

# US may pay farmers to test for mad cow

REUTERS, Washington

The US government said on Friday it might pay American farmers to turn in sick or crippled cattle to be tested for mad cow disease.

The discovery of mad cow disease in a Holstein dairy cow in Mabton, Washington, has halted American beef exports worth an annual \$3.2 billion and slashed cattle prices. However, restaurant and grocery chains say US consumer demand for beef has not wavered in the 10 days since the disease was found.

As part of the federal investigation into the nation's first case of the brain-wasting disease, the USDA said a third herd in Washington state has been quarantined.

The USDA, which banned sick or injured cattle from human food earlier this week, also said on Friday it might pay farmers to turn in such animals, known as "downers," so they can be tested for mad cow disease.

Downer cattle that are unable to walk are thought to have a higher possibility of being BSE-infected. Out of nearly 36 million slaughtered yearly, some 200,000 cattle are downers.

"Providing some financial incentive (to farmers) ... is one of many" measures under discussion, USDA chief veterinarian Ron

DeHaven said. "Right now, all options are on the table."

Because downer cattle can no longer be taken to slaughter plants more mad cow testing must be done at rendering plants and on farms, DeHaven told reporters. A meeting will be held on Monday with rendering firms, farm groups and veterinary groups to discuss how to collect those samples for the USDA, he said.

Until this week, the USDA focused its tests for bovine spongiform encephalopathy (BSE) on cattle intended for human food, because humans can contract a form of the disease by eating infected meat.

Such a payment is crucial for farmers to turn over downers, instead of destroying and burning them on the farm, said Leon Thacker, an animal disease expert with Purdue University.

"In most instances the value of the cow to the rendering plant is not as much as it costs them to pick it up," Thacker said. He estimated farmers should be paid at least \$200 for bringing a downer cow in for mad cow testing.

Rendering plants process animal remains at high temperatures to make bone meal, industrial products, livestock feed and ingredients for cosmetics.

USDA trade experts will fly on Monday to Mexico, the second

biggest buyer of U.S. beef, to discuss resuming shipments.

USDA Undersecretary J.B. Penn told Reuters that trade should return to normal "sooner rather than later."

"Given the very positive steps that we have taken to both address any food safety concerns and address animal health concerns, we're hoping for a return to normalcy with all of our trading partners just as quickly as we possibly can," he said.

The USDA and industry urged other nations to lift their ban, saying the infected cow was believed born in Canada.

To help restore confidence among foreign and domestic consumers, the USDA has been working to track down all 81 animals believed to have been imported from Canada in September 2001.

Three herds in Washington state are now quarantined because they include herd mates of the infected cow, thought to have been born in Canada in 1997, the USDA said. DNA tests to conclusively prove whether the infected cow came from an Alberta herd are due early next week.

"We now have 11 of them accounted for," DeHaven said. "The whereabouts of the remaining 70 animals have yet to be confirmed."

Of the 11 cows, nine are in two herds quarantined last week. Another was found in a dairy herd in Mattawa, Washington, and was quarantined two days ago. The 11th animal is the infected cow, which was slaughtered on Dec. 9.

Some animals in the quarantined herds will be destroyed so their brains can be tested for mad cow disease, DeHaven said.

Another key part of the investigation was tracing the feed given to the infected cow and her herd in Alberta, he said.

Alberta is where Canada detected its first native case of mad cow disease last May. The source of infection of that Black Angus cow has never been determined.

The USDA also said it would not decide on reopening the U.S. border to imports of Canadian cattle until the U.S. mad cow investigation has been completed. Canadian farmers had hoped to resume their shipments early in 2004.

On Friday, US live cattle futures rose for the first time since the U.S. mad cow case was discovered. The contract for January delivery closed 0.525 cents higher at 74.300 cents per pound at the Chicago Mercantile Exchange, reversing the trend in which some contracts lost 20 percent of their value.

# Gold glitters in sluggish festive trading week

AFP, London

Gold was the standout performer in a generally sleepy post-Christmas week for the commodities market, the metal rising to near-eight year highs, due mainly to the plummeting dollar.

Elsewhere, there was relatively little action, with most markets closed on December 25 and 26 and on January 1, also closing early on other days, meaning many traders abandoned their desks for the whole festive period.

GOLD: Gold hit its highest level for almost eight years as further sharp falls in the dollar made the metal more affordable for non-US buyers, with a low volume of transactions also increasing market volatility.

By Friday afternoon, gold prices stood at 415.25 dollars an ounce on the London Bullion Market against 410.80 dollars on December 24, the last day of trading before Christmas.

The peak came on Wednesday when gold hit 417.25 dollars during the first of London's twice-daily fixings, the highest price since early February 1996, when gold rose to 417.70 dollars.

However the 1996 price was an interim, or "spot", gold price. Wednesday's price was the highest fixing since February 7, 1990, when it hit 423 dollars.

Although gold also benefited from its status as a safe-haven investment amid fears of terrorist attacks over the holiday season, the dollar remained the main factor in the metal's surge, analysts said.

The dollar's fall to all-time lows

against the euro and multi-year troughs against other currencies was "the only factor for gold", said Stephen Briggs from Societe Generale.

"We have started the New Year in the same situation -- the dollar at new lows against the euro and sterling. That has been a clear benefit," he said.

SILVER: Silver reached the symbolically important six dollar per ounce mark for the first time since May 1998, pulled up once again in gold's wake.

The landmark came on Wednesday, when silver crept up to 6.01 dollars per ounce before falling back slightly.

Silver's ascent in tandem with gold has come despite worries about its use as an industrial metal, with the photographic industry in particular consuming far less of the metal to make films as digital technology gradually takes over.

Silver could nonetheless rise further, said James Moore from specialist website TheBullionDesk.com.

"Resistance above six dollars is looking pretty formidable at the moment but if gold jumps higher it will probably follow, with 6.10-6.15 dollars being its next target," he said.

The silver price stood at 5.985 dollars per ounce on the London Bullion Market on Friday against 5.720 dollars on December 24.

PLATINUM AND PALLADIUM: Platinum remained steady just below recent 23-year highs as the closure for much of the week of the key Japanese metals market limited any real action.



Masum Ahmed Chowdhury, chairman of The Oriental Bank Limited, speaks at a day-long workshop on 'Managing Core Risks in Banking' organised by the bank recently in Dhaka. Among others, Managing Director of the bank CM Koyes Sami, deputy managing directors Md Imamul Hoque and Md Shafiquddin were present.



Members of Financial Market Services and Treasury team of American Express Bank Limited, Bangladesh pose for a photograph at the annual dealers' night organised by the bank recently in Dhaka.

# Bank of America may face SEC civil action

REUTERS, New York

Bank of America Corp.'s securities arm on Friday said it may face civil action from the US Securities and Exchange Commission relating to trading activities at the unit's San Francisco office.

Banc of America Securities said it received a "Wells notice" from the SEC. It said the SEC alleges that it violated books and records retention laws by improperly storing documents relevant to an inquiry, and by not producing requested documents in a timely manner.

The unit of Charlotte, North Carolina-based Bank of America, the No. 3 US bank, said the case arises out of a November 2001 SEC inquiry, and that it is cooperating fully.

It said it is responding to the Wells notice and that the SEC has not formally recommended an enforcement action. It said it does not believe SEC action is warranted in the matter.

A Wells notice gives the subject an opportunity to present a defense to show why an action should not be brought.

Eloise Hale, a Bank of America spokeswoman, declined to disclose the subject of the inquiry, or whether any personnel actions have taken place as a result. She said the inquiry has nothing to do with mutual funds.

New York Attorney General Eliot Spitzer in September said a hedge fund was allowed to illegally trade the bank's Nations funds.

The SEC was not immediately available for comment.

Bank of America plans in the second quarter to complete its purchase of FleetBoston Financial Corp., which would make it the No. 2 US bank.

# Pakistan cuts interest rate on saving schemes

REUTERS, Islamabad

Pakistan's Finance Minister Shaukat Aziz said Thursday the government had cut interest rates on its popular saving schemes by between 0.5 and 0.6 per cent, a move in line with an IMF agreement.

Aziz told a news conference the interest rate on 10-year certificates had been cut to 8.0 per cent from 8.5 per cent, interest rate on five-year certificates to 7.0 from 7.6 per cent and three-year certificates to 7.2 from 7.7 per cent.

"We have revised the NNS (National Saving Schemes) rates, but the rates for widowers and pensioners have not been changed," he added.

The reduction is in line with an agreement with the International Monetary Fund under which the government has to bring NSS rates down closer to yields on long-term bonds. The last downward revision took place in June.

The average yield on the 10-year Pakistan Investment Bond is 6.40 per cent.

Mohammad Sohail, head of research at Investcap Securities, said people would now have to search for different investment avenues, and this give a further boost to Pakistan's soaring stock market.



MA Hassan, chairman and managing director of Aristopharma Limited, poses for a photograph along with other directors at the company's Annual Sales Conference-2003 held in Dhaka on Friday.

# Manufacturing surge offers hope for US economy

AFP, Washington

A survey Friday showing that US manufacturing activity surged in December to its highest level since 1983 offered hope that the economy is keeping momentum from the strong gains in 2003, analysts said.

The survey by the Institute for Supply Management shot up to 66.2 from 62.8 a month earlier.

The ISM survey, seen as a key measure of the US industrial economy, showed a much better result than the 61 points expected by Wall Street analysts. Any figure over 50 points indicates expansion.

The report "is very strong, a positive sign for the industrial sector, which has been weak," said Dick Rippe, economist at Prudential Securities.

It was the sixth consecutive month of growth, although the ISM said the pace of growth remained uneven.

"The manufacturing sector enjoyed its best month since December 1983," said ISM survey

chief Norbert Ore.

"The month-over-month growth from November to December indicates a rapid recovery taking place in the sector, though there are still some businesses lagging and wondering when they will see the improvement that others are experiencing."

Still, the ISM said its December report is consistent with a sizzling 8.6 per cent growth rate for the overall economy, defying expectations of a cooling after the 8.2 per cent growth in the third quarter.

Significantly, the employment index component of the ISM report rose to 55.5 in December from 51.0 in November, suggesting jobs are growing again in US industry.

The ISM's production index rose 4.7 points in December to 73, reflecting the eighth consecutive month of growth.

And the new orders component of the index exploded to 77.6, up 3.9 points from November to the highest level since July 1950.

"That the manufacturing sector

has been doing very well in recent months was never in question," noted Anthony Karydakis at Bank One.

"The key issue now is how strong the momentum in the rest of the economy will be in the next couple of quarters."

"We think the survey has now more or less peaked, but the key point here is that there is no reason at all to expect it now to begin trending downwards," added High Frequency Economics' chief economist Ian Shepherdson.

John Silvia, chief economist at Wachovia Securities, said the report shows that the economy remains resilient, but it also shows some signs pointing to inflation.

"Despite conventional wisdom, the economy continues to grow above trend, and inflation, while modest, is rising and not declining," he said.

"Today's ISM reading of 66.2 suggests a solid manufacturing sector, with improvement in the employment outlook an additional bonus."

# Malaysia hopes to lure 13m tourists in 2004

AFP, Kuala Lumpur

Malaysia hopes to lure 13 million tourists in 2004 after a setback last year and will launch a year-long cultural program to woo big-spending visitors from China, a deputy minister said Friday.

The government has declared 2004 the Malaysia-China Friendship Year to mark three decades of diplomatic ties with celebrations throughout the year, said Deputy Tourism Minister Fu Ah Kiow.

On January 10, Prime Minister Abdullah Ahmad Badawi will kick off a colorful celebration of cultural performances and a fireworks display in the southern historical state of Malacca, where China's Deputy Culture Minister Meng Xiaosi is scheduled to attend, Fu told reporters.

The two countries will sign agreements on cultural exchange activities, he said.

Malaysia has set up tourism offices in Beijing, Shanghai and Guangdong to conduct promotional programs this year, and plans to set up more outlets in western China because the emerging economic giant is currently its fastest-growing market, he said.

Tourists from China are also among the top spenders here, dishing out an average 400 ringgit (105 dollars) per person daily, he said.

"We are working very hard to promote Malaysia in order to capture the China market. China is the fourth largest market for tourists to Malaysia after Singapore, Thailand and Indonesia," Fu said.

A total of 570,000 China tourists visited Malaysia in 2002, up 24 per cent from 460,000 in 2001.

But arrivals from China fell sharply by 40 per cent from January to November last year due to the deadly Severe Acute Respiratory Syndrome (Sars) outbreak in the

region, he said.

Despite the reemergence of a SARS case in China, Fu said he believed travel confidence has improved with tourist arrivals from China recovering to jump 15 per cent year-on-year in November to 45,100.

Fu said total tourist arrivals this year was expected to surge to 13 million, up from just over 10 million in 2003 when the industry was battered by the double whammy of the Iraq war and the Sars outbreak.

"We are confident of regaining back to the pre-Sars level but we will have to work very hard on it. To touch 13 million in 2004 I think is a very realistic target," he said.

A tourism ministry official told AFP a renewed Sars outbreak would not affect tourist arrivals from China. "As far as we are concerned, we are prepared. All screening procedures are in place to prevent a recurrence of Sars," he said.

# Wall Street bull charges into '04

AFP, New York

The bull market ran strong on Wall Street through the end of 2003, and many analysts say the rally is not over despite a slight dip in the first session of 2004.

In the week to Friday, cut short by the New Year's holiday, the Dow Jones industrial average of 30 blue-chip companies gained 0.83 per cent to 10,409.85, its sixth consecutive weekly gain.

The broad-market Standard and Poor's 500 index, also higher for the sixth straight week, added 1.08 per cent to 1,107.74.

The tech-heavy Nasdaq composite meanwhile gained 1.67 per cent for the week to 2,006.75, gaining for five of the past six weeks.

Wall Street closed out 2003 Wednesday with a stellar performance, ending a three-year losing streak that represented the worst bear market in decades. The Dow gained 25 per cent for the year, with the S and P index up 26 per cent and the Nasdaq rising a sizzling 50 per cent.

Although the market was mostly lower Friday, most analysts remained upbeat on prospects for stocks in 2004.

"The market is fine," said Mace Blissett, director at Marblehead Asset Management.

"There's no doubt that next week or so it will be back to new highs."

Alfred Goldman at AG Edwards expects a volatile year in 2004, with the market reacting to terror concerns, developments in the presidential election campaign and a possible hike in US interest rates.

"The dominant mood among investors is one of cautious opti-

mism," Goldman said. "If this mood continues in 2004, as we believe it will, investors will be smiling a year from now but may need blood pressure medicine."

Economist Harry Dent of the HS Dent Foundation, a demographics and market forecasting firm, said he sees a mild correction in the market amid concerns about slowing growth and terrorism.

"We're not expecting a major correction, just a healthy pause that will allow the market to catch its breath in light of the strong economic growth that we experienced in the second half of 2003 and the heightened tensions caused by the apparent increase in terrorist threats," he said.

Dent said he thinks the correction should be complete in first quarter of 2004, allowing the bull market to resume.

"The most attractive downside buy target in the Dow will be around 9,600 and the anticipated correction shouldn't take it below 9,000, even in a worst case scenario," he said.

"The second quarter of 2004 should see the Dow begin rebounding toward the range of 10,800 to 11,300 later in the year."

The economic reports over the past week were consistent with the strong recovery scenario.

The number of people filing new claims for US unemployment benefits hit a three-year low of 339,000 in the week to December 27, a better showing than expected.

Meanwhile the Institute of Supply Management's survey on manufacturing activity for the month of December rose to 66.2 from 62.8 in November, reaching its highest level in 20 years.

# Jakarta allows port visa facility for 21 countries

AFP, Jakarta

Indonesia is to bring in an immigration law from next month which allows tourists from 21 countries to obtain visas on arrival, a report says.

The regulation will take effect on February 1 and enable tourists to buy visas at airports in the cities of Jakarta, Bali, Medan, Surabaya, Manado and Padang. Saturday's Kompas daily newspaper quoted Justice Minister Yusril Iha Mahendra as saying.

He said the countries included in the new law are: South Africa, Argentina, Denmark, The United Arab Emirates, Italy, Canada, Poland, South Korea, New Zealand, France, United States, Britain, Australia, Japan, France, Hungary, Norway, Swiss, Taiwan, Brazil and Finland.

Tourists from nine countries and two regions will not need visas at all because their governments give Indonesians similar privileges.

They are Brunei, Chile, Malaysia, Morocco, Peru, Singapore, Thailand, the Philippines, Vietnam, Hong Kong and Macau.

The new policy will scrap visa-free entry policy to tourists from 21 countries, down from the previous list of 60 countries.

It has sparked protests from the tourism industry, which is still reeling from the impact of the Bali bombings on October 12 last year and the regional outbreak of Severe Acute Respiratory Syndrome last spring.

An August 5 hotel bombing in Jakarta also unnerved some travellers.



Mudassar Moin, chief operating officer (COO) of Rahimafrooz Batteries Distributions Limited, Munawara Moin, COO of Rahimafrooz Batteries Limited, Jasim Uddin Sarkar, sales manager of Rahimafrooz Distributions, and Kazi Javed Islam, manager, sales and marketing of Automotive Batteries, and Mokhlesur Rahman, product manager (Tyre Division), pose for a photograph at a seminar titled "Lucas Retailers' Seminar-2003" organised by Rahimafrooz recently in Dhaka.

## CURRENCY

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

Sell	Currency	Buy
TT/OD	BC	TT Clean OD Sight Doc OD Transfer
59.1500	59.2000	USD 58.2550 58.0839 58.0144
75.4517	75.5155	EUR 72.4459 72.2331 72.1467
106.9787	107.0691	GBP 103.6123 103.3080 103.1844
45.6875	45.7261	AUD 43.4815 43.3538 43.3019
0.5579	0.5583	JPY 0.5383 0.5367 0.5360
48.1599	48.2006	CHF 46.5965 46.4597 46.4041
8.2143	8.2212	SEK 7.7099 7.6872 7.6780
45.2796	46.3188	CAD 44.8081 43.6765 44.6230
7.6273	7.6338	HKD 7.4942 7.4722 7.4633
34.9235	34.9531	SGD 34.0334 33.9335 33.8928
16.2353	16.2490	AED 15.7323 15.6861 15.6673
15.8988	15.9123	SAR 15.4114 15.3661 15.3477
10.4354	10.4442	DKK 9.4521 9.4243 9.4130

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai bath	Nor kroner	NZ dollar	Malaysian ringit
45.64	57.25	97.2	39.560	6.6755	0.7090	3.80

**Local Interbank FX Trading**  
Local interbank market was subdued on Saturday as the international market was closed. Dollar remained unchanged against the Bangladeshi taka.

**Local Money Market**  
Money market was active. Call money rate eased and ranged between 4.00 and 4.50 per cent compared with 6.00-8.00 per cent previously.

**International Market**  
International markets were closed on Saturday. At New York closing on Friday, euro was at 1.2586/92, GBP at 1.7926/34 and yen at 107.03/08 against dollar.

This memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable. While all reasonable care has been taken in its preparation no responsibility or liability is accepted for errors of fact or any opinion expressed herein.

## ReadyCash Raffle Draw Winners

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

Prizes	Name of Winners	Card No
China Junction Chinese Free Lunch for Two	Md. Mahedhi Hasan	504798002003200
Meal in the Box Free Lunch for Two	Md. Nurul Haque Khan	5047980010026839
Kena Kata free Gift Box	M. Salauddin Shamim	5047980010026683
White Castle free Lunch Package	Ashutosh Nath	5047980010026681
Liton's Snakes free Meal Box	Alamgir Kabir Salim	5047980010026677
Pabna Cloth Store free Gift Box	Md. Minar Hossain	504798000050393
Desh Karupanna free Gift Box	Moulana I Chowdhury	504798000050286

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