

Australia, NZ, Asean launch FTA talks

AFP, Melbourne

Australian Trade Minister Mark Vaile launched talks here Monday aimed at sealing a free trade pact between the 10-member Association of South-East Asian Nations (Asean), Australia and New Zealand.

The meeting of senior trade officials came after an agreement reached between leaders of the 12 countries at Asean's meeting in Laos last November to complete negotiations within two years and to implement a free trade agreement (FTA) fully within 10 years.

An agreement with Asean would be the latest of a string of FTAs which Australia has already negotiated. Its long standing pact with New Zealand was followed by similar agreements with Singapore, the United States and Thailand and it has recently begun talks on a deal

with Malaysia.

Vaile told the meeting Australia's existing FTAs had set an important benchmark for comprehensive agreements of high-quality but all were intended to support rather than detract from multilateral trade liberalisation through the World Trade Organisation.

"While we will negotiate free trade agreements, we do not see this as being at the expense of Australia's core commitment to the WTO and to progressing the Doha Round of trade negotiations," he said.

Canberra estimates the Asean members already provide a market for more than 17 billion Australian dollars (13.4 billion US) of exports of goods and services.

Asean groups Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.



Mahbubur Rahman (C), chairman of Eastland Insurance Company Ltd, addresses the company's Regional/Branch Managers' Conference-2005 on Wednesday in Dhaka. AKM Humayun Kabir, Moazzem Hossain, directors, and M Azmal Hoque, managing director, of the company are also seen.

PHOTO: EASTLAND INSURANCE

UK wants G7, China to work together

REUTERS, Beijing

Britain's finance minister on Monday urged cooperation between the world's rich nations and China and is expected later to say it would be futile to resort to protectionism to counter China's growing economic might.

China came under pressure at a G7 meeting earlier this month in London to allow its tightly managed currency to appreciate against the dollar to help address global economic imbalances.

"I believe we can make enormous progress addressing some of the challenges facing the global economy in the coming year," Gordon Brown said at the start of a meeting with Chinese Finance Minister Jin Renjing.

Brown is scheduled to meet with senior Chinese officials, including Chinese Premier Wen Jiabao and central bank chief Zhou Xiaochuan, on what is his first visit to China.

He is expected in a speech later to urge that advanced industrialized nations cooperate with China because of its growing role in the world's financial system, British Treasury officials said.

"I am also pleased that our two countries have the presidency of the G7 and G20 this year and so we can strengthen our bilateral cooperation," Jin said.

Britain is the current chair of the G7 while China is the chair of the G20 developing nations. A joint G7-G20 statement would be issued later on Monday, Brown said.

But Brown, in China until Wednesday, will also say it would be futile to resort to protectionism to counter China's rising economic might, the Treasury officials said.

Rich nations should recognize the huge contribution to global growth made by the rapidly expanding Chinese economy, now the world's seventh largest, and be ready to adapt themselves.

China has maintained it will make the currency regime more flexible and gradually make the yuan fully convertible. But Beijing has never committed itself to a timetable.

The yuan is managed in a razor-thin range of 8.276 per dollar to 8.28 per dollar, but the U.S. and Europe have criticized the policy as giving Chinese exporters an unfair price advantage in world markets.

China's exports have boomed in recent years. China's exports in January were 42 percent higher than a year earlier at more than \$50 billion, while January's \$44 billion in imports were the smallest since May 2004.

The end of decades-old global textile quotas at the end of 2004, expected to favor China's huge textile industry, is another cause for trade friction.

The U.S. administration has already moved to try to block billions of dollars in clothing imports from China.

"While others may wish to see China and globalization as a threat, I see the rise of China and the new stage of globalization not as a threat but as an opportunity," Brown will say.

Brown travels to Shanghai on Tuesday, where industry sources said he may meet executives at China's top car maker, Shanghai Automotive Industry Corp (SAIC), over a possible joint venture with Britain's MG Rover.

SAIC has said talks with MG Rover to create a joint venture, which would provide the Chinese firm with a launch pad for sales to Europe, were at an advanced stage.



Managing Director of Pubali Bank Ltd Khondkar Ibrahim Khaled (2-L) addresses a workshop on 'Money Loan Court Act-2003' organised by the bank's training institute recently in Dhaka. Deputy Managing Director of the bank Helal Ahmed Chowdhury and Principal of the bank's training institute Badruddin Ahmed are also seen.

WB warns oil cash no cure for job woes

REUTERS, Jeddah

President for the Middle East and North Africa.

World Bank estimates showed growth across the Middle East at a healthy 6 percent in 2003 and 5.8 percent last year. The bank projects growth of around 4.8 percent this year and next.

Much of that has been fuelled by rising oil prices. US crude hit a record \$55.67 a barrel late last year, and prices remain close to \$50 a barrel.

Poortman said states must spend money on revamping education to give job-seekers useful skills in an environment where bloated civil services no longer automatically hire graduates.

"The oil boom provides new financing to all of these countries and in a sense decreases the urgency for reform, and we are arguing the opposite for everyone, including Saudi Arabia," he said.

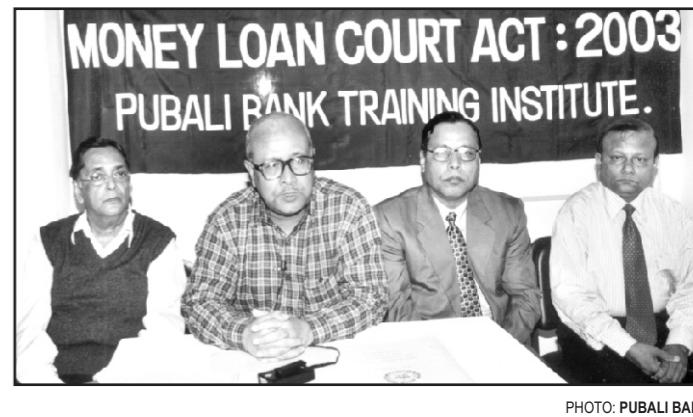


PHOTO: PUBLI BANK

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China to set up \$6b stock stabilising fund

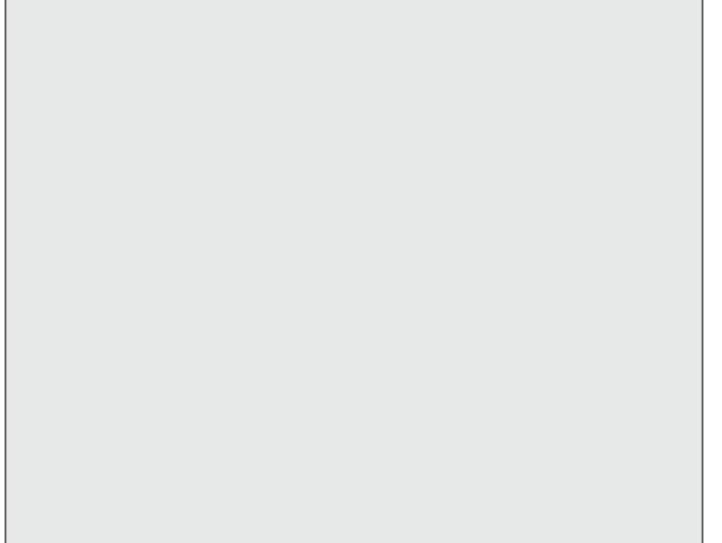
REUTERS, Shanghai

composite index had gained 1.6 percent by the lunch break as investors cheered the move.

"Investors want more details so gains were capped today," Lu Wei, a trader at East Asia Securities, said yesterday. "But once the fund is established, it will be seriously positive news for the market."

Beijing has taken steps to boost slumping markets after the index fell 15 percent in 2004, hit by economic cooling steps, corporate scandals and a raft of new share issues.

But with \$1.5 trillion in savings and few investment choices, Chinese have piled into stocks, pushing valuations to 25 times earnings on average and making stocks nearly twice as expensive as in Hong Kong. Only a third of the market is traded.



Golam Dastagir Gazi, chairman of Jamuna Bank Ltd, addresses the bank's Branch Managers' Conference-2005 on Wednesday in Dhaka. Md Belal Hossain, chairman of the Executive Committee, Md Atiqur Rahman, chairman of the Audit Committee, and M Nazrul Islam, managing director of the bank, among others, attended the conference.

