

# EU launches new case at WTO against US

REUTERS, Brussels

The European Commission said on Friday it was launching a fresh case against the United States at the World Trade Organisation, adding to disputes over genetically modified foods, steel and export credits for US exporters.

The Commission said in a statement it asked for consultations with Washington, the first stage of possible legal action at the WTO, over the way the United States calculates anti-dumping duties. Dumping is

when an exporter floods a competitor's markets with goods that are sold for less than they are at home or below the cost of making them.

The European Union executive said the US practice, called zeroing, resulted in higher antidumping penalties on hundreds of millions of dollars of EU exports to the United States each year.

"The EU has already abandoned this practice and has several times asked the US to do likewise in order to ensure a level playing field," said European Trade Commissioner

Pascal Lamy. The practice means that when calculating overall penalties for dumping goods on a market, any products not dumped are treated in a way that leads to higher fines or duties for the exporter.

The EU itself has lost one zeroing case against India for antidumping duties on bed linen. The commission said the US practices were particularly penalising EU exports of chemicals, steel and pasta.

The US Trade Representative's

Office in Washington had no immediate comment on the EU's action. One of Congress's fiercest defenders of US anti-dumping laws called on the Bush administration to mount a vigorous defence.

The WTO ruling against the EU on its zeroing methodology "was another example of WTO panels creating obligations that member countries never agreed to," said Sen Max Baucus, a Montana Democrat who has called for the United States to create an independent commission to review WTO decisions.



American Express Bank Ltd, Bangladesh and Prime Bank Ltd jointly arranged a workshop on "Floating Rate Management" in Dhaka recently. Sheikh Md Maroof, director and head of FMS and Treasury of the foreign bank, made a presentation on the topic. A Z M Masunur Rahman, senior director and head of Financial Institutes Group and Shahnaz Sultana, director, Financial Institutes Group of American Express Bank, and senior officials of Prime Bank, were present at the workshop.



President of US firm Oxford Products (International) Limited Jim Prissley, Technical Manager Danny D Holmes, Quality Assurance Manager Janet Skaggs and Managing Director of Rising Group Mahmud Hasan Khan pose for a photograph at a seminar on 'Positive Response to Change' arranged at a local hotel yesterday.



PHOTO: ARAB BANGLADESH BANK

Managing Director of Arab Bangladesh Bank Limited Abu Haniff Khan is seen along with the top five performers of the bank. Trophies were awarded to these five officials for their outstanding achievements in bringing additional deposits and lending recently in Dhaka.



PHOTO: UTTARA BANK

Shamsuddin Ahmed, managing director of Uttara Bank Limited, inaugurates the new premises of the bank's Ghorashal branch recently. Regional Head (Narayanganj Zone) Md Delwar Hossain and other officials were also present.

## Foreign central banks' big stake in US economy

REUTERS, New York

A handful of foreign central banks are amassing a huge stake in the US economy, not out of any belief that America is an attractive investment but rather as a desperate attempt to shield their countries' exports.

Data out this week showed the Federal Reserve now holds a record \$936 billion for these, mostly Asian, central banks equivalent to almost 10 per cent of the entire annual output of the US economy. The bulk of this is held in Treasuries giving these banks over 20 per cent of the market for government debt.

At the moment, this suits all sides. The United States gets its spending habits funded cheaply while avoiding a potentially destabilizing plunge in the dollar.

The central banks, mostly Asian in origin, limit a rise in their currencies which could cripple their export-reliant economies, while providing American consumers with the wherewithal to keep buying their cars, computers and clothes.

But the cost of supporting the dollar is rising by the month. Holdings of US assets by all the central banks have risen around \$163 billion in just the last year, with the Bank of Japan buying a record \$34 billion in May alone.

XINHUA, Kathmandu

Nepal's inflation rate during the third quarter of the country's 2002/2003 fiscal year scaled up to over 8 per cent, almost four-fold of the same period last year, according to the Nepal Rastra Bank.

A recent figure of the central bank reveals that the overall inflation rate during the period crossed the target of current fiscal year and rose to 8.1 per cent, whereas it was just 2.4 per cent during the same period last year.

"High price rise in both food and non-food items combined to fuel the inflation rate," The Kathmandu Post newspaper yesterday quoted the

statistics as saying.

During this quarter, food and beverage items, which command 53.2 per cent weight in the country's national price index, registered a surge of 7.9 per cent against the inflation of 2.4 per cent witnessed last year.

Similarly, the non-food and services group, which bears 46.8 per cent weight in the index, increased by 8.4 per cent due to over 22 per cent price hike of fuel, electricity and water, and 13 per cent price rise in transport and communication sectors.

Prices of medical and personal care rose by 3.74 per cent.

## STOCK

## CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank

Selling	Currency	Buying		
TT/OD	BC	TT Clean	OD Sight Doc	OD Transfer
58.8300	58.8800	57.9000	57.7299	57.6608
70.7725	70.8326	67.8009	67.6018	67.5208
99.3168	99.4012	96.0098	95.7278	95.6132
40.1338	40.1679	37.9940	37.8824	37.8370
0.5052	0.5057	0.4880	0.4866	0.4860
45.6648	45.7036	44.1884	44.0586	44.0058
7.7523	7.7589	7.4722	7.4503	7.4414
43.3064	43.3440	43.0868	42.9802	42.9088
7.5506	7.5571	7.4170	7.3952	7.3864
34.1241	34.1531	33.3142	33.2163	33.1765
16.1479	16.1616	15.6368	15.5909	15.5722
15.8128	15.8263	15.3175	15.2725	15.2542

Exchange rates of some currencies against US dollar

Indian Rupee	Pak Rupee	Lankan Rupee	Thai Baht	Nor Kroner	NZ Dollar	Malaysian Ringgit
46.65	57.66	97.25	41.575	7.9164	0.5811	3.80

### Local Interbank FX Trading

Local interbank market was subdued Saturday as dollar continued to become weaker against taka due to lower import and higher supply of the greenback.

### Local Money Market

Demand for call money was moderate. Call money rate fell further and it ranged between 9 and 11 per cent compared with 10.25 per cent previously.

### International Market

International market was closed on Saturday. The US dollar weakened sharply on Friday after a gauge of US consumer sentiment fell unexpected in June, fanning expectations the Federal Reserve may have to cut rates to stimulate

the troubled economy. The sentiment slipped to 87.2 from May's 92.1 contrary to economists' predictions that the figure would rise. Canada's currency soared to its highest level in 7 years against the dollar, settling at C\$1.3345. The dollar also tumbled more than 1 per cent against the Swiss franc. Against the yen, euro traded near 139.32 yen, up 0.60 per cent from its previous US close.

At the closing of New York on Friday, euro was at 1.1860/64, GBP at 1.6722/24 and yen at 117.44/50 against the dollar.

### ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle draw was held at ReadyCash Bangladesh office at Dhanmondi in Dhaka on Thursday, says a press release.

Prizes	Name of Winners	Card No
China Junction Chinese Free Lunch for Two	Md Sirajul Islam	5047980000047610
Meal in the Box Free Lunch for Two	Dr M Manwarul Islam	5047980010016615
Kena Kata free Gift Box	SM Salimullah	5047980010016601
Obsession free Gift Box	Farhana Alam	5047980010016611
Liton's Snacks Free Meal Box	Md Sadruddin	5047980010016676
Desh Karupannya free Gift Box	Md Mafeedi Hassan	5047980010016686
Kamal General Store free Gift Box	Md Mazibur Rahman	5047980010016718
Swiss meal for Three	Md Kamal Uddin Khan	5047980010016477

Winners can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. ReadyCash encourages its cardholders to read The Daily Star and the Daily Prothom Alo on every Sunday or call our Customer Service at: 8123850, 8130497, and 8125294-7.