

Central America, EU set to start free-trade talks

REUTERS, San Jose, Costa Rica

Central America and the European Union will begin free-trade talks this month despite a dispute over tariffs on Latin American banana exports to Europe, a Costa Rican trade official said on Friday.

Deputy Trade Minister Amparo Pacheco said that trade officials from Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica would meet with EU representatives on March 31 in the

Costa Rican capital, San Jose, to begin analysing a trade plan.

"The goal of the trade agreement is to promote greater flow of trade and set a legal framework," Pacheco said.

Latin American banana producers are challenging a move by the EU to increase tariffs on bananas. Central American leaders have said the proposal would result in the loss of thousands of jobs in the poor region.

Central American exports to the European Union last year

reached \$1.55 billion, according to Costa Rica's Trade Ministry.

This week, Guatemala became the third country to ratify a free-trade pact between Central America and the United States, joining El Salvador and Honduras.

That pact has yet to be approved by lawmakers in Nicaragua, Costa Rica and the United States. It has sparked protests across Central America and is seen as a contentious trade issue in the US Congress.

US textile makers raise alarm over Chinese import surge

AFP, Washington

US textile and apparel makers called Friday for action by Washington to stem Chinese imports, saying American industries are being devastated by the lifting of quotas earlier this year.

US industry groups were joined by union organizations in the call for Washington to implement a so-called safeguard mechanism under World Trade Organization rules to limit growth in Chinese textile and apparel imports.

"The threat has become reality," said Cass Johnson, president of the National Coalition of Textile Organizations (NCTO).

"This surge of imports from China is just the tip of the iceberg. If history is any indication, Chinese imports will continue to soar until they gain a virtual monopoly of the US market," added Auggie Tantillo, executive director of the American Manufacturing Trade Action Coalition (AMTAC).

US officials were noncommittal about a move under WTO rules but said the trend was a matter of concern.

"There is a significant increase in apparel imports from China. We are concerned about the impact of this increase on our trade and our industry," Commerce Department spokesman Jim Leonard said.

"We will raise this issue as part of our ongoing dialogue with the Chinese to reinforce US concerns over our textile trade disparity and to seek solutions. The administration will continue to work with US textile and apparel firms and workers to make our industry competitive and level the playing field."

Official data released Friday showed China accounted for 35 percent of US textile imports in January and 22 percent of apparel imports.

The coalition of industry and labor groups told a news conference that action was needed to keep China from steamrolling the world textile industry.

They said that some products such as cotton trousers saw import increases of as much as 1,000 percent in January compared with the same period a year ago.



PHOTO: DBBL
Md Yeasin Ali (C), managing director of Dutch-Bangla Bank Ltd (DBBL), speaks at the second DBBL managers' meeting in Dhaka on Thursday. Abul Hashem Khan (L), deputy managing director (Operation), and AAM Zakaria, deputy managing director (Admin) of the bank, are also seen.



PHOTO: RANGPUR FOUNDRY
Ahsan Khan Chowdhury, managing director of Rangpur Foundry Ltd (RFL), poses for photographs with the awarded dealers of RFL at a prize giving ceremony held on Friday in Dhaka under the company's dealer incentive programme.

US trade deficit surges to second-highest level ever

AFP, Washington,

Americans' insatiable demand for imported goods drove the US trade deficit up to 58.3 billion dollars in January, the second-highest level on record, the government reported Friday.

Analysts predicted the deficit would soon hit new peaks and put more pressure on the ailing US dollar in the absence of action by President George W. Bush's administration or stronger growth in Europe and Japan.

The trade gap was up 4.7 percent from a revised 55.7 billion dollars in December, the Commerce Department said, and not far off the record deficit of 59.3 billion seen in November.

Market watchers were taken

aback by the data, having forecast the January shortfall in goods and services at 56.8 billion dollars.

"The US is still the engine of global growth and the trade deficit is a side-effect of that," commented Ethan Harris, chief US economist at Lehman Brothers.

"It's not, long term, a very healthy environment," he said, while predicting the deficit will only worsen if Bush continues to oversee a deterioration in both the current account and budget deficits.

Trade across US borders hit new highs in January, the Commerce Department said. Imports were up 1.9 percent to 159.1 billion dollars, much more than expected by economists, and exports gained 0.4 percent to 100.8 billion.

CURRENCY

Following is Saturday's (March 12, 2005) forex trading statement by Standard Chartered Bank

| Sell | | Buy | | | |
|----------|----------|----------|----------|--------------|-------------|
| TT/OD | BC | Currency | TT Clean | OD Sight Doc | OD Transfer |
| 63.9000 | 63.9500 | USD | 62.7550 | 62.7132 | 62.6922 |
| 87.0574 | 87.1255 | EUR | 83.4893 | 83.4336 | 83.4058 |
| 124.0938 | 124.1909 | GBP | 119.8621 | 119.7821 | 119.7422 |
| 51.7143 | 51.7547 | AUD | 48.7795 | 48.7469 | 48.7307 |
| 0.6222 | 0.6227 | JPY | 0.5977 | 0.5973 | 0.5971 |
| 56.0281 | 56.0719 | CHF | 53.9828 | 53.9468 | 53.9288 |
| 9.4594 | 9.4668 | SEK | 8.7400 | 8.7342 | 8.7313 |
| 53.4818 | 53.5236 | CAD | 51.5738 | 51.5394 | 51.5222 |
| 8.2038 | 8.2102 | HKD | 8.0369 | 8.0315 | 8.0288 |
| 39.6697 | 39.7008 | SGD | 38.5284 | 38.5027 | 38.4898 |
| 17.5400 | 17.5537 | AED | 16.9484 | 16.9371 | 16.9315 |
| 17.1756 | 17.1890 | SAR | 16.6019 | 16.5908 | 16.5853 |
| 12.0881 | 12.0975 | DKK | 10.8541 | 10.8468 | 10.8432 |
| 214.5122 | 214.6840 | KWD | 214.1806 | 214.1806 | 214.1806 |

Exchange rates of some currencies against US dollar

| Indian rupee | Pak rupee | Lankan rupee | Thai baht | Nor kroner | NZ dollar | Malaysian ringgit |
|--------------|-----------|--------------|-----------|------------|-----------|-------------------|
| 43.55 | 59.35 | 99.33 | 38.260 | 6.0748 | 0.7877 | 3.80 |

Local Interbank FX Trading

Local interbank FX market was subdued on Saturday. Dollar ended almost unchanged against Bangladeshi taka.

Local Money Market

Money market was active. Major deals in call money market ranged between 10.00 and 20.00 percent compared with 8.00 and 20.00 percent previously.

International Market

International market was closed on Saturday. The dollar slipped sharply against euro on Friday after data showed that the US trade deficit widened in January to its second biggest on record despite the greenback's three year decline. The deficit figure was \$58.3 billion against economists' forecast of 56.5 billion. Dollar also fell against sterling and Swiss franc while remained almost unchanged against the yen.

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PHOTO: PUBALI BANK
Managing Director of Pubali Bank Ltd Khondkar Ibrahim Khaled poses for photographs with the participants of a seminar titled 'Innovative Management' for managers organised by the bank's training institute recently in Dhaka. Deputy Managing Directors of the bank M Rafiqul Islam, Helal Ahmed Chowdhury and Shahadat Hossain Chowdhury and Principal of the training institute Badruddin Ahmed were also present.



PHOTO: READYCASH
AKM Belal, assistant general manager of Sonali Bank, Habiganj, attends a client after inauguration of ReadyCash reload station at the Habiganj branch of the bank on Wednesday. Gauranga Chandra Dey, branch manager, was also present at the function.

ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle draw took place at ReadyCash Bangladesh office at Dhanmondi on Saturday, says a press release.

| Prizes | Name of the Winners | Card No |
|---|----------------------|------------------|
| China Junction Chinese Free Lunch for Two | Sayed Amjad Hussain | 5047980000056829 |
| Pallabi Computers Free Internet Browsing | Jamil A. Maruf | 5047980010034286 |
| Florence Food Free Gift Box | AHM Mahabubur Rahman | 5047980010034267 |
| Rainbow Chinese Free Lunch/Dinner for | Md Fortad Ahmed | 5047980010034296 |
| Monorom Free Gift Box | Md Monjurul Hassan | 5047980010034277 |
| Kamal General Store free Gift Box | Md. Babul Alam | 5047980010034279 |

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 Sunday or call our Customer Service at: 8123850, 8130497, 8125294-7.

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