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China trade barriers threaten EU ties

Says Mandelson

AFP, Beijing

The European Union's top trade official warned China on Tuesday that failure to open its economy more widely to foreign imports and competition risks harming broader EU-China relations.

While calling for greater cooperation with China in trade, security and other spheres, EU Trade Commissioner Peter Mandelson also said the EU would not hesitate to haul China before the WTO in future trade disputes.

"Europe will defend itself against unfair trade, just as China does all the time, and just as we are entitled to do under WTO rules," Mandelson told a student audience at a Beijing university.

Mandelson has been increasingly outspoken throughout the year and his commission late last month issued a new policy paper vowing to take action against China if necessary.

The focus on China's WTO commitments has sharpened with the approaching completion in December of China's five-year phase-in period with the world trade body.

"If our trading relationship is not handled properly, it is capable of

seriously impeding -- even jeopardizing -- the development of our wider relationship," he said.

Mandelson conceded that China has come a long way in liberalizing its economy, but that foreign products and companies still face numerous barriers in China.

"When I went to (the southern Chinese port of) Shenzhen earlier this year, I was struck by the fact that for every four containers leaving China for Europe, three were returning empty. And to be frank, I don't think European entrepreneurialism is the problem," he said.

The EU posted a 106 billion euro (135 billion dollar) trade deficit with China in 2005, Europe's biggest bilateral deficit, according to the EU.

China can no longer continue to invoke its developing-nation status to exempt itself from global trade norms, especially amid predictions that it will become the world's largest exporter by the end of the decade, he said.

"China plays in a different league. The expectations are higher," Mandelson said.

Following his university address, Mandelson held talks with Chinese Commerce Minister Bo Xilai during which the new EU policy paper was expected to be discussed.

After meeting Mandelson on Tuesday, Bo criticized an EU move to impose anti-dumping tariffs on Chinese leather shoe exports.

"Regarding EU implementing antidumping measures on Chinese leather shoes, we feel very regretful at this practice," he told reporters. "There is a lot of dissatisfaction in the Chinese industry."

He said there were three things the EU had to recognise: China's market economy status, China as a new member of the WTO and China as a developing country.

He added: "Those who call for further openings must bear in mind the basic conditions of a developing country."

He gave figures saying there were nearly 200 million people in China living under the World Bank's poverty line of below one US dollar per person per day.

Mandelson said in his speech to the students that trade is just one area where China needs to assume a level of global responsibility that matches the huge impact its re-emergence is having on the world, citing climate change and the global security situation as others.

WTO accord possible by June 2007, says Brazilian FM

AFP, Sao Paulo

Brazil's Foreign Minister Celso Amorim says a general agreement with the World Trade Organization (WTO) may be within reach by June of 2007, the economic daily Valor reported.

The Brazilian official did not exclude the possibility the chief ministers involved in the Doha cycle of free trade negotiations might meet before the end of this year, the daily reported.

"We've had several technical discussions and they have been positive, but it's clear we need some political support to make more progress," said Amorim.

In case a general agreement is reached before mid-2007, Amorim said he also felt optimistic the US Congress would renew its trade promotion authority that is set to expire in July.

Brazil, who heads the Group of 20 developing nations in their struggle to get developed countries to end their farm subsidies, is also one of the chief WTO negotiators along with United States, the European Union, India, Japan and Australia.

In July, World Trade Organization head Pascal Lamy suspended talks launched in the Qatari capital Doha in 2001 aimed at expanding global trade because the chief negotiators were at loggerheads on opening up farming markets.

WTO approves Vietnam as 150th member

AFP, Geneva

The World Trade Organisation on Tuesday formally approved communist Vietnam's membership of the global free trade system, opening up a new era of international commerce and investment for one of East Asia's fastest growing economies.

The decision by the WTO's governing General Council brought 12 years of negotiations on the burgeoning southeast Asian economy's entry to a successful conclusion and opened the way for membership next year.

Under the organisation's rules, Vietnam will officially become the 150th WTO member 30 days after it notifies the global trade body that its national assembly has ratified the Geneva decision.

A vote by Vietnam's parliament is expected by December 5, according to the Geneva-based WTO.

"The 11-year marathon has ended," said Hanoi's veteran negotiator Vu Khoan, a former deputy prime minister and prominent economic reformer.

"This international integration is completely new for us," he told the Tui Tre (Youth) newspaper. "It has never before happened in our history."

Tuesday's decision was largely a formality after the details of the 900 page deal were sealed with negotiators of 43 economies most involved in trade with Vietnam on October 26.

Vietnamese Deputy Prime Minister and Foreign Minister Pham Gia Khiem and Trade Minister Truong Dinh Tuyen attended the meeting of the WTO's governing council.

Vietnam will host an Asia-Pacific Economic Cooperation (Apec) summit on November 18-19 with the added weight of forthcoming WTO membership.

Vietnam -- East Asia's fastest growing economy after China with over 8.0 percent GDP growth last year -- hopes WTO membership will bring further trade and investment to boost wealth in the emerging market of 84 million people.

"Vietnam has sought to integrate its economy with the global economy," said Carl Thayer, a Vietnam expert from Australia's Defence Force Academy. "Vietnam will now be one among 150 equals who are members of the WTO."

To get ready for the new free trade era, Vietnam has sped up its 20-year-old 'doi moi' (renewal) reform process, moved to equitise state owned enterprises, introduced scores of WTO-compliant laws, and made efforts to improve transparency and fight corruption.

WTO accession is an "important breakthrough for Vietnam's economy," said senior government economic advisor Le Dang Doan.



PHOTO: EXPRESSIONS LTD

Dean Murray, CEO of Myriad Groups of UK, inaugurates Young Socks Ltd, which has a production capacity of 1,50,000 pieces of socks and tightens a month, in Savar, Dhaka yesterday. Young Socks Managing Director S Mahmud Muzbik, and Eric M Abraham, managing director of EMA Textiles of UK, were also present.



PHOTO: JANATA BANK

Janata Bank Managing Director SM Aminur Rahman gives away certificate to a participant in trainers' training courses on 'Internal Audit, Internal Control and Compliance' at a function held recently in Dhaka. Internal Audit Module of Enterprise Growth & Bank Modernisation Project for Janata Bank, which was financed by World Bank, organised the training programme. Project Team Leader Kirsten S Boe and senior officials of Janata Bank were also present.

Hu's Indo-Pak visit to boost trade

AFP, Beijing

Chinese President Hu Jintao will visit India and Pakistan later this month, his first visits to the two countries as China's top leader, the foreign ministry announced Tuesday.

Hu, who became president in 2003, would visit India from November 20-23 and Pakistan from November 23-26, foreign ministry officials said.

The visits will be a part of a swing through Asia that will take Hu to Vietnam from November 15 where he will attend the informal leadership summit of the Asian Pacific Economic Cooperation forum, Assistant Foreign Minister Cui Tiankai said.

Hu will also visit Laos during the trip.

Trade is likely to be a key area of

discussion during Hu's visit to South Asia, especially recent efforts by India to keep Chinese investment out of key Indian industrial sectors, Cui said.

"We believe that economic cooperation and trade between China and India are for mutual benefit and serves the mutual needs of the two countries," Cui said.

Bilateral trade jumped 37.5 percent to reach 18.7 billion dollars in 2005 and is expected to hit 20 billion dollars this year, Chinese statistics show.

China is considering the possibility of establishing a free trade area with India, Assistant Commerce Minister Fu Ziyang told Xinhua news agency Monday.

If it were to become a reality, a Sino-Indian free-trade area would cover 2.4 billion people, or more than one-third of mankind.



PHOTO: BRAC BANK

The second branch of Nikhut Craft, an initiative supported by the SME Division of Brac Bank Ltd, was opened in Dhaka recently. The successful SME project was formally inaugurated by Farzana Chowdhury, head of the bank's SME Division. Among others, Najma Arif, owner of Nikhut Craft, was present.