United Leasing Co	10.00	120
Aftab Automobiles	10.00	75
Monno Staffers	10.00	10
Quasem Drycells	0.81	1100
Ctg Vegetable	0.94	460
Beximco Fisheries	1.68	1780
Apex Spinning	7.73	240
Amhee Pharma	0.09	800
Kohinoor Chemical	0.50	135
Ibn Sina	8.33	30
Wata Chemical	1.00	20
Beximco Infusions	6.80	30
Beximco Synthetic	0.14	8040
Libra Pharma	7.31	140
Monno Ceramic	1.89	170
United Insurance	10.00	200
Eastern Insurance	3.53	500
BCIL (Deb)	2.14	106

Issues (3) unchanged

Alpha Tobacco (25), Tamijuddin Textile (290), BCIL (20)

DSE All Share Price Index

July-August

28 31 1 2 3 4

620 630 640 650 660 670 680 690 700 710

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Yeltsin orders 15 pc hike in govt pensions

MOSCOW, Aug 4: President Boris Yeltsin on Wednesday ordered a 15-per cent hike in government pension payments to the elderly, who have been among the hardest hit by Russia's economic recession and high inflation, reports AP.

However, Yeltsin's decree sets the maximum pension at only 21,850 rubles (about 11 dollars) a month, and overrides parliamentary calls for a 40 per cent to 50 per cent increase.

Yeltsin said parliament's figures were too high for a country trying to reduce its budget deficit. His decree said the smaller increase "corresponds to the financial resources of the State Pension Fund and the approved 1994 federal budget."

Retirees and others on fixed incomes have struggled as prices have soared during Russia's attempt to convert to a market economy.

Russia's inflation fell to 4.8 per cent for June, the lowest one-month figure this year. But the rate for all of 1994 is expected to be close to 100 per cent. Last year, inflation was a staggering 950 per cent.

US economic expansion at solid pace, says survey

WASHINGTON, Aug 4: A Federal Reserve survey indicates that US economic expansion continues at a solid pace with only scattered indications of weakness, according to USIS.

Called the "beige book," a summary of economic conditions around the Federal Reserve's 12 districts is prepared every six or seven weeks. This one, released yesterday, was based on information collected before July 25.

"Industries such as motor vehicles, capital goods including industrial machinery, heavy trucks, microelectronics, computers, mining and construction equipment, and non-durable goods producers like chemicals and textiles are all reported to be expanding their production," the report said.

It said retail sales have been stronger in the summer than in the spring, especially for autos, building materials and appliances and, in some districts, apparel.

Construction activity was reported as steady overall although home construction was dropping in some districts because of higher mortgage interest rates.

As for inflation pressure, the report said several districts reported some tightening in labour markets and consequent faster wage growth, but shortages appeared only in a few occupations such as technicians, clerical workers, construction workers and truck drivers.

Prices were reported rising for a range of industrial materials including steel, copper, wood, paper and paperboard, building materials including brick and glass, and wool and other textiles.

"However, a majority of districts report that retailers are holding the line on price increases, and profit margins are narrowing in a retail environment that continues to be characterized as intensely competitive," the report said.



Peter Morizzo, General Manager (India, Bangladesh, Nepal and Bhutan) of Swissair is seen with Azmat Moyeen, Managing Director of Swissair GSA Golden Eagle Air Ltd. Dhaka, Elton D'souza, Marketing Manager-western India, and Jamal Warris, Director (Marketing & Sales) of Golden Eagle Air Ltd at the new office of the Swissair GSA at Gulshan in Dhaka.

Purchasing power of black Americans rising

ATLANTA, Aug 4: The spending power of black Americans is rising at a faster rate than the nation as a whole, according to a new study that suggests retailers should do more to attract those consumers, reports AP.

"The spending power African-Americans control can be the margin between success and failure for many businesses. So it just makes sense for retailers to try to appeal to one of the fastest growing segments of the population," said University of Georgia economist Jeffrey M. Humphreys, author of the study, which was released Wednesday.

Humphreys, director of economic forecasting at Georgia, defined buying power as total personal income after taxes. He said the buying power of blacks in the United States should increase to 399 billion dollars by next year, up 33.9 per cent from 298 billion dollars in 1990.

That exceeds the 29.5 per cent growth rate estimated for the overall US population during the same period and more than double the 16.4 per cent inflation rate for the 1990-95 period, Humphreys said.

"All you have to do is walk through the grocery, watch TV or read a magazine. You see black models, niche products are more prevalent," he said.

The market where black consumers have the greatest buying power is New York state, with 45.8 billion dollar estimated for 1994, according to Humphreys' study. The fastest growing market for black buying power is Idaho, with a 74 per cent increase expected from 1990 to 1995.

Humphreys said reasons for the increase in black buying power are two fold: rising incomes overall and a growing black population.

Recent Census Bureau statistics indicate the percentage of blacks in the US population is growing while the percentage of whites is shrinking, though both groups are increasing in numbers.

By 2020, whites will make up 78 per cent of the population, compared with 83 per cent now, while blacks will grow from 12.5 per cent to 13.9 per cent, the bureau said.

Humphreys said businesses are gradually recognizing the importance of the black market.

Swissair opens sales office in city

Swissair has opened its sales office in Dhaka, says a press release.

The new office is located at 58/C, Road No 131 Gulshan while Golden Eagle Air Ltd has been named as their new GSA for Bangladesh.