

WTO rules against US in \$4b tax break row with EU

AFP, Geneva

The World Trade Organisation on Monday ruled that US export tax breaks for US companies violate WTO rules, handing a major victory to the European Union in the long battle between the two economic superpowers.

The WTO appellate body upheld an earlier ruling in favour of the 15-nation EU which had complained the US tax breaks undermined European industry to the tune of about four billion dollars (4.48 billion euros) a year.

The judgement now opens the way for the EU to apply for sanctions against the United States. It has said in the past it would seek damages of four billion dollars per year. If approved, the compensation would be the biggest in a WTO case.

Voicing disappointment, the White House said the US would consult with Congress and the affected US interests on the next steps to take.

"The United States respects its WTO obligations, which serve America's interests. We intend to seek to cooperate with the EU in order to manage and resolve this dispute," White House national security spokesman Sean McCormack said.

The EU expressed pleasure at the the final ruling in the long-running saga.

"We now have a definitive legal ruling on the FSC case," EU Trade

Commissioner Pascal Lamy said in a statement from Geneva.

"Of course I'm pleased that the WTO has confirmed what we always believed... Now it is up to the US to comply... to settle this matter once and for all," said Lamy.

Monday's ruling was the fourth by the WTO against the United States in the case, and followed the appeal by the US of an earlier judgement that the export tax breaks were inconsistent with WTO subsidy rules.

The EU first challenged the US tax breaks at the Geneva-based WTO in 1997 on the grounds that they provided a de facto subsidy that gives US companies an unfair advantage over European rivals.

The US Congress passed in 2000 legislation overhauling the law after the WTO ruled against Washington, but the EU complained to the WTO that the changes were inadequate.

The WTO's dispute settlement panel again agreed, ruling last August that the US was still in violation.

The dispute centres around the "foreign sales corporation" (FSC) provision of the US tax law, which allows US companies to establish offshore subsidiaries where they enjoy significant tax breaks on profits earned from exports.

Most of the FSC corporations are located in Barbados as well as US territories such as the US Virgin Islands and Guam.



Foreign Minister M Morshed Khan inaugurates the first unit of Aqua Paint Factory of Octagon Fibers and Chemicals Ltd at Tongi recently.

Donors scramble to help ease Afghan cash crisis

AFP, Kabul

International donor countries scrambled Tuesday to try to ease Afghanistan's immediate cash crisis after the United Nations warned the new interim administration was teetering on the verge of bankruptcy.

Representatives of the Afghanistan Assistance Group (ASG), comprising 16 European and Asian donor countries, went into a huddle here with the UN and members of the interim administration in a bid to resolve the crisis.

Foreign Minister Abdullah Abdullah told reporters after the

meeting that around 10 million dollars was needed immediately to pay civil servants for "something like one month."

A UN spokesman had said on Monday around 100 million dollars was needed for salaries for the country's 250,000 civil servants, who have not been paid for the past six months.

Head of the ASG, Swedish deputy foreign minister Vidar Helgesen, said after Tuesday's meeting that ASG member states would be urged to come quickly to the aid of the interim administration.

"The really key message from this meeting is that the administration needs immediate funding to be able to function, to pay salaries, and to go ahead and take the lead in shaping the future of their own country," Helgesen said.

"This is about keeping the credibility of the administration," he added.

"It is very clear on behalf of the donor community that if we are serious about having the Afghans in the driver's seat, about having the Afghans taking the lead in the reconstruction of their own country, we need to support the administration."

"It's the most urgent need." The meeting was also attended by UN special representative to Afghanistan, Lakhdar Brahimi.

On Monday, Brahimi's spokesman Ahmed Fawzi told the media that the national kitty now stood at less than 10 million dollars.

"This administration needs several million dollars tomorrow, otherwise there will be no country when the billions are available," he said, referring to a planned international reconstruction package.

A "start-up fund" established for the government after the inter-Afghan conference in Bonn last month had called for donations of 20 million dollars, but pledges of only 17.8 million dollars had been made. Of this, only 8.6 million dollars had been committed, Fawzi said.

China urges region-wide free trade after Japan-S'pore pact

AFP, Beijing

China reacted to the inking of a free-trade pact between Japan and

Singapore Tuesday, saying a wider forum ought to be the main channel for promoting prosperity in Asia. The '10 plus three' plan for an

area covering the 10 members of the Association of Southeast Asian Nations (ASEAN) as well as China, Japan and South Korea should remain the main focus for development and economic growth.

"Asian countries should stress cooperation, with '10 plus three' as the main channel for promoting the common development of the entire Asian region," ministry spokesman Sun Yuxi said at a briefing.

Visiting Japanese Prime Minister Junichiro Koizumi and his Singaporean counterpart Goh Chok Tong on Sunday signed a free trade agreement, the first ever for the world's second largest economy.

Argentina to amend anti-crisis measures

AFP, Buenos Aires

The Argentine government Monday was considering amendments to tough anti-crisis measures in a delicate balancing act between inflation and economic growth.

At the same time, a fact-finding team from the International Monetary Fund, the second in a week, arrived in Buenos Aires to assess the shattered economy Monday.

The team was expected to maintain a low profile, studying the state of Argentina's finances and the impact of devaluation, but steering well clear of differences between the Argentine government and the IMF.



As a part of the countrywide campaign for ScanCement and RubyCement, Maruf Ahmed, Area Sales Manager of the company, explaining the new schemes designed for the dealers of Mymensingh recently. Also seen are AVP Ramakanta Bhattacharjee and VP Christer Eriksson.

Heidelberg starts road show for ScanCement, RubyCement

HeidelbergCement Group, the largest cement manufacturer in Bangladesh with a production of 15 lakh metric tonnes of cement per year, recently started a countrywide campaign of two most popular brands in the country -- ScanCement and RubyCement, says a press release.

The campaign will cover 50 districts in the country. The 'Road Show' comprises of moving of containers, trucks, pick-ups and other vehicles through the district towns headed by two team leaders - Ramakanta Bhattacharjee, the Assistant Vice President of Marketing and Sales of ScanCement International Limited and Raj Shahabuddin, Deputy General Manager of Marketing and Sales of Chittagong Cement Clinker Grinding Co Ltd.

The team is formed with assistant managers and executives. The Vice President, Marketing and Sales, Christer Eriksson, is also visiting some of the districts with the teams.

CURRENCY

Table with 6 columns: Selling, Currency, Buying, TT/OD, BC, USD, EUR, GBP, AUD, JPY, CHF, SEK, CAD, HKD, SGD, AED, SAR. Includes USance export bills table.

SHIPPING

Shipping table with columns: Berth No, Name of Vessels, Cargo, Last Port call, Local agent, Date of arrival, Leaving, Import disch. Includes sub-tables for vessels due at outer anchorage and vessels at Kutubdia.

The above are shipping position and performance of vessels at Chittagong port as per berthing sheet of CPA supplied by HRC Group, Dhaka.