

US lawmakers in China as yuan battle heats up

AFP, Beijing

Two US lawmakers hoping to pressure China into revaluing its currency began talks here Tuesday, insisting they were still worried about the yuan despite encouraging signs of flexibility last week.

Democratic Senator Chuck Schumer and Republican colleague Lindsey Graham's trip comes ahead of a threatened March 31 vote in the US congress on a bill they have co-sponsored to impose a 27.5-percent tariff on China's US-bound exports unless Beijing revalues the yuan.

"We've been stymied and worried that we haven't seen much progress thus far," Schumer told

reporters ahead of a day of talks with Foreign Minister Li Zhaoxing and other officials.

At the same time, there were some cause for hope.

"The last week has been encouraging. We want to know if that will continue," he said, referring to the Chinese currency's gain of 0.24 percent on the dollar last week, the fastest and largest movement since a revaluation in July.

Graham also described last week's developments as encouraging but questioned: "Why the movement now, why not before?"

The yuan has risen only by about three percent against the dollar since its peg to the dollar was

removed in July and it was linked instead to a basket of currencies.

The senators have argued that the yuan is undervalued by as much as 40 percent against the dollar, dealing a crippling blow to US companies trying to compete against Chinese rivals.

The exchange rate, the senators and other US critics contend, helped to drive up China's trade surplus with the United States to a record 202 billion dollars last year.

Li told the senators that differences should be resolved through consultation, according to the Chinese foreign ministry.

"We should not politicize those issues and magnify those issues,"

ministry spokesman Qin Gang instead to a basket of currencies.

Qin told a regular briefing the senators said they hoped China will take measures on the exchange rate and trade issues but agreed that Washington and Beijing "should not make rifts between our two countries with those issues."

The two lawmakers, accompanied by Republican Senator Tom Coburn, will have talks with the National Development and Reform Commission, China's top planning agency on Wednesday. They will also visit Shanghai and Hong Kong.



PHOTO: JCI BANGLADESH

JCI (Junior Chamber International) VP Nematha Abesinghe receives a bouquet from JCI Bangladesh National President S Rumi Saifullah (left) at a recent interactive training session in Dhaka.



PHOTO: APOLLO HOSPITALS

Apollo Hospitals Dhaka recently signed an agreement with Asian Development Bank (ADB) to offer medical services to the bank's staff. Richard Larison, chief executive officer of Apollo Hospitals, and Hua Du, country director of ADB, among others, are seen in the agreement signing ceremony.

Energy independence illusory for developed economies: IEA

AFP, Paris

The quest for energy independence by the world's top economies is illusory, and European nations in particular would be better served by developing natural gas supplies from Russia, said the head of the International Energy Agency (IEA), Claude Mandil.

Nor should Europe discourage the creation of large energy groups, he said when asked to comment on recent moves toward concentration in the European energy sector.

Energy independence "is totally inaccessible, as much for Europe and for the United States and Japan", Mandil said in an interview published Tuesday in the French business daily Les Echos.

The key, he said, lay in "the flexibility of supplies", including gas from Russia, cautioning that developed economies should "not put all their eggs in one basket".

Europe's access to energy from Russia -- far from being a "catastrophe," as described by some after shortfalls in delivery provoked by Russia's standoff with Ukraine in January -- is "an exceptional opportunity", Mandil asserted.

It was also clearly in Russia's interest to open its gas sector, he added, saying that the G8 meeting slated for July in Saint Petersburg would be an excellent opportunity to convince Moscow.

"It is in their interest to open up the game because, despite high prices, Gazprom" -- which holds a state monopoly on gas exports -- "does not have sufficient means to invest in production", Mandil said.

Also on Tuesday, Russian President Vladimir Putin said that Russia was considering constructing a gas pipeline that will link it to the Chinese market.

"We envisage the possibility of constructing a gas pipeline system across the Russia-China border," Putin told Russian reporters.

The IEA chief, referring to controversy over a French plan to merge Gaz de France and Suez, said that he was not "among those who are worried about the idea of seeing large groups emerge" in Europe's energy sector.

"Neither a Suez-Gaz de France merger nor a Suez-Enel grouping bother me, as long as competition can develop without hindrance," Mandil said. "In other words, as long as each consumer can truly make choices about his supplier."

Mandil's comments come against a backdrop of intense maneuvering in Europe's energy sector.

Rome has accused France of seeking to keep Italian energy group Enel from bidding for French utilities group Suez by charging state-controlled Gaz de France to make a pre-emptive offer for the French company.



PHOTO: BANGLALINK

Lars P Reichelt (L), chief executive officer of Banglalink, and Shahadat Hossain Chowdhury (Arun), vice-president (Finance) of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), exchange documents of a corporate agreement. Under the deal, Banglalink will offer total telecoms solutions to BGMEA and all its member companies.



PHOTO: UNITREND

Winners of 'Coca-Cola Display Contest' pose for photographs with the officials of Tabani Beverage Ltd and representatives of Coca-Cola Far-East Ltd at an award giving ceremony on Sunday.

Nissan to sell most of truck division stake to Volvo

AFP, Tokyo

Nissan Motor said Tuesday it will sell 13 percent out of its 19 percent shareholding in Nissan Diesel Motor to Sweden's Volvo for 1.5 billion Krona (195 million dollars).

In addition to the immediate sale, Volvo has an option to buy the remaining six percent share of the truck maker from Nissan within the next four years, said the Japanese and Swedish automakers in separate statements.

The deal was signed Tuesday in Tokyo between Nissan President Carlos Ghosn and Volvo President Leif Johansson.

"The transaction strengthens Volvo's Asian strategy and is intended to provide Volvo with access to Nissan Diesel's dealer and service network in Japan and Southeast Asia," Volvo said in a statement posted on its web site.

The deal will "create a possibility for further industrial cooperation with Nissan Diesel in such areas as engines and transmissions," Volvo said.

CURRENCY

Following is yesterday's (March 21, 2006) forex trading statement by Standard Chartered Bank

Sell	BC	Currency	TT Clean	Buy	OD Sight Doc	OD Transfer
72.2200	72.2500	USD	71.1500	71.1263	71.0789	71.0789
88.6282	88.6580	EUR	85.2804	85.2520	85.1951	85.1951
127.4900	127.5429	GBP	123.4310	123.3899	123.3076	123.3076
53.1323	53.1543	AUD	50.3955	50.3787	50.3451	50.3451
0.6274	0.6277	JPY	0.6062	0.6059	0.6055	0.6055
56.4395	56.4630	CHF	54.4668	54.4487	54.4123	54.4123
9.7686	9.7726	SEK	8.9029	8.8999	8.8940	8.8940
62.8547	62.8808	CAD	60.6823	60.6621	60.6216	60.6216
9.3283	9.3322	HKD	9.1483	9.1453	9.1392	9.1392
45.6684	45.6874	SGD	43.8954	43.8807	43.8515	43.8515
19.8243	19.8326	AED	19.2162	19.2098	19.1970	19.1970
19.4114	19.4194	SAR	18.8223	18.8160	18.8034	18.8034
12.2384	12.2435	DKK	11.1262	11.1225	11.1151	11.1151
243.9572	244.0606	KWD	241.7875	241.7092	241.5527	241.5527

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Norokroner	NZ dollar	Malaysian ringgit
#REF!	44.25	60.175	102.726	38.8050	6.5470	0.63

Local Interbank FX Trading

Local interbank FX market was active on Tuesday. Demand for USD continued to remain high in the market.

Local Money Market

Money market was active on Tuesday. Call money rate continued to increase and ranged between 30.00 and 35.00 per cent compared with 18.00-22.00 per cent previously.

International Market

The dollar rose from a recent seven-week low versus the euro and firmed against other currencies on Tuesday after Federal Reserve Chairman Ben Bernanke offered

upbeat comments on the US economy. Bernanke said late on Monday the economy should keep growing at a brisk pace even if the housing market slows, but the dollar failed to receive a significant boost as Bernanke offered few new clues on how much more the Fed would raise rates. By 0847 GMT the dollar was up 0.30 per cent against the euro. It was also up a third of a percent against Swiss francs and Japanese yen. The Fed is largely expected to raise interest rates by 25 basis points again from the current 4.5 per cent when it meets next week.

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