

House preparing to challenge Bush on NTR with China

REUTERS, Washington

Lawmakers in the US House of Representatives are preparing to challenge President George W Bush's expected decision to extend normal trade relations to China for an additional year, House aides said Monday.

Bush must notify Congress by June 3 if he intends to waive "Jackson-Vanik" provisions of the 1974 trade act, which bar normal trade relations with China.

US presidents have granted the waiver every year since 1981 allowing China to export its goods to the United States at low tariff levels enjoyed by most countries.

Last year, Congress approved legislation that was supposed to end the annual debate over China's trade status once and for all by establishing "permanent normal trade relations."

But that bill was contingent upon China entering the World Trade Organization under terms at least as favourable as those in a 1999 US-China bilateral agreement.

China has not completed its entry into the WTO, mainly because of a disagreement with the United States over how much it should be allowed to spend on domestic farm subsidies.

Bush has signaled his intention to extend normal trade relations to Beijing for an additional year, despite recent strains in the US-China relationship.

Once Bush's decision is official, long-time China critic Rep. Dana Rohrabacher, a California Republican, will introduce a resolution in the House to overturn the action, a spokesman for the congressman said.

Meanwhile, China's top trade negotiator, Long Yongtu, told reporters in Geneva on Monday his country was edging toward a deal with the United States on the domestic farm subsidy issue that has

blocked its entry into the WTO.

Long said China had given US officials its detailed reply to proposals submitted by Washington in March.

"They are going to study our response and we are going to meet again soon, and I believe we can find solutions," he said.

US trade officials acknowledge they had some informal "working level" discussions with China last week in Geneva, when US Trade Representative Robert Zoellick was in town.

Long indicated he would meet with Zoellick in Shanghai in two weeks, on the margins of a ministerial meeting of the Asia-Pacific Economic Cooperation.

"I think they will respond to our ideas in Shanghai," Long said, speaking after meeting WTO Director-General Mike Moore, who will also be at the APEC gathering.

House Majority Leader Rich-



PHOTO: FBCCI

Jiro Kobayashi, Ambassador of Japan called on Yussuf Abdullah Haren, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at Federation Office yesterday. They discussed matters relating to the prospects of enhancing mutual trade and investment cooperation.



Nasir A Choudhury, Chairman, Bangladesh Insurance Association, M Moyeedul Islam, former Chairman of BIA, M Razaul Karim, Convenor of Training & Seminar Sub-Committee, and Mollah Md Nurul Islam, Secretary General of BIA, are seen with the participants of the 7th BIA basic course on general insurance at its inaugural ceremony yesterday.

7th basic BIA course begins

Bangladesh Insurance Association (BIA) inaugurated the 7th basic course on General Insurance on the office premises of the Association yesterday, says a press release.

Eighteen officers from 14 general insurance companies are participating in the course.

Nasir A Choudhury, Chairman of BIA, M Moyeedul Islam, Chairman of United Insurance Company Limited, and Razaul Karim, Convenor, Education and Training Sub-Committee of the Association, addressed the inaugural ceremony. The course was inaugurated by M Moyeedul Islam.

China agrees to negotiate currency swap deal with Thailand

AFP, Cha Am, Thailand

Chinese Premier Zhu Rongji has given the green light for China's central bank to begin negotiating a currency swap agreement with Thailand, Prime Minister Thaksin Shinawatra said Tuesday.

The Chinese side said they are ready for the Bank of Thailand to talk with the Chinese central bank on a currency swap deal, Thaksin told reporters after hosting a dinner for Zhu at his seaside mansion here.

Thaksin said the size of the deal with the central bank of China had not been discussed so far.

Thailand recently signed a similar accord with Japan, allowing it to receive US dollars and other foreign currencies in case of a financial crisis in return for payments made in the national currency.

With the currency backup, a country faced with a threat to its foreign exchange reserves could intervene in exchange markets to prevent a free fall in its own unit.

It was learned that Ford chief executive Jacques Nasser would

Boeing and Airbus face off in battle for Japanese partners

AFP, Tokyo

With Europe's Airbus Industrie eyeing an eventual 50 percent share of Japan's commercial jet market, Boeing Corp. of the United States is relying on its long-standing links with Japanese industry and airlines to defend its turf.

The stakes are indeed high. Japan is Boeing's most important export market, with 618 aircraft sales to date, and Japan Airlines Co. Ltd is its biggest single customer for its 747 jumbo jet.

Over the next 20 years, Japan is expected to spend some 120 billion dollars at today's prices on aircraft purchases, according to the Seattle-based giant's projections.

Whether or not by chance, Boeing's chairman, Phil Condit, and Airbus number one Noel Forgeard both turned up in Tokyo this week to meet actual and potential customers and suppliers.

On Monday Forgeard announced the European company

had given Japanese industrial concerns a June deadline to decide whether they want to invest a combined eight percent share in the development of the world's biggest passenger plane as "programme partners."

"Our strategy is not to block Airbus, it is not an attempt to shut out Airbus or to control what they are doing," Condit said at a press conference Tuesday.

The strategy is to run a very good business -- and to run a good business, you need good partners," he said.

Condit stressed that the Japanese heavy engineering companies being courted by Boeing's arch-rival as risk-sharing partners in the development of its A380 superjumbo were longstanding allies of the US company.

Mitsubishi Heavy Industries, Kawasaki Heavy Industries and Fuji Heavy Industries have ties with Boeing going back 30 years, and currently supply 15 percent in value terms of the airframe of the Boeing 767 and 20 percent of the

value of that of the 777 according to Boeing figures.

Boeing, for which civil aviation is just one out of six main operating divisions, works with the Japanese companies -- MHI in particular -- across a range of sectors, including space vehicles and defence equipment.

Condit came to Tokyo to open up other avenues of possible collaboration to its Japanese allies, in the light of Boeing's recent diversification into flight communications and satellite-based air traffic control.

Airbus and its principal shareholder, European Aeronautic Defence and Space (EADS), on the other hand, operate completely independently in their respective businesses.

While the Seattle-based giant has given up trying to match the A380 with the 747X -- a stretched version of its aging mainstay of long-haul jumbo jet fleets -- it recently unveiled plans for the Sonic Cruiser, a smaller jet which will fly at just below the speed of sound.

A team from Emirates is now back in Dubai evaluating a mass of information gained from one of the longest flights in the airline's history -- which turned a routine Airbus delivery into a full-scale technical evaluation for the launch of ultra-long-range services on air routes through Polar regions, such as Dubai/Los Angeles, says a press release.

The airline's latest Airbus A330, built in Toulouse, France, set course for Dubai via the North Pole, notching up a list of firsts for the airline, for Airbus and for the UAE.

The crew at the controls as Airbus MSN 392 went "over the top" included UAE national First Officer Khalid Namati, normally the country's first commercial pilot to see the pole from the air.

Emirates' Polar evaluation flight was also its first in Russian airspace, first to exchange information with air traffic controllers on the ground via automated datalinks instead of voice radio, and first to trial high-tech future navigation technology. It also tested the quality of high frequency radio communications in remote regions.

Koehler said the IMF will come the debt swap, saying the Washington-based lender "looks forward to an outcome that will support medium-term financing sustainability".

The institution also reiterated its firm backing of the currency regime, the independence of the central bank and liquidity in the banking system.

The fund's chief said that these had been "pillars" of the country's economic strategy and had been "vital" in withstanding market turbulence in recent years.

IMF backs Argentine economy plan, lending to resume

REUTERS, Washington

The International Monetary Fund Monday gave its stamp of approval to a revised economic programme for Argentina, making way for release of a \$1.2 billion loan tranche to help the country back to economic health.

The IMF welcomes the reformulation of the programme proposed by the government of Argentina," IMF Managing Director Horst Koehler said in a statement.

"Continued strong implementation of the programme should restore macroeconomic stability and address important structural impediments to a recovery of investment and output," he added.

Argentina has so far drawn \$4.8 billion from its existing \$18.4 billion loan with the IMF. When first set up in March 2000, the loan was only \$6.8 billion, but late last year markets began to worry that Argentina would not be able to raise the money needed to meet all its obligations.

The international financial community rode to the rescue with a \$40 billion aid package led by the IMF. As part of that package, the fund increased the size of

its loan to the economically troubled nation and renegotiated the agreement.

However, Argentine authorities and the fund were forced to return to the negotiating table earlier this year to revise some of the fiscal targets laid out in the programme when it became clear the country would not be able to meet them.

The fiscal deficit goals for the second and third quarter were revised upward to give the authorities time to kick-start Argentina's moribund economy, but they must still comply with the original IMF year-end fiscal deficit target of \$6.5 billion which was not revised.

Koehler strongly urged the authorities to stick closely to the targets in the revised programme.

"Firm implementation of the programme is needed to initiate a various circle of stronger public finances, lower interest rates and a recovery of economic activity," he added.

In this regard, it is also essential that tax compliance be improved and that spending be contained according to the December agreement, he added.



PASSING THE POLE: The inflight Airshow display records the moment when the A330 reached 90 degrees North.

Ford to replace millions of Firestone tyres

REUTERS, Washington

Ford Motor Co. FN will replace between 10 million and 13 million Firestone tyres not included in last August's massive recall linked to US deaths and injuries in rollover crashes, a source with knowledge of the initiative said Monday.

World of the plan, expected to be announced today by Ford officials, came as Firestone severed its ties with the auto giant, suggesting that it no longer trusted its customer of nearly 100 years.

Firestone chief executive John Lampe said that his company's tyres were safe. Firestone is a unit of Japan-based Bridgestone Corp. 5108 T.

The Ford initiative follows days of speculation that it was planning some kind of recall or replacement plan to answer new analysis on Firestone tyres ahead of the summer driving season when heat tends to exacerbate tread separation problems.

The auto maker was tight-lipped about its plans, only saying it would make an announcement on its next step to address the tyre problem on Tuesday.

It was learned that Ford chief executive Jacques Nasser would

CURRENCY

Following are yesterday's Standard Chartered Bank foreign exchange rates (indicative) against the Taka to major clients. Central bank buying and selling band of USD: BDT 53.85/BDT 54.15

Selling		Currency	Buying		
TT/OD	BC		TT Clean	OD Sight Doc	OD Transfer
54.3100	54.3400	USD	53.8500	53.6814	53.6129
48.3534	48.4403	EUR	46.5398	46.3564	46.2798
78.6499	78.6919	GBP	77.1582	76.8917	76.8371
29.0460	29.0705	AUD	27.9779	27.8857	27.8054
0.4460	0.4461	JPY	0.4346	0.4344	0.4334
31.3771	31.4016	CHF	30.6314	30.5369	30.4524
5.3413	5.3464	SEK	5.2611	5.2335	5.2175
35.4644	35.4889	CAD	34.8861	34.7925	34.7093
6.9675	6.9688	HKD	6.9025	6.8848	6.8674
30.119	30.1407	SGD	29.6874	29.6436	29.6289
14.9084	14.9260	AED	14.5337	14.5118	14.4933
14.5972	14.6156	SAR	14.2503	14.2136	14.1961

Usance export bills

TT Doc 30 Days 60 Days 90 Days 120 Days 180 Days

53.7390 53.4074 52.9648 52.4558 51.9025 50.6633

Exchange rates of some Asian currencies against US dollar

Indian Rupee Pak Rupee Thai Baht Lankan Rupee Indo Rupee NZ Dollar

46.95/47.00 61.60/62.10 45.55/45.60 90.40/90.50 11405/11425 0.4259/0.4266

US dollar

Buying Selling Months 1 3

Cash notes 53.6129 53.4100 USD 4.09000% 4.07625%

TC 53.6129 53.4100 GBP 5.20375% 5.22375%

USD

NFC 2.64% 2.39% 1M 3.98%

3M 2.60% 2.35% 3M 3.94%

6M 2.60% 2.35% 6M 3.90%

12M 2.79% 2.54% 12M 3.90%

SHIPPING

Chittagong Port