

EU finally slaps sanction on US products

REUTERS, Brussels

The European Union imposed sanctions on the United States for the first time Monday as a dispute over tax breaks for US firms turned into a trade war that could cost American exporters \$300 million this year.

The lower tax rates for exports for firms, including Boeing BA.N and Microsoft MSFT.O, were judged an illegal subsidy by the World Trade Organisation (WTO), which ruled the EU could impose \$4 billion in sanctions a year on US goods.

But European Trade Commissioner Pascal Lamy decided to apply gradual pressure by phasing in the measures, which will hit a wide range of goods, including textiles, jewellery and toys.

The sanctions are intended to prod the US Congress quickly to

replace the tax breaks with measures in line with WTO rules.

"This is not the beginning of a trade war. WTO disputes are all part of the system," one Washington official told reporters ahead of the March 1 deadline for the sanctions to apply.

But EU firms have expressed worries over the escalation of a dispute that could lead to extra costs as the economy splutters back to life.

Lamy has said sanctions should be seen in the light of daily transatlantic trade of \$1.0 billion, and the EU has coped since 1999 with more than \$100 million of imposed US sanctions a year in fight over beef.

The dollar's weakness is likely to lessen the pain on US exporters and the administration of President George W. Bush has pressured Congress to change the disputed tax laws.



PHOTO: GP

Akbar Hussain, chairman and managing director of Rangs Group of Companies, and Mahboob Hossain, additional general manager, sales and marketing division of GrameenPhone Ltd (GP), sign a dealership agreement on behalf of their companies in Dhaka yesterday. Under the deal, GrameenPhone's subscription and all other products will be available in all Rangs sales centres across the country.



PHOTO: TRANSCOM ELECTRONICS

Transcom Electronics Limited organised a prize distribution function for the retailers of Philips tube lights of Nawabpur Area in Dhaka recently. Marketing Manager of the company Arshad Haque, National Sales Manager A Kader Khan, other officials of the company and dealers and retailers of Philips lighting products were present.

Japan okays poultry import from four Thai plants

REUTERS, Tokyo

Japan has given the green light for a resumption of imports of heat-treated poultry products from four Thai factories, halted since an outbreak of bird flu, an Agriculture Ministry official said Monday.

Japan barred all poultry product imports from Thailand in January, but agreed last month to accept shipments of cooked products if the processing facilities met Japanese hygiene and quality standards.

Officials from Japan's Agriculture Ministry are due to complete checks on 25 facilities in Thailand by Tuesday.

"The remaining (21) facilities will probably resume shipments to Japan once we can confirm that there is no problem," a ministry official said.

Japan imported 70,000 tonnes of heat-treated poultry products and 170,000 tonnes of chilled or frozen poultry products from Thailand, its largest overseas supplier, in the year to March 2003.

BP sells S'pore refining assets

REUTERS, Singapore

British Petroleum Plc is selling its refining assets in Singapore to a local partner for \$140 million as the oil major continues to sell down non-strategic assets to focus on China and Indonesia in Asia.

BP's plan to sell the assets to Singapore Petroleum Co Ltd, which announced the deal on Monday, followed the \$2.4 billion sale of its shares in Chinese oil giants, PetroChina and Sinopec Corp, as BP concentrates on petrochemical and retail expansion in China.

BP has long tried to sell the refining assets in Singapore. Like ExxonMobil Corp and Royal Dutch/Shell, it has been selling down its non-strategic assets across the globe as it shifts its focus to returns from production growth.

BP is still selling its 240 petrol stations in Malaysia and 30 outlets in Singapore. Singapore Petroleum has said it was keen to buy BP's stations in Malaysia.



PHOTO: THE TRUST BANK

A three-day training course on managing core risk management organised by The Trust Bank Limited was held recently. Bangladesh Bank Deputy Governor Muhammad A. (Rume) Ali (centre) and Managing Director of The Trust Bank Iqbal U Ahmed, among others, were present at the inaugural function.

CURRENCY

Following is Monday's (March 1, 2004) forex trading statement by Standard Chartered Bank

| Sell | Currency | Buy | | |
|----------|----------|----------|--------------|-------------|
| TT/OD | BC | TT/Clean | OD Sight Doc | OD Transfer |
| 59.2500 | 59.3000 | 58.3550 | 58.1836 | 58.1140 |
| 74.8742 | 74.9374 | 72.3194 | 72.1069 | 72.0206 |
| 111.6685 | 111.7627 | 108.3769 | 108.0586 | 107.9292 |
| 46.6416 | 46.6810 | 44.5074 | 44.3766 | 44.3235 |
| 0.5492 | 0.5497 | 0.5298 | 0.5282 | 0.5276 |
| 47.4722 | 47.5122 | 45.8910 | 45.7562 | 45.7014 |
| 8.0317 | 8.0385 | 7.4699 | 7.4480 | 7.4391 |
| 44.7237 | 44.7615 | 43.2868 | 43.1597 | 43.1080 |
| 7.6196 | 7.6260 | 7.4901 | 7.4681 | 7.4591 |
| 35.0384 | 35.0680 | 34.2057 | 34.1053 | 34.0645 |
| 16.2641 | 16.2778 | 15.7593 | 15.7130 | 15.6942 |
| 15.9266 | 15.9400 | 15.4378 | 15.3925 | 15.3741 |
| 10.3842 | 10.3929 | 9.4109 | 9.3832 | 9.3720 |

Exchange rates of some currencies against US dollar

| Indian rupee | Pak rupee | Lankan rupee | Thai bath | Nor kroner | NZ dollar | Malaysian ringgit |
|--------------|-----------|--------------|-----------|------------|-----------|-------------------|
| 45.27 | 57.36 | 98.69 | 39.270 | 6.9940 | 0.6916 | 3.80 |

Local Interbank FX Trading

Local interbank market was active on Monday. Demand for dollar continued to remain very high due to import payments. But a good supply prevented the greenback to shoot up against Bangladeshi taka.

Local Money Market

Money market was active. Call money rate rose due to pressure from auction of treasury bills. Central Bank borrowed 6.59 billion taka on Sunday against a maturity of 3.62 billion. The central bank accepted on Monday two-day repos worth 500 million taka at 5 per cent.

International Market

The euro hovered above the previous week's lows on the dollar and held firm on the yen on Monday as expectations faded that the European Central Bank would cut rates this week to sap the euro's strength.

The market turned its attention to two key events this week -- the ECB meeting on Thursday and Friday's non-farm payrolls data from the United States which will be a determinant for expectations of higher interest rates there. The dollar was slightly higher at 109.20 yen, compared with around 109.10 yen in late US trade on Friday, but off its three-month high around 109.85 yen hit last week.

At 1630 hours on Monday, euro was at 1.2484/90, GBP was 1.8680/85, yen was at 109.16/21 against US dollar.

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SHIPPING

Chittagong port

Berthing position and performance of vessels as on 1/3/2004

| Berth no. | Name of vessels | Cargo | L. Port call | Local agent | Dt Of arrival | Leaving | Import disch |
|-----------|-------------------|----------|--------------|-------------|---------------|---------|--------------|
| J/5 | Rise | Sugar(p) | Viza | SSTL | 23/10 | 4/3 | 108 |
| J/10 | Asean Express | Slag | Fuku | Move | 25/2 | 5/3 | 2810 |
| J/11 | Orient Excellence | Cont | P. Kel | PSS | 1/3 | 3/3 | -- |
| J/12 | Kota Berjaya | Cont | Sing | Pil(bd) | 28/2 | 2/3 | 270 |
| J/13 | Jaami | Cont | Col | Everbest | 27/2 | 2/3 | 118 |
| CCT/1 | Qc Star | Cont | P. Kel | QCSL | 28/2 | 3/3 | 137 |
| CCT/2 | Xpress Manaslu | Cont | P. Kel | RSL | 27/2 | 2/3 | 314 |
| CCT/3 | Banga Borti | Cont | P. Kel | Bdship | 28/2 | 5/3 | 154 |
| RM/4 | Bonvoy-vii | CPO | Pasi | MTCL | 28/2 | 2/3 | |
| RM/5 | Jat Preeti | HSD | Held | SSLL | 29/2 | 3/3 | |
| DOJ | Banglar Shourabh | C.oil | K. Dia | BSC | R/A | 2/3 | |
| DD: | Banglar Mamata | Repair | Yang | BSC | 6/2 | 6/3 | |

Vessels due at outer anchorage

| Name of vessels | Date of arrival | L. Port call | Local agent | Cargo | Load port |
|------------------|-----------------|--------------|-------------|----------|-----------|
| Kota Cahaya | 1/3 | Sing | Pil(bd) | Cont | Sing |
| Vivek | 1/3 | Pband | ASA | Scraping | |
| Power | 1/3 | Indo | Move | Clink | Sgip |
| Bosowa Sembilan | 1/3 | Visa | SSA | Slag | Scan |
| Cc Honour | 2/3 | Pkel | QCSL | Cont | Pkel |
| New Blessing | 2/3 | Pkl | Seaborne | Cont | Sing |
| Mercs Komari | 2/3 | Kaki | Able | Sugar(p) | Clink |
| Ks Glory | 2/3 | Kant | ANCL | GI | Shah |
| Kamnik | 3/3 | Sing | ANCL | Cont | |
| Banga Borat | 3/3 | Sing | Bdship | Cont | Ptp/mong |
| Kota Singa | 3/3 | Sing | Pil(bd) | Everett | Sing |
| Estrella Enterna | 3/3 | Sin | Kant | Vehi | |

Tanker due

| Name | 2/3 | Sing | MSTPL | MS (RM/5) |
|------------------|-----|------|-------|----------------|
| Sea Horse-1 | 2/3 | Kunt | MTCL | CPOL (RM/34) |
| Ventura | 3/3 | Sin | BMA | CDSO (RM/43) |
| Silvana Swarajya | 7/3 | -- | SSLL | HSD/RM |
| Al Kuwailah | 4/4 | Kuwa | MSTPL | HSD/SH (RM/34) |
| Bunga Siantan | 4/3 | Kaki | MTCL | COP(RM/8/3) |

Vessels at Kutubdia

| Name of vessels | Cargo | Last port call | Local agent | Date of arrival |
|-----------------|-------|----------------|-------------|-----------------|
|-----------------|-------|----------------|-------------|-----------------|

Outside port limit

| Name | Crude Oil | R/Janu | USS | 27/2 |
| --- | --- | --- | --- | --- |

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