Dispute over hormone-treated beef

US ready to slap punitive duties on bulk EU products

WASHINGTON, May 11: US officials warned yesterday that they are prepared to slap punitive duties on hundreds of millions of dollars of additional European Union goods unless the EU agrees by Thursday to open its market to hormone-treated beef, says Reuters.

It would be the second time in less than six months that the United States has retaliated against the EU in a trade dispute. In the earlier case involving bananas, the World Trade Organisation (WTO) gave the approval for the United States to retaliate on $191.4 million of EU products.

Peter Scher, special US negotiator for agricultural trade, told reporters "there is still time" for the two sides to work out a labelling solution in the dispute that would allow EU consumers to decide whether to eat US beef.

"We're still very open to working with the European Union in that direction," Scher said. "But as I have said, and I think this administration has made clear, if the EU fails to comply, we will exercise our right" to retaliate.

More than 90 per cent of US beef production is from cattle raised on artificial growth hormones, which are inserted in pellet form behind the animal's ear. The US Food and Drug Administration says the artificial hormones pose no threat to human or animal health if properly administered.

Tim Galvin, head of the US Agriculture Department's Foreign Agricultural Service, said four decades of testing by experts have proven that artificial growth hormones are safe.

"There is essentially no safety difference between eating beef from animals treated with hormones and those not treated with hormones," Galvin said.

But the EU argued that scientific evidence showed at least one of the hormones widely used in US beef production may cause cancer.

Two separate WTO dispute settlement panels have ruled the EU's 10-year-old ban on hormone-treated beef violates international trading rulings.

Last year, the WTO gave the EU until May 13, 1999, to comply. The United States upped the ante this spring by publishing a list of $900 million in EU goods that could be hit with punitive duties if the EU does not open its market to the hormone-treated beef.

The preliminary list covered a broad range of EU food products — from pork, beef and poultry to mineral water, tomatoes and chocolate — and a few non-agricultural goods, like small-engine motorcycles.

At a press conference, Scher and officials with the National Cattlemen's Beef Association said they hoped the EU would meet the deadline.

But Scher noted that "inflammatory" statements made last week by the EU raised questions about its "ability and willingness to comply with its obligations and work with us to resolve this difficult dispute."

The EU has long insisted that the WTO rulings only require it to conduct a risk assessment on the safety of eating beef from cattle raised on artificial growth hormones.

Last week, the EU issued a preliminary risk report that US officials say appears to contain no new data and only repeats the EU's previous unsubstantiated claims.

In Brussels, acting EU Trade Commissioner Sir Leon Brittan said he would propose compensating the United States for lost beef sales in order to avoid retaliation.

Under WTO rules, both the United States and the EU would have to agree on the size and the content of the compensation package. But Washington is only interested in compensation if it leads to elimination of the ban, Scher said.

US sales of hormone-treated beef totalled about $100 million annually in 1989, when the EU imposed its ban. However, US cattle producers calculate that the market would be now worth about $500 million if not for the ban.

Once the United States forwards its final damage estimate to the WTO, the EU is expected to ask for arbitration on the amount. The US will have the right to retaliate after the 30-day arbitration period ends on July 13, but must provide the WTO with its final retaliation list by late May or early June, Scher said.

"If countries like the EU continue to fail to meet their obligations, then industries in Europe will have to suffer just like the cattlemen have suffered," Scher said.

HSBC goes for its largest acquisition

NEW YORK, May 11: Britain's largest banking group, HSBC Holdings Plc, said yesterday it agreed to buy US bank Republic New York Corp RNB. N and its European private banking affiliate for $10.3 billion, in a move that will multiply its network of wealthy clients, says Reuters.

The purchase of Republic and its Safra Republic Holdings SA affiliate, which is HSBC's largest acquisition to date and the London-based banking group's strongest push so far into the US market, would double its private banking operation and give it an extra $56.5 billion of client funds.

It also marks the end of an era for Edmond Safra, who hails from an old Lebanese banking family and set up Republic National Bank of New York in 1966 and Safra Republic in 1988. Despite a conservative reputation, his bank was hit by losses in emerging markets last year. And Safra himself has Parkinson's disease.

"The real value in Republic is its private client banking business," said Thomas Stone, an analyst and Duff & Phelps Credit Rating Co. "They have a fantastic private client business run through Republic and Safra Republic ... They are the US equivalent of a Swiss bank in a lot of minds."

The acquisition, which must be approved by regulators, would create New York's third-largest bank branch network, with more than two million customers, with the combination of Republic National Bank of New York with HSBC's US bank unit.

The bid also values the 5 per cent of Safra Republic not owned by Republic at $2.6 billion. Safra Republic is a Luxembourg-based private bank with branches in France, Switzerland, Gibraltar, Monaco and Guernsey.

"Republic, unfortunately, hit the rocks last year with the international crisis," Gerard Cassidy, an analyst at Tucker Anthony, said. "In the United States, many banks that are recognising they can't grow earnings at an acceptable rate are now turning inward and thinking about selling out."

Safra appears to have timed his exit well. He would cash out his 29 per cent stake in Republic after a near doubling of its share price from a two-and-a-half-year low of $36.1875 in January, hit after Republic disclosed Russian trading losses.

Although HSBC is headquartered in London, it has large operations in Hong Kong and throughout Asia through its unit, Hongkong & Shanghai Banking Corp., and its affiliate.

ILO Area Director MA Hassanein hands over a report titled Improving Working Conditions and Productivity in the Garment Industry to BGMEA President Anisur Rahman Sinha at the Bangladesh Employers' Association office in the city on Monday. Also seen in the picture are Minister for Labour and Employment M A Mannan, acting president of Bangladesh Employers' Federation ASM Kashem and senior specialist on employers' executives of ILO-SAT,New Delhi, Raphael Crowe.

Northwest, KLM add Alitalia to alliance

MINNEAPOLIS, May 11: Northwest Airlines and KLM Royal Dutch Airlines are adding Alitalia Italian Airlines to their partnership in flights across the Atlantic, says AP.

The airlines will submit a joint application Tuesday to the US Department of Transportation for antitrust clearance, allowing Alitalia, KLM and Northwest to coordinate their trans-Atlantic route networks.

The new alliance means the airlines will list each other's flights in their computers and coordinate frequent-flyer plans. Doug Steenland, a vice president with Northwest, said customers can expect lower fares and the convenience of seamless flights.

Mario Rosso, a vice president with Alitalia, said his company studied other partnership possibilities before deciding to join Northwest and KLM.

Through the alliance, the airlines would coordinate schedules at US and Italian hubs and gateways. It also would include joint pricing and inventory management, as well as sharing of facilities services, marketing, advertising and sales.

Asian stocks stable

SINGAPORE, May 11: Asian shares were mainly stable today, although stocks in Hong Kong were dragged lower by the Dow's fall and repercussions from the NATO attack on the Chinese embassy in Belgrade, reports Reuters.

The Hang Seng Index had fallen 2.23 per cent or 293.96 points to 12,869.24 by the midday break as the Dow Jones average dropped 0.22 per cent to 11,007.25 on Monday.

"The US market was down overnight and the worry is about inflationary pressures in the US. That is the major concern of the market at the moment," said Alex Tang, research director at Core Pacific-Yamaichi International in Hong Kong.

Tokyo stocks again shrugged off news of the NATO bombing but domestic worries over forthcoming earnings reports pulled the Nikkei 225 average down 0.98 per cent at 16,809.88 by early afternoon trade.

"Investors want to see how earnings forecasts look before moving," said Yukio Takahashi, a manager in the investment information division at Wako Securities.

In Hong Kong, news of HSBC Holdings Plc's US$10.3 billion acquisition of Republic New York Corp helped the share gain HK$1.00 to HK$ 271.00 but fears over China-United States ties after the Belgrade bombing continued to spook investors.

"Given the China situation and the fund raising we are possibly in a consolidation stage," said Frederick Tsang, head of research at DBS Securities.

Shanghai's hard currency B share index gained 1.89 per cent to 28.639 after the chairman of the China Securities Regulatory commission Zhou Zhengqing was quoted in official newspapers as calling for stock market calm.

Australian stocks were slightly lower despite investors buying into market heavyweight News Corp Ltd and pushing it up 23 cents to A$12.50.

In Korea, the Composite Stock Price Index was up 0.61 per cent at 819.21 points as investors bought into heavily-index weighted banks, while Taiwan's TAIEX closed 0.13 per cent lower at 7,474.45 points.

In Southeast Asia, Thailand's SET index was up 1.93 per cent at 499.91 while by midday in Malaysia, the Composite Index was up 2.03 per cent at 720.18.

Officials of different travel and cargo agencies on board Kuwait Airways showing their certificates at a 31000 ft altitude recently. — Kuwait Airways photo

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients

Currency	Selling TT & OD	Selling BC	Buying T.T Clean	Buying OD. Sight Export Bill	Buying OD Transfer
US Dollar	48.7300	48.7700	48.3100	48.1570	48.0850
Pound Stg	79.5566	79.6219	78.3395	78.0914	77.9746
Deutsche Mark	27.2398	27.2622	26.2591	26.1759	26.1368
Swiss Franc	32.8060	32.8329	32.2841	32.1819	32.1338
Japanese Yen	0.4062	0.4065	0.3992	0.3979	0.3973
Dutch Guilder	24.1758	24.1957	23.3054	23.2316	23.1969
Danish Krona	7.1311	7.1370	6.9589	6.9368	6.9265
Australian $	32.9658	32.9929	31.6914	31.5910	31.5438
Belgian Franc	1.3208	1.3218	1.2731	1.2691	1.2672
Canadian $	33.7092	33.7369	32.7171	32.6134	32.5647
French Franc	8.1220	8.1286	7.8295	7.8047	7.7931
Hong Kong $	6.2990	6.3041	6.2197	6.2000	6.1908
Italian Lira	0.0275	0.0275	0.0265	0.0264	0.0264
Norway Kroner	6.4293	6.4345	6.3155	6.2955	6.2861
Singapore $	29.0752	29.0990	28.1363	28.0472	28.0052
Saudi Rial	13.0301	13.0408	12.8457	12.8050	12.7858
UAE Dirham	13.3040	13.3150	13.1167	13.0751	13.0556
Swedish Krona	5.8947	5.8996	5.8158	5.7974	5.7887
Qatari Riyal	13.4217	13.4327	13.2295	13.1876	13.1678
Kuwaiti Dinar	165.2985	165.4342	162.9766	152.4921	152.2641
Thai Baht	1.3254	1.3265	1.3119	1.3077	1.3058
Euro	53.2765	53.3202	51.3584	51.1957	51.1192

Bill buying rates

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
48.2112	47.9074	47.5048	47.1023	46.6997	45.8945

US Dollar London Interbank Offered Rate (LIBOR)

Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
48.0850	48.7300	USD	4.90125	5.00	5.08375	5.2500	5.34625
48.0850	48.7300	GBP	5.37250	5.34359	5.34359	5.39438	5.43719

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.447/ 42.452	50.76/ 50.80	36.75/ 36.78	3.7995/ 3.8005	7750/7800	1198/1199

Amex notes on Tuesday's market

The interbank USD/BDT market was unchanged from its earlier level. USD/BDT rates ranged between 48.6500-48.6550.

Call money market was active, average call rates ranged between 9%-10%.

The dollar was slightly higher against the yen by late Tokyo on Tuesday as the greenback failed to break decisively below a key technical point of 120.30 yen. The dollar was supported on bids from Japanese investors, possibly including major public funds, near and slightly below 120 yen, and by remarks of a former Federal Reserve governor that the yen ought to fall lower than 120 against the dollar.

The Euro was on a steady footing against the dollar in Europe on Tuesday, but it was unable to extend its gains of the past 24 hours as hopes of an early resolution to the Balkans conflict were scaled back.

Sterling off lows, aided by stronger-than-expected UK March industrial production and manufacturing output data. Pound at $1.6220/30 vs $ 1.6211/22 before data and earlier one-week low at $ 1.6208 but still down from $1.6314/19 late in Europe on Monday.

At 9.34 GMT the majors traded against US $ at 120.98/121.08 JPY, 1.4940/1.4950 CHF, euro at $ 1.0760/1.0765 and GBP at $ 1.6224/1.6229.

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 11-5-99

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving
J/1	Golden High	Rice(P)	Sing	CCNL	19/4	12/5
J/2	Erodios	Rice(P)	Kand	AMBL	18/4	18/5
J/3	Ever Cheer (48)	GI	Sing	RML	9/5	12/5
J/4	Shun An	GI	Sing	RML	24/4	12/5
J/5	Santa Suria	GI	Yang	AMBL	23/4	15/5
J/6	Pacific Seles	GI(Peas)	Kona	Seaglory	12/4	14/5
J/7	You Yue	Rice(G)	Kand	USTC	28/2	13/5
J/8	Tiaestels	Rice(G)	Kand	USTC	20/4	15/5
J/9	Gerneral Mojika	R.Seed	Sing	Rainbow	22/4	16/5
J/10	Mokran	Rice(P)	Kara	Cosmos	12/4	14/5
J/11	Kota Berjaya	Cont	Sing	Pil(BD)	4/5	13/5
J/12	Qc Mallard	Cont	Sing	QCSL	4/5	12/5
J/13	Van Dyck	Wheat(P)	Teki	MSA	6/4	14/5
CCT/1	Bunga Mas Lapan	Cont	P.Kel	EOSL	4/5	11/5
CCT/2	Ultima	Cont	sing	QCSL	6/5	12/5
CCT/3	Hari Bhum	Cont	Sing	RSL	8/5	14/5
RM/14	Humber	Cement	Jaka	Able	7/4	15/5
RM/15	Banglar Shourabh	Repair	-	BSC	R/A	16/5
CCJ	Odin-1	C.Clink	Sing	PSAL	4/5	16/5
GSJ	Morning Star	Cement	Pada	USTC	13/4	13/5
TSP	Meghna	RPhos	Jedd	USTC	26/4	14/5
RM/3	Kyong Song	Cement	Jaka	USTC	5/5	18/5
DOJ	Lestari Utama-II	C Clink	Indo	PSAL	4/5	18/5
DD	Sea World	Repair	-	CCNL	R/A	15/5
DDJ/1	Tanary Star	Idle	Para	PSAL	-	-
RM/8	AA Venture	Repair	Kaka	CLA	11/3	13/5

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Ocean Wave	11/5	-	PSAL	Cement	-
Royal Clipper	11/5	Sing	H&SL	-	-
Meghna (Cont) 25/4	11/5	-	Bdship	Cont	Sing
Karunia Lestari-II	12/5	-	PSAL	Rice(P)	-
Bux Moon (Cont)	11/5	P.Kel	QCSL	Cont	Sing
Sin Hai (Cont)	10/5	Sing	RSL	Cont	Sing
Bunga Mas Enam(Cont) 2/5	12/5	P.Kel	EOSL	Cont	Sing
Agios Gerassimos	12/5	Sing	PSAL	Cement	-
Peleas-K	12/5	-	PSAL	Cement	-
Banga Birol (Cont)26/4	15/5	-	Bdship	Cont	Sing
Kota Naga(Cont)3/5	13/5	Sing	Pil(BD)	Cont	Sing
Dragon Kalimantan (Cont)4/5	15/5	Sing	Nol	Cont	Sing
Everise Glory	15/5	-	USTC	Cement	-
Nadel Horn	15/5	-	Able	Cement	-
Wind Fall	15/5	Sing	Nol	Cont	Sing
Jaya Mars (Cont)10/5	16/5	-	Baridhi	Cont	Col
Arti	12/5	Dunk	Lams	Wheat(G)	-
Banglar Robi (Cont6/5	16/5	Sing	BSC	Cotn	Sing
Qc Teal (Cont) 21/5	16/5	-	QCSL	Cont	Mong
San Mateo (Roro/24)4/5	17/5	Sing	JF	Vei	-
Walter	18/5	Kara	JF	-	-
Bright Vega (Roro/24)	18/5	P.Kel	BBA	Vehi	-
Kota Cahaya(Cont) 9/5	18/5	Sing	PIL(BD)	Cont	Sing
Achiever (Cont)5/5	19/5	Sing	RSL	Cont	-
Phaethon	20/5	Sant	OWSL	Sugar(G)	-
Budi Teguh (Cont) 10/5	20/5	Sing	RSL	Cont	Sing
Gangga Nagara	20/5	-	Prog	GI	-
San Pablo(Roro/24)4/5	23/5	Col	JF	Vehi	-

Tanker due

Al Kuwaitiah	11/5	Mina	MSTPL	-	-
Nol Aries	11/5	Sing	ECSL	HSD	-
General Merkbiladze	13/5	-	TSLCDSO (RM/3)		-
Hassbat Qatar	15/5	Jebe	USS	Crude Oil	-

Vesesl at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Energy Explorer-IV	-	-	BBAL	5/4
Seabulk Command	-	-	IBS	R/A(5/5)

Vessels at outer anchorage

				Ready on
Jaami	Rice/GI	Kara	Royal	26/4
Dubai Odyssey	Rice(P)	Kara	Seacom	26/4
Sea Master-1	GI	P Kel	OIL	30/4
Yang Lin	GI	S Haal	USTC	13/4
Banglar Kallol	GI	Male	BSC	7/5
Ali Muztub	Rice(P)	Kara	CLA	7/5
Ocean-1	GI	Yang	SMSL	8/5
Bunga Mas Lima (Cont)	Cont	P.Kel	EOSL	8/5
Kota Singa (cont)	Cont	Sing	Pil(BD)	8/5
Progreso-1	Wheat(P)	Sing	Seaglory	13/4
Golden Chase	GTSP	Tampa	SSST	28/4
Taraman Bibi	C.Clink	Karab	SSST	28/4
Ayane	GI	Mong	OWSL	10/5
Banga Biraj (Cont) Eliza	Cont	-	Bdship	R/A(9/5)

Vessels awaiting instruction

Karya Sintosa	Rice(G)	-	USTC	R/A (18/9)
Ritz	Pirce(P)	Kaki	CROSS	R/A (24/9)
Delta Star	-	-	RSAL	R/A (7/7)
Sea Falcon	-	-	EOSL	R/A (27/4)
Apil(Attach 26/4/99)	Ballast	Mong	Globe	19/3
Palau Mawar	-	BAng	-	8/1
AL Quamar	-	-	BSL	R/A (4/5)
Banglar Jyoti	-	-	BSC	R/A(14/4)
Banglar Asha	-	-	BSC	R/A(3/5)
Banglar Urmi	-	-	BSC	R/A(5/4)
Banglar Kakoli	-	-	BSC	R/A(6/5)
Banglar Moni	-	-	BSC	R/A(9/5)
Barge: Wombat/le Macareux/PDc -IIIAM-914/ F-22 A/CD Veloping Road			Karna	R/A/(30/10)

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