

US-S'pore FTA comes into effect from January 1

AFP, Singapore

A free-trade agreement between Singapore and the United States, Washington's first with an Asian country, will come into force on Thursday, the Singapore trade ministry said.

The agreement is expected to start a sweeping liberalisation of trade in goods and services and enhance the protection of intellectual property rights.

Both nations have completed the legal and administrative requirements to implement the accord, signed in May between President

George W. Bush and Prime Minister Goh Chok Tong, the trade ministry said in a statement.

From January 1, 78.7 per cent of Singapore goods will immediately enjoy duty-free entry into the United States, rising to 92 per cent within four years.

All US goods entering Singapore will be duty-free with immediate effect. Singapore will also further open up its economy to American companies.

Initial estimates show the island-state will save between 200 million and 300 million Singapore dollars (118 million and 176 million US

dollars) as a result.

"Together with enhanced investor protection, ease of entry and operation for investors and improved commitments in the services industries, the (agreement) will make it more attractive for US companies to invest in Singapore," the trade ministry said.

"Similarly, the (agreement) will make it easier for Singapore-based companies, including (small and medium enterprises), to invest in the US."

Raymond Lim, Singapore's minister of state for foreign affairs and trade and industry, has said the

FTA will boost Singapore's gross domestic product (GDP) by 0.5 per cent.

He said the agreement is also likely to encourage hundreds of American companies to open regional offices in Singapore and use the city-state as a springboard for expansion into the Asian market.

There are already 1,300 American companies and 15,000 US nationals in Singapore, where private US investment is estimated at more than 27 billion US dollars. Two-way trade is estimated at 34 billion dollars.



PHOTO: SAMATA LEATHER COMPLEX

Md Mansur Ahmed, chairman of Samata Leather Complex Ltd, presides over the 13th annual general meeting of the company in Dhaka on Monday. The AGM declared a 4 per cent cash dividend.



PHOTO: GP

Mahbub Hossain, head (Distribution) of GrameenPhone Ltd, hands over an award to a sales agent at a function at the GP headquarters in Dhaka recently.



PHOTO: DUTCH-BANGLA CHAMBER

Alamgir Rahman, president of Dutch-Bangla Chamber of Commerce and Industry (DBCCI), presides over the fourth annual general meeting of the chamber held in Dhaka recently.



PHOTO: BACI

Paniti Uthairat, commercial counsellor of Thai Embassy in Dhaka, and Mir Zahir Hossain, President of Bangladesh Association of Construction Industry (BACI), hold discussion in Dhaka on Monday.

USDA stands by mad cow detection system

AP, Washington

US agriculture officials so far are standing by their detection system for mad cow disease, despite complaints from consumer groups that testing is inadequate.

Monday was the first regular business day since the Agriculture Department last week announced the nation's first case of mad cow disease in a Washington state dairy cow. Dr. Kenneth Petersen of USDA's Food Safety and Inspection Service said no additional inspections had been ordered and meat from cows that were too sick or injured to stand or walk unassisted would continue to be allowed to be sold for human consumption, provided there was no evidence of neurological problems.

However, Petersen said, "The department is looking at what additional testing we need to do." Under consideration are increased testing and expansion of a ban on animal feed, officials said.

US agriculture officials in Tokyo trying to persuade the Japanese to lift that country's ban on American beef said the United States soon would announce more stringent safety measures, a Japanese official said on condition of anonymity.

India's South Asian currency plan to take years to achieve

AFP, New Delhi

India's proposed single South Asian currency would foster trade and economic growth but it could be a long time before the region of 1.4 billion people gets its version of the euro, experts say.

"The experience in Europe shows several stages of economic cooperation have to be successfully implemented before we can think of a common currency," said Manmohan Singh, the architect of India's free-market reforms a decade ago.

Europe's single currency was adopted in 1999 after decades of effort. In South Asia, one of the world's poorest and most politically troubled regions, "it could take years before it can be achieved," Singh told AFP.

Talk about a single currency among the seven-member South Asian Association for Regional Cooperation (SAARC) which groups Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka has surfaced from time to time amid the push toward global

economic integration.

But Indian Prime Minister Atal Behari Vajpayee gave it new life ahead of the SAARC summit to be held in Islamabad on January 4 to 6.

He said with closer economic ties, the nations could tackle problems such as drug trafficking, money laundering and smuggling. "Once we reach that stage, we would not be too far from mutual security cooperation, open borders and even a single currency," he told a forum.

Chief among the hurdles is a need to end decades of hostility between the two biggest nations in South Asia, India and Pakistan, which came close to their fourth war in 2002.

Then, there is also a need to forge a free trade pact among the seven countries in the region.

Singh said a single currency was desirable. "But it will require prolonged periods of economic cooperation, cooperation in matters relating to trade, investments, flow of people and it is only then we hope to move towards a common currency," he said.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank						
Sell			Buy			
TT/OD	BC	Currency	TT Clean	OD Sight/Doc	OD Transfer	
59.1500	59.2000	USD	58.2550	58.0839	58.0144	
74.6355	74.6986	EUR	72.0673	71.8556	71.7696	
105.6715	105.7608	GBP	102.6570	102.3554	102.2329	
44.7825	44.8203	AUD	42.6776	42.5523	42.5013	
0.5603	0.5608	JPY	0.5405	0.5389	0.5383	
47.8212	47.8616	CHF	46.2305	46.0947	46.0395	
8.1362	8.1431	SEK	7.5568	7.5346	7.5255	
45.5350	45.5735	CAD	44.1828	44.0530	44.0003	
7.6265	7.6329	HKD	7.4966	7.4745	7.4656	
34.9235	34.9531	SGD	34.0932	33.9930	33.9523	
16.2366	16.2503	AED	15.7335	15.6873	15.6685	
15.8984	15.9118	SAR	15.4110	15.3657	15.3473	
10.3617	10.3705	DKK	9.3864	9.3589	9.3477	

Exchange rates of some currencies against US dollar						
Indian rupee	Pak rupee	Lankan rupee	Thai bath	Nor kroner	NZ dollar	Malaysian ringgit
45.72	57.5	96.8	39.620	6.7338	0.6523	3.80

Local Interbank FX Trading

Local interbank market was active on Tuesday. Market continued to experience shortfall of the dollar. Dollar got substantially stronger against the Bangladeshi taka.

Local Money Market

Money market was active. Call money rate jumped and ranged between 7.75 and 10.00 percent compared with 5.00-7.00 per cent previously.

International Market:

The dollar remained under fire on Tuesday, hovering near the previous day's record low

against the euro as pressure from low dollar yields and US current account deficit worries showed no sign of abating. Euro has risen almost 20 per cent throughout the year and hovered around \$1.2500 having reached an all-time high of \$1.2511 on Monday. Against the yen, the dollar hovered around 106.90 yen with dealers wary of Japanese intervention should the dollar fall much further. Against the GBP, dollar traded just below \$1.7750.

At 1515 hours on Tuesday, euro was at 1.2496/99, GBP at 1.7743/46 and yen at 106.93/99 against dollar.

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