EU readies anti-dumping action against China, Vietnam over shoes

AFP, *Brussel*

The European Commission was poised Monday to take anti-dumping action against Chinese and Vietnamese shoemakers despite internal EU divisions and the risk of igniting new trade tensions with Beijing.

Acting on "compelling evidence" of unfair state support of Chinese and Vietnamese manufacturers, EU trade chief Peter Mandelson is to propose a course of action to member states later this week, his spokesman said.

"Following a nine-month investigation and several visits by officials from Vietnam and China ... there is compelling evidence of state intervention in the leather footwear sector in both these countries," spokesman Peter Power told journalists.

"This involvement takes the form of cheap finance, non-market land rent, tax breaks and improper asset evaluation," he added.

"There is evidence of dumping and injury."

Brussels opened the probe into shoes with leather uppers last July under pressure from European manufactures worried about a huge jump in Chinese and Vietnamese imports.

They charged that the surge in imports was due to dumping -- selling a product for export at less than its normal value in order to grab market share by undercutting competitors unfairly or because of illegal state aid.

Power said it was too early to say what measures Mandelson would propose, although an EU source said that Brussels had in mind applying customs duties of around 20 percent on the import price of the shoes concerned by the probe.

If the EU decided to go ahead with anti-dumping measures, Power said, they could be applied as soon as April 7 for six months and could afterwards become "definitive" for the next five years.

Imports of Chinese-made shoes with leather uppers jumped 320 percent from April 2004 to March 2005 while imports from Vietnam surged 700 percent.

The threat of anti-dumping measures risks sparking a new trade row with the growing Asian economic giants, as an earlier dispute over Chinese textiles was only solved last year after tough bargaining between Brussels and Beijing.

Ending what was at the time dubbed the bra wars, the two sides calmed tensions by agreeing to reimpose quotas on Chinese clothing imports after limits originally expired at the beginning of 2005, unleashing a wave of cheap garments.

As in the case of Chinese textiles last year, European companies are deeply divided between the few remaining EU manufacturers and big retailers who source most of their products from abroad.

Although pleased that the anti-dumping action for the time being only targeted shoes with leather uppers, the Federation of the European Sporting Goods Industry warned that the measures could cause "lost jobs in the retail sector and higher prices for Europe's consumers."

"These measures are against the interests of the European economy," the lobby's head Horst Widmann said.

However, the European Confederation of the Footwear Industry hit back, charging that such claims were "false or misconceived".

"From the arguments of the opponents to anti-dumping measures, it is clear that their aim is to create a doom scenario of negative effects for consumers, employment and the community as a whole," it said in a position paper.

PHOTO: BAQP

The first general meeting of Bangladesh Association of QMS Professionals (BAQP) was held on Thursday in Dhaka. President of the quality management system professionals' association Ahmed Humayun Kabir, and General Secretary Muhammad Musharraf Hussain, among others, were present.

PHOTO: AKTEL

Javed Tariq, head of Corporate Affairs of AKTEL, hands over a cheque for Tk 1 lakh to MA Matin, founder president of managing committee of Momtaz Ideal Orphanage, in Dhaka on Monday.

Sino-EU energy ties strengthened

ANN\CHINA DAILY

China and the European Union will strengthen cooperation and exchanges in the energy sector, including clean coal technology, renewable energy and nuclear power, top officials said at a high-level conference.

China's Ministry of Science and Technology (MOST) and the European Commission yesterday (Feb 20) signed a Memorandum of Understanding (MoU) on near-zero emission power generation technology in an effort to jointly fight against global climate change.

As the major source of power generation, coal consumption has continued to increase to meet the rapid economic development in China. Statistics show that China consumed some 34 per cent of the coal used worldwide in 2004.

Due to technical barriers, the coal is used with low efficiency, and carbon dioxide emission has also led to environmental pollution.

Under the MoU, the Chinese government and the EU will jointly conduct research and promote the technology of near-zero emission power generation.

It includes capturing carbon dioxide emitted from coal power stations and then storing them underground, instead of being emitted directly into the environment.

"China has been seeking more ways to protect the climate, such as this" said Ma Songde, vice-minister of MOST.

Promoting the new technology was a good environmental and energy policy, he added.

The feasibility study of the project will be finished by the end of 2008, according to the MoU.

Andris Piebalgs, Energy Commissioner for the EU, said it will invest 5 million euros (US$5.95 million) for the first stage of the co-operation, following an equal amount of investment from the United Kingdom.

PHOTO: NATIONAL BANK

The 'Annual Conference-2005' of the executives and managers of National Bank Ltd was held recently in Dhaka. Chairperson of the bank Parveen Haque Sikder, directors, managing director and other senior officials were present at the conference.

PHOTO: DBBL

Managing Director of Dutch-Bangla Bank Limited (DBBL) Yeasin Ali hands over a payment order amounting to Tk30 lakh, the 3rd installment, to Mahbubuzzaman, vice-president of Bangladesh Cancer Society, in Dhaka recently. Earlier, DBBL committed to donate Tk 1 crore to Bangladesh Cancer Society to set up a modern cancer hospital in Dhaka.

EU adopts ground-breaking sugar reform

AFP, *Brussels*

European agriculture ministers formally adopted on Monday a radical reform of the EU sugar sector, which will come into force on July 1.

"I am absolutely delighted that the council (of member states) has taken the courageous decision to back these long-overdue reforms," agriculture commissioner Mariann Fischer Boel said in a statement.

"The measures may appear tough, but there is no alternative. Thanks to these reforms, the EU sugar sector can look to the future with confidence," she said.

EU member states agreed in November to the package, which will slash prices guaranteed to EU farmers by 36 percent and make 6.3 billion euros (7.4 billion dollars) in aid available to growers and refiners over the four years during which the reform is phased in.

Indo-France trade to touch €10b by 2010

Indian chamber says

ANN/THE STATESMAN

French President Jacques Chirac's visit to India is expected to boost the two-way trade between India and France to exceed 10 billion euros by 2010 from its current level of 3.6 billion euros, the Associated Chambers of Commerce and Industry (Assocham) has projected.

The French President visit, the Assocham felt, comes in the wake of India joining the prestigious seven-member Fusion Energy Club, the US$5.4 billion ITER (International Thermo Nuclear Experimental Reactor), which will take off in 2007 from Cadarache, Southern France, and produce electricity from fusion power plant.

These findings have been condensed in a paper brought out by the Asocham on "India-France Economic Partnership," highlighting that the major areas for joint cooperation between the two countries would intensify in the field of aeronautical & space construction products, IT, thermonuclear energy, tourism, agriculture electrical equipment, organic chemical products.

The paper highlighted that the global French trade towards the end of 2005 was 800 billion euros, out of which the Indo-French trade was only 0.51 per cent. Although there is a good impression about France in India, the reverse was far from being significant, the study noted.

India, in fact, did not emerge in the list of top 10 investing countries in France. Therefore, a huge potential market still remained untapped and would be explored during Chirac's visit.

Releasing the paper, Assocham president Anil K. Agarwal pointed out that India and IT were synonymous with France and wine. The Indian IT, software and services sector was on track to achieve its target aspiration of US$77 billion (excluding e-commerce transactions of US$10 billion).

Eurozone trade surplus plunges in 2005

AFP, *Brussels*

The eurozone's trade surplus with the rest the world shrank sharply last year as the price of oil imports soared, official EU data released Tuesday showed.

The 12 nations using the euro booked a trade surplus last year of 23.4 billion euros (27.9 billion euros) compared with 71.4 billion euros in 2004, official EU data released Tuesday showed.

Exports rose seven percent last year from the previous year to 1.153 trillion euros while imports grew 12 percent to 1.081 trillion euros, according to a first estimate from the European Union's Eurostat data agency.

A breakdown of the data from January to November 2005 showed a surge in the eurozone's energy deficit in 2005 as the value of imports jumped due to record high oil prices.

The 25-nation EU booked a trade deficit of 106.4 billion euros in 2005, sharply wider than the 62.9 billion euros posted in 2004.

Exports from the EU grew by 10.0 percent over the period to 1.067 trillion euros while imports rose by 14.0 percent to 1.174 trillion euros.

In December, the eurozone recorded a trade deficit of 900 million euros unchanged from the figure for November, which was revised from an initial estimate of 2.3 billion euros.

Exports increased 0.5 percent over the period while imports grew 3.5 percent, seasonally adjusted data showed.

The December deficit marked a sharp detioration from December 2004 when the 12 nations using the euro had a surplus of 5.5 billion euros.

However, some economists said that the monthly data reflected strong domestic demand.

"The strength of eurozone imports in December suggests that eurozone domestic demand was relatively healthy at the end of 2005, even allowing for the fact that high oil prices have lifted the value of imports," economist Howard Archer with consultancy Global Insight said.