

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 conflicts of interest 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

The US government is ex-

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 unmistakable 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 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).

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 subsidized by Canada, estimating the subsidy at 6.51 per cent.

"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 ended 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 Industrials (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 2,146.71.

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) 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 Value Tk 63,68,849,79

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

Gainers (27)

City Bank 5.06 100
Island Bank 1.00 1
National Bank 0.02 5
Al Baraka Bank 10.00 3
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
Howlader 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
Sahim Textile 1.00 60
Taluk 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
BCIL 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
Afifab Automobiles 10.00 75
Monno Stafflers 10.00 10
Quasem Drycells 0.81 1100
Ctg Vegetable 0.94 460
Beximco Fisheries 1.68 1780
Apex Spinning 7.73 240
Ambee 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), Tamjuddin Textile (290), BCIL (20)

Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on August 4 and 5.

(Figures in Taka)

Currency	Selling		Buying	
	TT & OD	EC	TT	OD
US Dollar	40.3850	40.4150	40.1000	40.0325
Pound Sterling	62.6337	62.6803	60.9343	60.8318
DM	25.9306	25.9499	25.2217	25.1793
F Franc	7.5858	7.5914	7.3804	7.3679
C Dollar	29.3656	29.3874	28.5707	28.5226
S Franc	30.6983	30.7211	29.8556	29.8053
Jap Yen	0.4101	0.4105	0.3948	0.3942
Indian Rupee (AMU)	1.2907	1.2971	1.2754	1.2595
Pak Rupee (AMU)	1.3204	1.3270	1.3046	1.2883
Iranian Rial (AMU)	0.0230	0.0231	0.0228	0.0225

AI T. T. (DOC) US Dollar Spot Buying Tk 40,0662

By Usance Rates:

30 Days DA 60 Days DA 90 Days DA 120 Days DA 180 Days DA

39.7497 39.4656 39.1816 38.8976 38.3295

C US Dollar sight export bill 3 months forward purchase: Tk 40,0325

D US Dollar 3 months forward sale: Tk 40,6150

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 4. 8.1994

Berth	Name of vessels	Cargo	I port call	Local agent	Date of arrival	Leaving
J/1	Arktis Sun	GI	Sing	BSL	31/7	8/8
J/2	Kutuzovo	GI	Kose	Seacom	31/7	8/8
J/3	Young II	Repair	Sing	BML	28/7	8/8
J/4	Dubai Glory	GI	Sing	Prog	1/8	8/8
J/5	Khartoum	SSP(P)	SAFA	Cosmo	30/7	8/8
J/6	Krasno Yarski	GI	Sing	Seacom	26/7	10/8
J/7	Komsomolsk					
J/8	Banglar Kallol	GI	Pena	BSC	23/7	6/8
J/9	Nikoula	GI	Sing	Prog	22/7	8/8
J/10	Mikhail Stenko	Cont	Col	BTSA	2/8	6/8
J/11	Dolores	Idle		Seacom	R/A	10/8
J/12	Alain Tenang	Sugar(P)		Bank	17/7	10/8
J/13	I Yamburenko	Cont		Sing	CT	31/7
J/14	Petr Starostin	Cont		Sing	CT	30/7
J/15	MPB/1	Fong Yung	Cont	Sing	BDShip	28/7
J/16	MPB/2	Optima	Cont	Sing	RSL	30/7
J/17	OCJ	Banglar Asha	Repair	Sing	BSA	1/8
J/18	Altodar	Cement		Aeka	21/7	8/8
J/19	RD/4	APU Prithi	Cement	Sing	USTC	31/7
J/20	PM/6	Team Trinta	HSD/MS	Sing	MSPL	10/7
J/21	DOJ	Global Trader	Cement	Sing	Aeka	14/7
J/22	Banglar Maya	Repair	CAL	BSC	1/8	10/8
J/23	DOJ/1	Pearl One	Repair	Yang	ENCL	15/6
J/24	Banglar Jyoti	Repair		BSC	R/A	6/8

Note : AMU—Asian Monetary Unit

Vessels due at outer anchorage

Name of vessels	Date of arrival	Last port call	Local agent	Cargo	Loading port
Dona Ourania	4/8	Kapt	JF	Scraping	