WTO finds US steel tariffs break global trade rules

REUTERS, *Geneva*

Swinging emergency tariffs imposed by the United States on steel imports in March last year are in violation of global trading rules, the World Trade Organisation (WTO) said Friday.

The formal finding, five months after an interim ruling also went against the United States, was released in a report by a panel that spent nine months looking into a complaint filed by the European Union, Japan and six other countries.

The three-man panel said the tariffs and the way they were imposed were "inconsistent" with the WTO's overall rulebook -- the General Agreement on Tariffs and Trade -- and with its Agreement on Safeguards.

The 1,000-page report recommended that the United States be asked to bring the measures -- which US President George W Bush said were vital to save the ailing US steel industry -- into line with those two accords.

The EU's Executive Commission hailed the ruling as a victory, saying it had found the Brussels case against the tariffs -- essentially that of all the complainant countries -- proven on all counts.

The United States, where Bush is under heavy pressure from steel manufacturers and labour unions to keep the tariffs in place for as long as possible, said it would appeal.

The announcement from Washington came soon after EU Commission spokeswoman Arancha Gonzalez said the EU was ready with a list of US goods worth around $2.0 billion that could face sanctions -- or retaliatory tariffs.

These could be put into action if the appeal was not filed within five days, she said. An appeal could mean a final WTO ruling could be postponed to almost the end of the year.

And in a joint statement, the EU and its fellow complainants warned that if the United States lost an appeal and did not withdraw the tariffs promptly it would be "subject to the application of rebalancing measures" -- trade jargon for retaliation.

The WTO panel found the tariffs -- up to 30 per cent on top of normal duties and championed by Bush as a legal measure to guard against a glut of imports -- had no solid justification.

It also found that by excluding Canada, Mexico, Israel and Jordan from the measures, the United States broke the WTO's cornerstone principle -- that there should be no discrimination among trading partners.

US officials argued that the tariffs were legal under the Safeguards accord -- part of the world trade pact signed in Marrakesh in 1994 -- which allows for temporary measures to protect an industry under threat from a flood of imports.

But a country introducing such measures has to be able to prove that a genuine threat to the industry's survival exists and that there has indeed been a surge in low-cost imports over a set time-period.

The panel ruled that the United States had failed to do this, not only in relation to imports from the EU but also to steel products from Japan, Brazil, China, South Korea, New Zealand, Norway and Switzerland, which were also hit.

US steel importers have been fiercely critical of the tariffs, saying they pushed up costs, and cut jobs, in steel-using industries just to help inefficient steelmakers.

US vows to maintain steel tariffs

AFP, *Washington*

The United States vowed Friday to maintain tariffs to protect its struggling steel industry and said it would appeal a World Trade Organization decision calling the measures illegal.

"Where the (WTO) panel found against the United States, we disagree, and we will appeal," US Trade Representative spokesman Richard Mills said in a statement after the WTO decision was announced in Geneva.

"In the meantime, the steel safeguard measures will remain in place."

Mills added that so-called "safeguard measures" to protect an industry under certain conditions are allowed under WTO rules.

"Many countries have used them. We believe the steel safeguard measures comply with our international obligations," Mills said.

"In accordance with US law and WTO rules, the safeguard is a temporary measure, designed to help domestic producers adjust to import competition."

PHOTO: STAR

Transcom Beverages Ltd Director Saifur Rahman and Country Manager of Pepsi Bangladesh Anish Roy cut a cake at the launching ceremony of a new soft drink of Pepsi brand, Mountain Dew, at a city hotel yesterday.

Enron files reorganisation plan

REUTERS, *Houston*

Enron Corp, whose record-shattering bankruptcy turned it into the ultimate symbol of corporate excesses, on Friday filed a reorganisation plan that will probably pay creditors less than one-fifth of the $67 billion they are owed.

The plan comes 19 months after Enron's spectacular failure, which led to one of the costliest Chapter 11 bankruptcies in history with professional fees nearing $500 million.

If US Bankruptcy Judge Arthur Gonzalez in New York approves the reorganisation plan, Enron would no longer exist as a single entity.

Rather, its interest in three pipelines and 19 international assets would be spun off into two separate companies whose shares would be distributed to creditors. It other assets, including Oregon utility Portland General Electric, would be sold.

Interim Chief Executive and Chief Restructuring Officer Stephen Cooper acknowledged in a conference call that Enron's plan was essentially a liquidation, but not in the traditional sense that nothing will remain.

"What will emerge out of the bankruptcy are three or more hard asset platforms that will continue to employ 12,000 people and will have very solid revenues," he said.

The preliminary estimated recovery rate for creditors is 14.4 cents to 18.3 cents on the dollar, far lower than the corporate average. For example, many creditors of telecommunications company WorldCom Inc., which took the bankruptcy crown from Enron, are expected to fare about twice as well with a recovery rate of about 36 cents.

The plan also needs the approval of 50 per cent of the creditors and holders of two-thirds of the dollar amount, which is likely, given that the plan had the tentative approval of the creditor's committee.

National Housing, Progress Holding sign agreement

National Housing Finance and Investments Limited and Progress Holding Ltd have signed a memorandum of understanding (MoU).

Ansar Uddin Ahmed, managing director of National Housing and Investments Limited, and Mohammad Al-Amin, managing director of Progress Holding Limited, signed the deal on behalf of their organisations in Dhaka recently, says a press release.

Under the arrangement, the prospective clients of Progress Holding Ltd will receive faster and superior customer service from National Housing in getting loans up to 70 per cent of their apartment purchase prices.

Shabbir Ahmed, deputy managing director of National Housing, Mohammad Alomgir, manager of Progress Holding Ltd, and other senior officials of both the organisations were present.

PHOTO: NATIONAL HOUSING

Ansar Uddin Ahmed, managing director of National Housing, and Mohammad Al-Amin, managing director of Progress Holding Ltd, sign a memorandum of understanding on behalf of their organisations in Dhaka recently. Shabbir Ahmed, deputy managing director of National Housing, Mohammad Alomgir, manager of Progress Holding Ltd, and other senior officials of both the organisations were present at the signing ceremony. Under the deal, clients of Progress will receive up to 70 per cent of their apartment purchase prices in loan from National Housing.

US imposes antidumping duties on steel wire

AFP, *Washington*

The United States slapped preliminary antidumping duties as high as 119 per cent on steel wire strand imports from five countries, industry officials said Friday.

The action came in response to a petition filed by a coalition of five US companies who claimed foreign producers are dumping steel on the US market at less than fair value.

The Commerce Department imposed antidumping duties ranging up to 119 per cent on imports from Brazil; 103 per cent on imports from India; 54 per cent on imports from Korea; 77 per cent on imports from Mexico; and 12 per cent on imports from Thailand, according to the US trade group called the PC Strand Coalition.

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
58.8000	58.8500	USD	57.8700	57.7000	57.6310
67.4201	67.4774	EUR	64.5019	64.3124	64.2355
96.7554	96.8377	GBP	93.4890	93.2144	93.1028
39.5842	39.6178	AUD	37.4535	37.3435	37.2988
0.5042	0.5046	JPY	0.4870	0.4856	0.4850
43.0738	43.1104	CHF	41.7201	41.5976	41.5478
7.2423	7.2484	SEK	6.8291	6.8091	6.8009
43.0391	43.0757	CAD	41.6871	41.5646	41.5149
7.5485	7.5549	HKD	7.4111	7.3893	7.3804
33.6963	33.7249	SGD	32.8247	32.7283	32.6891
16.1397	16.1534	AED	15.6287	15.5828	15.5642
15.8048	15.8182	SAR	15.3095	15.2646	15.2463

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	Malaysian ringit
46.05	57.675	97.13	41.625	7.3590	0.5919	3.80

Local Interbank FX Trading
The local interbank foreign exchange market was subdued. Dollar remained stable against Bangladeshi taka.

Local Money Market
Call money rate was steady yesterday. Call money rate rose slightly and ranged between 3.25 and 4.00 per cent compared with 3.00 and 4.00 per cent.