

Bush replaces US export tax break with fat perks for firms

AFP, Washington

US President George W. Bush on Friday repealed an internationally disputed export tax subsidy but lavished 140 billion dollars in new tax breaks on US corporations.

Bush signed the "American Jobs Creation Act of 2004", which repeals an export tax break for US corporations, ruled illegal by the World Trade Organization in January 2003, his spokesman said.

The new law, aimed at bringing an end to European Union trade sanctions, extends lavish new assistance for American companies valued at nearly 140 billion dollars over the next decade.

"This legislation will end the European sanctions on American exports, and it will help promote the competitiveness of American manufacturers and other job creators, and help create jobs here in America," Bush spokesman Scott McClellan said in Wilkes-Barre, Pennsylvania.

The old law flouted global trade rules by allowing US firms, operating through subsidiaries in offshore tax havens, to benefit from reduced

export taxes.

The new law represents a bigger boost for business, but the money is ploughed into domestic programs.

"This tips the scales of global competitiveness more in favor of American businesses. It'll do more to help to maintain and create jobs in the United States than any law in decades," said Senate finance committee chairman Charles Grassley, a Republican.

"The new law contains the biggest business tax reform package since 1986, the most comprehensive agricultural, small business and rural community tax incentive package ever written by a Congress, and the strongest crack-down on tax shelters since 1986."

In the biggest break of the new package, manufacturers get 76 billion dollars in the form of a three-percent point tax cut.

But it is riddled with other giveaways, including a one-year tax holiday allowing US firms to repatriate foreign profit at a 5.25 percent rate instead of 35 percent and, to the Democrats' professed dismay, an item suspending 4.7 percent duties

on all imports of ceiling fans, many of which come from China.

The law is aimed at painlessly resolving a six-year dispute with the European Union over tax breaks for US companies with foreign operations such as Microsoft, IBM, Boeing and Caterpillar.

Grassley denied the new measures would inflate the budget deficit.

"The legislation provides all of these benefits, nearly 140 billion dollars worth, but doesn't add one dime to the federal deficit. It's all paid for by shutting down corporate expatriations to Bermuda, tax shelter leasing abuses, and ending all the Enron tax shelter deals," he said.

Special interests thanked Bush.

"We appreciate the commitment President Bush and members of Congress from both parties have demonstrated by helping to create a more competitive business environment in the US with this legislation," Electronic Industries Alliance president Dave McCurdy said in a statement.

The EU first challenged the US

export tax breaks at the Geneva-based WTO in 1997 on the grounds that they provided a de facto subsidy that gives US companies an unfair advantage over European rivals.

In March this year, after efforts to solve the dispute proved unsuccessful, the EU slapped an additional five-percent tariff on some US exports, including meat, nuclear reactor parts, toys and wood products. The punitive tariffs have been ratcheted up by one percentage point a month.

If continued until the end of the year, the duties would amount to more than 300 million dollars, well short of the four billion dollars in countermeasures the WTO had allowed.

EU officials have said they will lift the punitive tariffs as soon as Washington complies with WTO rules.

In Brussels, European Trade Commissioner Pascal Lamy was not expected to comment before Monday.

Japan, US agree to resume beef trade

AFP, Tokyo

Japan reached a basic agreement with the United States Saturday to resume its imports of American beef, despite a mad cow disease scare, pending scientific studies to determine the age of cows.

Japan has already offered to exempt cows aged 20 months or younger from a 10-month-old ban, if highly risky parts such as brains and spinal cords are removed from them.

But, at three-day high-level talks which ended here Saturday, Japan refused to accept US proposals to verify the age of cows by probing the colour of flesh and the development of bone structure.

The Japanese side rejected the proposals as "unscientific", Japanese officials said earlier.

"We presume that the imports will be resumed by July next year," a senior Japanese foreign ministry official told reporters after the meeting.

A joint press statement by the two governments said: "Further details of some conditions and modalities remain to be worked out by experts and working-level officials of both countries by the time of the actual resumption of trade."

"Experts of both countries will continue to consult on carcass grading and quality attributes with a view to verifying physiological age to evaluate carcasses to be 20 months of age or younger," the statement said.

Japan had initially insisted on testing all cows as a condition for lifting the ban, but the difficulty in detecting the disease in younger cows led Japan to back down.

Japan was the largest export market for US beef until December 2003, when Tokyo imposed a ban along with other countries on imports from the United States immediately after mad cow disease was discovered there.



PHOTO: ELECTRA INTERNATIONAL

Md Sanaullah Shahid, chairman of Electra International Limited, inaugurates a Samsung sales and display centre at Bashundhara City, a shopping mall on Panthapath in Dhaka. Md Mazurul Karim, manager (sales and marketing) of the company, was also present.



PHOTO: BASHUNDHARA GROUP

(From right) Deputy General Manager Mojibur Rahman, Sr Executive Director Brig Gen (Retd) Mustafizur Rahman, General Manager M A K Eusufzi and Deputy Manager Syedur Rahman are seen at the dealers' conference 2004 (Dhaka) of King Brand Cement, a product of Bashundhara Group, recently in Dhaka.



PHOTO: ARAB BANGLADESH BANK

Arab Bangladesh Bank Limited Chairman Faisal Morshed Khan speaks at the bank's 2nd Managers' Conference 2004 held recently in Dhaka. Among others, Vice-chairman of the bank Sajedur Seraj, and Acting Managing Director MA Awal are seen.

China's first private airport approved

AFP, Beijing

Authorities have given permission for China's first private airport, near the border with Russia, to begin operating, it was reported Saturday.

The Funing airport is in the northeastern city of Suifenhe, a key point for trade with Russia's far eastern city of Vladivostok, the Chinese-language Xinmin Wanbao newspaper reported.

REUTERS, Yangon

State-owned Myanmar Oil and Gas Enterprise (MOGE) and a China-Singaporean consortium signed a production sharing contract for exploration of oil and gas, official media and sources said yesterday.

The Consortium comprises China National Offshore Oil Company (CNOOC) Myanmar Ltd of China, China Huangui Contracting and Engineering Corporation of China and Golden Aaron Pte. Ltd of Singapore.

Under the contract signed on Friday, the signatories will cooperate to explore oil and gas at Block M, an onshore block covering about 7,760 square km (2,996 sq

mile) in Kyaukpuyu Region, Rakhine State, in western Myanmar.

Official statistics show that Myanmar has a total of 87 trillion cubic feet of gas reserves and 3.2 billion barrels of recoverable crude oil reserves in the country's 19 onshore and major offshore oil and gas fields.

A total of 349845.75 MCF of gas and 7.165 million barrels of crude oil were produced in fiscal year 2003-2004 (April/March).

During that period, Myanmar earned \$673 million from the export of 200155.6 MCF of gas, while it imported \$274.33 million worth of refined oil and \$12.17 million worth of crude oil.

World oil price soars to record, \$60 seen for NY crude

AFP, New York

World oil prices vaulted to record highs Friday, stirring fears of 60-dollar-a-barrel New York crude, as traders sweated over tight US energy stocks and rampant, China-driven demand.

New York's main contract, light sweet crude for delivery in December, set a record 55.50 dollars a barrel and finished at a record settlement of 55.17 dollars, up 70 cents on the day.

Brent North Sea crude soared to an unprecedented 51.65 dollars and ended at a record high close of 51.22 dollars, up 50 cents.

"I think we are still in a bull channel here," said Refco market analyst Marshall Steeves.

December-dated New York crude appeared to be headed for 60 dollars a barrel, he said.

Heating oil for November delivery, which hit a record 1.6030 dollars a gallon and finished at 1.5944 dollars amid forecasts of a colder, energy-hungry winter, was headed into uncharted territory, Steeves said.

Gasoline for November briefly touched 1.4450 dollars a gallon, settled at 1.4376, and seemed to be preparing to re-test the May high of

1.47 dollars, Steeves said.

"We are looking for contract highs all around here," Steeves said.

"I think it is a continuation of momentum buying, a lot of fund buying."

"Demand is still quite strong and the outlook will depend on how quickly China's economy continues to grow. If it slows down then similarly oil demand will slow down."

China relies on imports for one third of its supplies and in turn accounts for about seven percent of world oil demand, with both figures expected to rise.

China's growth rate slowed slightly in the third quarter, according to figures Friday, suggesting that government efforts to cool the economy are having a limited impact.

For the three months to September, the economy grew 9.1 percent compared with a year earlier, after 9.8 percent in the first quarter and 9.6 percent in the second, the National Bureau of Statistics said.

A senior Chinese official said the record oil price had only a limited impact on the Chinese economy.

2004 much better year for car sales

Research houses anticipate

ANN/THE STAR

Judging from the improved vehicle sales in September, research houses are anticipating total sales this year to substantially exceed last year's 405,100 units.

"Given the first nine months' total industry volume (TIV) sales of 355,815 units, we believe our 2004 forecast of 474,000 units is achievable," RHB Research said in its research paper.

The research house said it did not expect car buyers to hold back their purchases this year in anticipation of cheaper car sales in 2005.

"We also believe car sales will be boosted by the production ramp-up of Proton GEN.2, the launch of Proton Tiara Replacement Model (TRM) by end-December and the strong response to the recent launch of Toyota Avanza and Kia Picanto," the research house said.

RHB Research said Toyota Avanza had received bookings of 5,000 units two weeks after its soft-launch late last month. The waiting period for the delivery of Toyota Avanza is about 6 months.

It said the strong response was not surprising given that the 1.3-litre 7-seater comes with an extremely competitive price tag of RM56,000

just a few thousand ringgit higher than the Proton GEN.2.

"As for the Kia Picanto, this 1.1-litre compact car with price tag of RM46,000 is off to a good start as sales in August was close to 400 units," the research house said.

Malaysia's vehicle sales in September rose 27.6 percent to 43,495 units compared with 34,093 units in the corresponding month of 2003.

OSK Research said the 15.3 percent increase in cumulative TIV for the first nine months of the year from the corresponding period in 2003 was partly skewed by the inclusion of new brands in the Malaysian Automotive Association's statistics.

"This made our projection of 445,501 units for 2004 look too conservative. We would revise our projection with a view to raise it upon release of our detailed TIV report on Monday," the research house said.

An analyst with another research house said the introduction of the made-in-China Chery cars in December was expected to help increase vehicle sales from next year.

"My estimation is that vehicle sales for 2004 could be somewhere around 450,000 units.

Bankwise lending rate Percentage per annum October, 2004											
Name of the Banks	Sub-category	Agriculture	Term loan to large & medium scale industry	Term loan to small industry	Working capital to industry	Export	Trade financing	Housing loan	Consumer credit	Others	Remarks
NCBs		1	2	3	4	5	6	7	8	10	
1.SONALI	SC. 1	8.00	11.00	10.00	11.00	7.00	12.00	12.00	12.00	10.00-12.00	
	SC. 2	9.00		10.50							
2.JANATA	SC. 1	8.00	8.00	10.00	10.00	7.00	12.50	11.00	12.00	12.50	
	SC. 2		11.00		11.00			12.00			
3.AGRANI	SC. 1	8.00	9.00	10.50	11.00	7.00	12.00	12.00	12.00	13.00	
	SC. 2	8.00	11.00								
4.RUPALI	SC. 1	9.00	11.25	10.00	11.50	7.00	12.00	12.00	12.00	10.00-12.00	
	SC. 2			10.50			12.50				
DFIs											
5. BKB	SC. 1	8.00	8.00	8.00	10.00	7.00	12.00	-	-	10.00-12.00	
	SC. 2										
6. BSB	SC. 1	10.00	9.00	9.00	10.00	7.00	12.00	12.00	-	10.00	
	SC. 2		11.00	11.00	11.00		12.50			14.50	
7. RAKUB	SC. 1	8.00	10.00	10.00	10.00	7.00	14.00			11.00-12.00	
	SC. 2				12.00						
8. BSRS	SC. 1		11.00	10.00	12.00	7.00	12.00	12.00	12.50	10.00	
	SC. 2		9.00					12.50			
9. BASIC	SC. 1	9.00	9.50	10.00	11.00	7.00	12.00	12.00	-	12.00	
	SC. 2		11.00								
PCBs											
10. PUBALI	SC. 1	6.50	11.50	9.50	12.50	7.00	12.50	11.50	12.50	10.50	
	SC. 2	8.50	-	10.50			11.50	12.50		12.50	
11.UTTARA	SC. 1	10.00	12.00	12.00	12.00	7.00	12.00	12.00	12.00	12.00	
	SC. 2										
12.AB-BANK	SC. 1	9.50	12.50	11.00	12.50	7.00	13.00	14.75	14.00	11.50	
	SC. 2	10.50	13.00		13.50		13.50		16.50	12.50	
13. IFIC	SC. 1	10.00	13.50	13.50	13.50	7.00	13.00	14.00	14.50	13.50	
	SC. 2						13.50	12.50	16.00		
14. ISLAMI	SC. 1	8.00	12.50	11.25	12.50	7.00	13.00	12.50	13.50	13.00	
	SC. 2										
15. NBL	SC. 1	10.50	13.50	13.00	13.50	7.00	13.50	14.50	14.00	13.50	
	SC. 2	11.00									
16. THE CITY	SC. 1	11.50	13.50	14.00	13.50	7.00	13.50	13.50	13.50	12.50	
	SC. 2	13.50								14.50	
17. UCBL	SC. 1	10.00	13.00	12.00	13.00	7.00	13.00	13.50		12.00	
	SC. 2										
18. ORIENTAL	SC. 1	14.00	14.00	13.50	14.00	7.00	14.50	14.50	14.00	14.50	
	SC. 2										
19. EBL	SC. 1	11.50	12.50	13.50	12.00	7.00	12.50	12.50	13.50	13.00	
	SC. 2	13.00	13.00		13.50		13.50	13.50		13.50	
20. NCCBL	SC. 1	10.00	12.00	10.00	12.00	7.00	13.00	12.00	14.00	14.00	
	SC. 2										
21. PRIME	SC. 1	11.00	12.00	12.50	12.50	7.00	12.50	12.50	13.50	12.50	
	SC. 2										
22. SOUTHEAST	SC. 1	8.50	12.00	11.50	11.50	7.00	11.50	11.50	12.00	11.50	
	SC. 2			12.00			12.00	12.00			
23. DHAKA	SC. 1	7.00	11.50	10.50	12.00	7.00	12.50	12.50	16.50	12.00	
	SC. 2										
24. AL-ARAFAH	SC. 1	11.50	12.50	11.50	12.50	7.00	12.50	13.00	13.00	13.00	
	SC. 2										
25. SIBL	SC. 1	10.00	13.00	13.00	13.00	7.00	13.00	13.50	13.00	7.00	
	SC. 2									12.00	
26. DUTCH-BANGLA	SC. 1	9.00	10.50	9.00	10.50	7.00	10.50	10.50	10.50	10.50	
	SC. 2										
27. MERCANTILE	SC. 1	9.00	12.50	12.50	12.50	7.00	12.50	12.50	15.00	12.50	
	SC. 2										
28. ONE BANK	SC. 1	9.00	13.00	13.00	12.00	7.00	12.00	-	15.00	13.00	
	SC. 2			13.00			13.00	-	14.00	14.00	
29. EXIM	SC. 1	10.00	13.00	12.00	13.00	7.00	13.00	13.00		13.00	
	SC. 2										
30. PREMIER	SC. 1	11.50	12.50	12.00	12.50	7.00	13.00	12.50	10.00	13.00	
	SC. 2										
31. F. SECURITY	SC. 1	10.00	13.00	12.50	13.00	7.00	14.00	14.00	14.00	14.00	
	SC. 2										
32. STANDARD	SC. 1	9.00	13.50	14.00	13.50	7.00	13.50	14.00	14.00	14.00	
	SC. 2										
33. TRUST BANK	SC. 1	9.50	11.75	10.50	11.75	7.00	12.50	12.50	12.00	12.50	
	SC. 2										
34. MUTUAL TRUST	SC. 1	8.00	12.50	11.00	13.00	7.00	13.00	12.50	13.00	13.00	
	SC. 2							13.00			
35. BANK ASIA	SC. 1	9.00	12.50	11.50	12.50	7.00	12.50	12.50	12.50	12.50	
	SC. 2										
36. HCBL	SC. 1	10.00	13.50	13.50	13.50	7.00	13.50	135.00	15.00	12.00	
	SC. 2										
37. JAMUNA	SC. 1	10.00	12.50	12.00	12.50	7.00	12.50	13.00	14.00	13.00	
	SC. 2										
38. SHAHJALAL	SC. 1	8.50	13.00	13.50	12.50	7.00	13.00	13.50	13.50	13.50	
	SC. 2										
39. BRAC	SC. 1	9.00	12.00	22.50	11.50	7.00	16.50	-	15.50	11.50	
	SC. 2										
FBs											
40. AMEX	SC. 1		13.00	-	8.00	-	8.25		10.50	6.00	
	SC. 2										
41. COMMERCIAL B.	SC. 1	8.00	11.00	9.00	10.50	7.00	11.00	-	-	9.00	
	SC. 2										