

EU threatens US over export tax reform

BRUSSELS Oct 28: The European Union indicated yesterday that it would seek to impose trade sanctions if the United States fails to meet a November 1 deadline for reforming a programme of tax breaks to exporters, says Reuters.

"If the US does not comply with the WTO (World Trade Organisation) panel findings ... we will have no alternative but to defend European interests through the relevant procedures in the WTO," EU trade spokesman Anthony Gooch said.

The EU was working on the assumption that the United States would enact reforms to the controversial Foreign Sales Corporation (FSC) programme by the November 1 deadline set by the WTO, Gooch told Reuters.

But if the United States failed to do so, it would be in breach of the WTO "and the only alternative that would be left to us at that stage would be to seek redress through the appropriate channels."

Asked if the EU could, in that situation, seek WTO permission to impose sanctions on US goods, Gooch said: "Yes we could."

EU officials have said in the past that a request for trade retaliation in the case could run into billions of dollars. The existing FSC scheme hands out

billions of dollars a year in tax breaks to major US exporters, including aircraft manufacturer Boeing Co, B&N and computer software giant Microsoft Corp MSFT.O.

The WTO ruled earlier this year that the FSC programme was an illegal export subsidy and gave Washington until October 1 to reform it. In late September, the United States won the EU's agreement to push back deadline to November 1.

But the US legislation to reform the FSC law was in peril on Thursday after US President Bill Clinton threatened to veto a Republican tax cut package.

The House of Representatives voted 237-174 in favour of an end-of-session tax bill, which included White House-backed provisions doing away with the FSC programme and replacing it with a new system offering up to \$6 billion a year in tax breaks to exporters.

Clinton has threatened to veto the entire package, citing concerns about Republican health-care and pension policies, casting doubt on whether Washington will meet the Nov. 1 deadline to repeal the FSC.

However, on Friday, the White House held out hope of working out a compromise with Republican congressional leaders on the tax package.

The EU does not like the reformed version of the FSC law

either, but agreed in September to put off the threat of retaliation, possibly until the middle of next year, on condition the United States met the November 1 deadline.

Gooch also voiced concern about legislation proposed by Senate Majority Leader Trent Lott that would make it harder to remove \$308 million in sanctions which the United States imposed on EU goods in separate trade rows over the EU's banana import rules and its ban on the import of hormone-treated beef.

According to a draft, the Lott amendment requires US sanctions to remain in place until the WTO rules the EU has complied with global trade rules or the affected US industry in each case agrees retaliation is no longer necessary.

The Clinton administration has voiced concerns that the second provision would subordinate US government interests by effectively giving cattle producers or Chiquita Brands International CQBN, a banana marketing giant, veto power over any deal the United States might make with the EU.

Gooch said the Lott measure would "give Chiquita the equivalent power to the US in the WTO because it would give it the power to decide as and when the US could lift sanctions on the EU in trade disputes."

Marconi wins \$550m IT deal for Dubai's new satellite city

DUBAI Oct 28: British company Marconi has been appointed technology partner for Dubai's new satellite city in a 10-year deal worth 550 million dollars, a newspaper reported Saturday, says AFP.

Marconi "will design, build and operate a new communications network for the project and also provide regular upgrades," the Gulf News said.

"Dubai Marina is the most exciting development project in the world: the opportunity to create the first truly intelligent city," the paper quoted Neil Sutcliffe, chief executive of Marconi's services division, as saying.

"It will be a living demon-

stration of all that is best in every aspect of communications for business, government and the home," Sutcliffe said.

"We have the unique opportunity to create a communications environment which is totally state-of-the-art and all-embracing."

Marconi were unavailable for comment Saturday.

The marina, built around a man-made canal that stretches for four-and-a-half kilometres (three miles), will consist of office and residential buildings, shopping and entertainment facilities.

Emaar Properties is developing Westside Marina at a cost of 4.4 billion dollars and ex-

pects 100,000 people to live in the city within the next 15 to 20 years.

The first residents are due to arrive in 2003, and locals and expatriates alike will be able to buy property.

The marina is situated next to Dubai Internet City (DIC), billed as the world's first internet free-trade zone, and another ground-breaking project that aims to place the tiny emirate at the top of the high-tech ladder.

The first phase of DIC, which will offer 100-percent foreign ownership, 50-year renewable land leases and world class logistics, will be inaugurated Saturday.

Oil prices decline on output hike prospect

LONDON Oct 28: Oil prices fell yesterday amid expectations exporter cartel OPEC will announce an output increase next week to try to cool overheated energy markets, says Reuters.

Benchmark Brent crude oil slipped \$1.06 a barrel lower to \$30.90 a barrel by the close, while US light crudes were \$1.01 lower at \$32.70 a barrel.

Prices fell after President All

Rodriguez said the oil exporting

cartel would announce an in-

crease in oil supply on Monday

night if prices stayed above its

target range until then.

An informal cartel mecha-

nism stipulates a half a million bpd rise if the price of a reference basket of crudes stays above \$28 for 20 consecutive working days, a point that will almost certainly be reached on Monday.

Any output hike would be

the cartel's fourth this year as

its struggles to contain an oil

price spike that has fuelled

inflation in industrialised

countries.

Most of the 11-member

group is already pumping at full

capacity, so analysts do not

expect a rise in formal quotas to

greatly affect real supply to

the world's 76 million bpd market.

Separately, an industry con-

sultant said OPEC production is set to rise in October by 611,000 bpd to 29.51 million bpd.

Geneva-based Petrologistics said in the preliminary report that output from Saudi Arabia was seen rising 353,000 bpd to 8.68 million bpd, a client of the consultant said.

Initially losses were stemmed by lingering concern over an Iraqi threat to halt five per cent of global oil exports unless the United Nations allows it payment in euros rather than dollars.

Dealers await Iraq ruling

An Iraqi source said on Thursday Iraq was likely to suspend oil sales from November 1 if Washington objected to a plan by Baghdad that it be paid in euros rather than dollars.

The move followed an Iraqi government decision last month to halt all dealings in the greenback to confront what it called daily "American-Zionist aggression."

Some dealers said prices would ease only when the world body makes an officials ruling on the euro issue.

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 26.10.2000.

Berth	Name of vessels	Cargo	L Port call	Local agent	Date of leaving	Leaving port
J/1	Thor Eagle	Projet	-	Tsl	21/10	26/10
J/2	Hanjan Houston	GI /WT/P	Sing	Mutual	11/10	2/11
J/3	Triumph Chittagong	GI LOG	Yang	RML	24/10	
J/4	Pathein	Rice(P)	Yang	Mta	14/10	30/10
J/5	Hans	Salt(TCB)	P.Kel	Sbs	26/09	
J/6	Century	GI (WCE)	Bank	Rainbow	20/10	28/10
J/7	Banglar Kallo	GI	Momb	Bsc	17/10	28/10
J/8	Pride	Salt(TCB)	Kand	Uml	22/9	4/11
J/9	Yasmine	GI	Smsl	Okha	18/10	27/10
J/10	Marine Express	WTIP/MS.Y.P	Sing	Rainbow	15/10	27/10
J/11	Kota Naga	Cont	P.Kel	Pil(BD)	25/10	29/10
J/12	Boxing Capt Cook	Cont	Bdship	22/10	27/10	
J/13	Banglar Moni	Cont	Sing	BSC	25/10	27/10
CCT/1	Kota Cahaya	Cont	Pil(BD)	24/10	27/10	
CCT/2	QC Pintal	Cont	Sing	Qesl	23/10	26/10
CCT/3	Banga Birol	Cont	P.Kel	Bdship	23/10	28/10
RM/14	Eltanin	C.Clink	Sing	Psal	3/10	30/10
CCJ	Ocean Prince	C.Clink(Ruby)	Psal	24/10	30/10	
RM/3	Warrior	Cds	Sing	Rainbow	21/10	26/10
RM/6	Saucon	Sko/Jp-1	Sing	Rainbow	21/10	28/10
DDJ/1	Banglar Gourab	Repair	-	BSC	R/A	31/10
DDJ/2	Seabulk Command	-	-	K.Dia	R/A	
RM/8	Banglar Urimi	Repair	-	BSC	R/A	30/10
Cuflj	Mary Nour	Cement(Scan)	Lang	Bsl	21/10	2/11

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Arabellat(Cont)16/10	26/10	-	Qesl	Cont	Sing
Triumph Hongkong(72)19/10	26/10	Sing	Rml	GI/St.Coil	-
Tug Salvigour	26/10	Maur	Alz	-	-
Tiba	26/10	Maur	Alz	Scraping	Col
Jaya Mars(Cont)18/10	26/10	Cbo	Everbest	Cont	Col
Jurong Balsam(Cont)16/10	27/01	Sing	No	Cont	Cont
Yong Jiang	27/10	-	Bdship	GI	-
Banga Bijoy(Cont)16/10	27/10	-	Bdship	Cont	Sing
Golden-D	27/10	Pipa	Nsl	-	-
Martina Prima	27/10	Sing	Obtl	-	-
Fabrizia Prima	27/10	Sing	Obtl	-	-
Elios	26/10	Basu	Smsl	Urea(Bag)	-
Orient Independence(Cont)16/10	28/10	-	Bdship	Cont	Sing
Xpress Padma(Cont)16/10	29/10	Sing	Rsl	Cont	Sing
Qinglong Shikha(Cont)18/10	28/10	-	Bsc	Cont	Sing
Xpress Makalu(Cont)7/10	31/10	-	Everbest	Cont	Col
Ava	30/10	Vang	Mta	Rice(P)+GI(Y.MA)	-
Exced-2(72/24/10	28/10	Sing	Everett	GI/St.Coil	-
Kota Bravaya(Cont)18/10	29/10	Sing	Pil(BD)	Cont	Sing
Spring Ocean	29/10	Sing	Everett	GI/St.Coil	-
Jov Miracle(72)17/9	29/10	Sing	Sdl	GI/St.Coil	-
Acturia 19/10	29/10	Sing	Sdl	Cont	Sing
Grand slant(Liner)	30/10	-	Sbs	Prog	-
Banga Bonik(Cont)22/10	30/10	-	Obtl	Gi	-
Al Muztakif	2/11	-	Obtl	Gi/St.Coil	-
Mapridge(72/25/10	30/10	Sing	Asa	Gi/St.Coil	-
Sheng Ying Liner	30/10	Sing	Rnl	Cont	Sing
Du Hua(24/18/10	31/10	-	Rsl	Cont	Sing
Osg Alpha(Cont)31/10	31/10	-	Rsl	Cont	Sing
Qc Teal(Cont)23/10	31/10	-	Qesl	Cont	Sing
Lemthong Glory	31/10	Sant	Cenl	Sugar(G)	-
Kota Singal(Cont)23/10	1/11	Sing	Pil(BD)	Cont	Sing
Keishun(70/24/10	2/11	-	Everett	Vehi	-
Xpress Resolve(Cont)23/10/11	3/11	-	Rsl	Cont	Sing