

EU-US talks to resolve air row hit turbulence

AFP, Brussels

Talks between Brussels and Washington to resolve a dispute over subsidies for aircraft makers Airbus and Boeing have hit turbulence with both sides threatening a damaging legal clash at the WTO.

The two agreed in January to avoid a bruising battle at the World Trade Organization and negotiate by April 11 a phase out of subsidies to develop commercial aircraft. But with three weeks left and little progress to date, mutual recriminations have begun.

The dispute flared up again on Friday when US negotiator Robert Zoellick decided to step up the pressure after meeting with his European counterpart, EU Trade Commissioner Peter Mandelson.

Zoellick's spokesman said "the Europeans are clearly unwilling to eliminate the subsidies," and said if necessary the United States was ready to return to litigation at the WTO.

This triggered a warning Saturday from Brussels that it would also make claims against Washington.

"If the US decides to move to the WTO approach, which we hope they will not, obviously we would launch our own counter-case," said a European Commission

official who spoke on condition of anonymity.

The United States lodged a complaint against EU subsidies to France-based Airbus with the WTO in October, which brought a counter-attack from Brussels against what it termed indirect US government aid for Chicago-based Boeing.

But the agreement in January to try to resolve the dispute by renegotiating a 1992 bilateral accord that set the terms of assistance to aircraft makers effectively froze the WTO procedure, which EU officials had said would have been a "disastrous" legal clash.

The two sides agreed to freeze subsidies while they negotiate the new agreement.

Washington on Saturday dropped the saber rattling, and said it was ready to extend the deadline for reaching an agreement.

"We are very willing to continue talking, using the January 11 agreement as the basis -- and we are willing to extend the terms of the January agreement," US trade representative spokesman Richard Mills told AFP.

But "the problem is that over the last two months the EU has been focused more on maneuvering than on negotiating the core substance," Mills said by telephone from Washington.

"As far as we are concerned, we're ready to continue the negotiations," the EU official said.

But should no agreement be reached, "nothing would prevent the EU governments to put up the launch aid for the A350," the EU official warned, referring to the long-haul jet which would rival Boeing's 787 "Dreamliner".

Part of the difficulties in the negotiations is that the Europeans are trying to reach agreements on two issues that were not included as part of the January agreement: Japanese aid for development of Boeing's 787 and the Foreign Sales Corporations (FSCs) that US companies use to lower their taxes.

"We haven't changed positions or made specific demands," said the EU official, adding that "we've indicated we want pertinent questions added" to the discussions.

The EU believes that no comprehensive deal can be reached by April 11 given the complexities of the issues.

Instead it has proposed cutting the negotiations into two and reaching by the deadline next month "a more modest package that creates confidence" to reach a comprehensive deal at a later date.

Unions march against EU trade liberalization measure

AFP, Brussels

More than 50,000 demonstrators marched in Brussels Saturday against a proposed European Union directive to open up public service markets, which unions say will drive down social and labor standards and threaten jobs.

John Monks, secretary general of the European Trade Union Confederation, which called for the march, said at least 50,000 demonstrators from much of Europe took part in the protest, which was designed to send a powerful message to heads of government meeting here next week.

The trade union movement said that if the measure is approved it would provide ample opportunity for competition and privatization in all public services, including those of general interest such as education and health.

Monk, surrounded by other unions leaders including Mickael Summer of the Federation of German Trade Unions (DGB), Jose Fidalgo of Spain's Comisiones Obreras (CCOO) and Francois Cheregas of France's CFDT, led the crowd in chanting "Stop Bolkestein!"

The name refers to Dutch former EU commissioner Frits Bolkestein, who first introduced the measure. It is considered a key plank in the EU strategy to revive the so-called Lisbon agenda, adopted in 2000 with the aim of making Europe the world's most competitive society by 2010.



PHOTO: A POSITIVE

M Ehsanul Haque, managing director of Brac Bank Ltd, and Mofizuddin Sarker, managing director of International Leasing and Financial Services Ltd, sign a credit facility agreement on behalf of their organisations. Under the deal, International Leasing will utilise the bank's facilities for its financing activities. Other officials from both the organisations were also present.

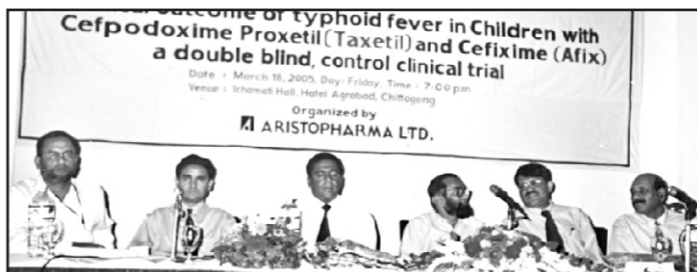


PHOTO: ARISTOPHARMA

Speakers are seen at a scientific seminar on 'Clinical outcome of Taxetil, a third generation cephalosporin, in the treatment of typhoid fever of children'. Organised by Aristopharma Ltd in Chittagong on Friday, the seminar was attended by eminent paediatricians including Prof Dr Salim Shakur, Prof Dr Shahadat Hossain and Prof Dr Nurul Islam Khan.

CURRENCY

Following is Sunday's (March 20, 2005) forex trading statement by Standard Chartered Bank

| TT/OD | BC | Currency | TT Clean | OD Sight/Doc | OD Transfer |
|----------|----------|----------|----------|--------------|-------------|
| 63.9000 | 63.9500 | USD | 62.7550 | 62.7132 | 62.6922 |
| 86.1883 | 86.2558 | EUR | 82.6358 | 82.5807 | 82.5531 |
| 123.8574 | 123.9543 | GBP | 119.6299 | 119.5501 | 119.5102 |
| 51.8804 | 51.9210 | AUD | 48.9426 | 48.9100 | 48.8937 |
| 0.6179 | 0.6184 | JPY | 0.5937 | 0.5933 | 0.5931 |
| 55.3774 | 55.4207 | CHF | 53.3676 | 53.3321 | 53.3143 |
| 9.3101 | 9.3174 | SEK | 8.6101 | 8.6044 | 8.6015 |
| 53.6164 | 53.6583 | CAD | 51.7013 | 51.6668 | 51.6496 |
| 8.2043 | 8.2107 | HKD | 8.0370 | 8.0316 | 8.0289 |
| 39.5298 | 39.5608 | SGD | 38.3940 | 38.3684 | 38.3556 |
| 17.5405 | 17.5542 | AED | 16.9489 | 16.9376 | 16.9320 |
| 17.1756 | 17.1890 | SAR | 16.6014 | 16.5903 | 16.5848 |
| 11.9654 | 11.9748 | DKK | 10.7505 | 10.7433 | 10.7398 |
| 214.5122 | 214.6840 | KWD | 214.1737 | 214.1737 | 214.1737 |

Exchange rates of some currencies against US dollar

| Indian rupee | Pak rupee | Lankan rupee | Thai baht | Nor kroner | NZ dollar | Malaysian ringgit |
|--------------|-----------|--------------|-----------|------------|-----------|-------------------|
| 43.59 | 60.25 | 99.34 | 38.520 | 6.1028 | 0.7946 | 3.80 |

Local Interbank FX Trading

Local interbank FX market was subdued on Sunday as the international market was closed. Dollar ended almost unchanged against Bangladeshi taka.

Local Money Market

Money market was active on Sunday.

Call money rates were almost unchanged.

International Market

International market was closed on Sunday. US dollar rose against the euro and yen before closing on Friday to its highest in a week.



PHOTO: BENCHMARK

Some members of the Board of Trustees of the newly introduced 'Corporate Social Responsibility Award' pose for photographs in Dhaka on Thursday. Standard Chartered Bank and The Financial Express have jointly instituted the award to honour one company every year for its contribution to the society in Bangladesh.

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 20/3/2005

| Berth No. | Name of vessels | Cargo | L. port call | Local agent | Dt of arrival | Leaving | Import disch |
|-----------|-----------------|-------|--------------|-------------|---------------|---------|--------------|
| J/5 | Pha She Gyawya | GI | Yang | Mta | 19/3 | 22/3 | - |
| J/8 | Marisa Green | Cont | P. Kel | Everbest | 19/3 | 23/3 | - |
| J/9 | Xpress Resolve | Cont | Col | Everbest | 19/3 | 22/3 | - |
| J/10 | Oel Freedom | Cont | P. Kel | Pssl | 19/3 | 23/3 | - |
| J/11 | Banga Borat | Cont | Sing | Bdship | 19/3 | 23/3 | - |
| J/12 | Kota Naga | Cont | Sing | Pil(Bd) | 19/3 | 22/3 | - |
| J/13 | Banga Borti | Cont | Sing | Bdship | 18/3 | 21/3 | - |
| Ccl/1 | Kota Cahaya | Cont | Sing | Pil(Bd) | 19/3 | 22/3 | 447 |
| Ccl/2 | Banga Borak | Cont | P.Kel | Bdship | 17/3 | 21/3 | - |
| Ccl/3 | Banglar Shikha | Cont | P. Kel | Bsc | 18/3 | 21/3 | 227 |

Vessels due at outer anchorage

| Name of vessels | Date of arrival | L. port call | Local agent | Type of cargo | Loading ports |
|-------------------|-----------------|--------------|-------------|---------------|---------------|
| Maritime Songkhla | 20/3 | Tarj | Bsl | Clink | HCBL |
| Hyundai Eagle | 20/3 | Chin | Litmond | Urea | BCIC |
| Brave Royal | 20/3 | Kant | BrsI | Clink | Ammonia |
| Bao Lung Men | 20/3 | Krabi | Ssa | Gypsum | Hol/Uni |
| QC Dignity | 20/3 | P. Kel | Qcsl | Cont | Sing |
| Nan Hlaik Gyi | 22/3 | Yang | Mta | GI (Y. Ma) | - |
| Chin Shwe Haw | 23/3 | Yang | Mta | GI (Y. Ma) | - |
| Banga Bijoy | 21/3 | Col | Baridhi | Cont | Col |
| Xpress Manaslu | 21/3 | P. Kel | Rsl | Cont | Sing |
| Banga Biraj | 22/3 | - | Bdship | Cont | Sing |
| Elizaveta | 22/3 | Chin | Litmond | Urea | BCIC |
| Taraman Bibi | 22/3 | Mumb | Nishat | GI(S. Ash) | - |
| Banglar Gourab | 22/3 | Santo | Usl | Sugar(P) | - |

Tanker due

| | | | | |
|----------------|------|------|-------|-------------|
| Andhika Ashura | 20/3 | Mala | Usl | Cpo(RM/3/4) |
| Gulf Nomad | 20/3 | Kuwa | Mstpl | Hsd/MS |
| Euro Viking | 21/3 | Kaki | Mbl | Ammonia |
| Adventure | 22/3 | Kuwa | Mstpl | Hsd/Sko |
| Eburna | 23/3 | Durb | Mtcl | Cdso/RM |
| Salamat-1 | 24/3 | - | Oim | Bitumen |

Vessels at Kutubdia

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

Outside port limit

| | | | | |
|---------------------|-----------|------|---------|------------|
| Rig Ocean Sovereign | -- | Sing | Beeline | 18/11 |
| Gulfrill-9 | Pr. Equip | Sing | Ibsa | 27/11 |
| Dea Captain | -- | -- | Ibsa | R/A (19/2) |
| Wira Keris | Dr. Equip | Sing | Ibsa | R/A (22/2) |
| Sollieu Tide | Dr. Equip | -- | Ibsa | R/A (18/3) |
| Lady Margaret | Dr. Equip | -- | Ibsa | R/A (28/2) |

Vessels at outer anchorage

Vessels ready

| | | | | |
|------------------|--------|--------|--------|------|
| Banglar Shourabh | C. Oil | K. Dia | Bsc | R/A |
| Banga Bodor | Cont | P. Kel | Bdship | 19/3 |
| Blue Link | Cont | Sing | Nol | 20/3 |

Vessels not ready

| | | | | |
|--------------|-----------|------|---------|------------|
| Sri Chon | GI(Copra) | Prg | Mutual | 14/3 |
| Saloo | Wheat(G) | Col | Ascl | 14/3 |
| Banglar Moni | Wheat(G) | -- | Bsc | R/A (17/3) |
| Carina-II | Sugar | Darb | Rainbow | 18/3 |
| Al Badiyah | Hsd/Jp-1 | Kuwa | Mstpl | 19/3 |

Vessels awaiting employment/instruction

| | | | | |
|---------------|----|------|---------|-----------|
| Bumi Jaya | -- | Visa | Unicorn | 10/11 |
| Banglar Jyoti | -- | -- | Bsc | R/A(20/3) |

The above are the shipping position and performance of vessels at Chittagong Port as per berthing sheet of CPA supplied by Family, Dhaka.

STOCK