

China slams US, EU moves on textile imports

APP Beijing

China Thursday reacted furiously to new measures taken by the European Union and the United States against imports of Chinese textiles, calling the move a potential blow to the global clothing trade.

Commerce ministry spokesman Chong Quan slammed the EU after it unveiled "alert levels" for growth rates in Chinese clothing imports which will trigger investigations and informal consultations with China.

"This departs from the spirit of free trade proposed by Europe and seriously violates the basic principles of the World Trade Organization," Chong said in a

statement on the ministry's website.

"It will have a negative impact not just on Sino-European textile trade, but on overall global textile trade," he said.

Chong Thursday also criticized the United States for launching a review to determine whether a recent surge in imports had disrupted the US market.

"We hope the United States will... recognize the extreme sensitive and grave negative impact of special restrictive measures," Chong said.

The European and US actions reflect a world coming to terms with the end on January 1 of a 31-year-old international textile import quota system.

The expiry of the system has left producers in developed and developing countries bracing for a wave of imports from China, whose manufacturers benefit from cheap labor and huge economies of scale.

Reacting to the groundswell for protectionist measures in the West against its textile exports, China insists it should not be penalized for having more competitive industries.

"As a responsible member of the World Trade Organization (WTO), China has taken a series of active measures to ensure the smooth transition to an integrated textile market," said Chong.

"We hope the EU fully understands the efforts made by the

Chinese in this respect and cautiously handles the issue. The overall trade relationship between China and the EU shouldn't be impacted by unilateral moves," he said.

According to the measures unveiled by the European Union Wednesday, the "alert levels" range from 10 to 100 percent growth over the 2004 trade volume, depending on the type of product.

"You can't export growth as the only measure for so-called 'market disruption,'" Sun Huabin, a spokesman of the China National Textile Council, told AFP.

Sun said the measure was "worse than expected" and suggested it had no basis in global trade rules.



PHOTO: CONCORD COMMUNICATION

Shahiar Kamal, director of Concord Group, and Carlo Cifelli, managing director of Nestle Bangladesh Ltd, shake hands after signing an agreement on behalf of their companies on Tuesday in Dhaka. Under the deal, Nestle will supply its products exclusively to the Concord Amusement World in Foy's Lake in Chittagong. Senior officials from both the sides were present at the signing ceremony.



PHOTO: A POSITIVE

Zakaria Ahmed, managing director of Jalalabad Telecom Ltd, a licensee of fixed line telephone, and Erik Aas, chief executive officer of GrameenPhone, sign an interconnectivity agreement between the two companies in Dhaka recently. Other high officials from both the organisations were also present.

Asean goes slow on economic integration

REUTERS, Vientiane

at strengthening its member countries in the aftermath of the 1997/98 Asian economic crisis.

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But there was little headway in fixing the diverse economies of the 10-member Association of Southeast Asian Nations (Asean), home to some 500 million people.

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But Song Sen Wun, an economist at GK Goh Securities in Singapore, said matching deeds to words would take time.

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Weekly Currency Roundup

Apr 02-Apr 07, 2005

Local FX Market

US dollar was mostly steady against Bangladeshi taka in the week.

Money Market

In the Treasury bill auction held on Sunday, bid for BDT 1,939.00 million was accepted, compared with BDT 2,835.00 million in the previous week's bid. Weighted average yield of 28-D t-bill was almost unchanged and remained at 5.10%, while the yield of the longer term bills, i.e. 2-years, increased by 30 bps to 7.00%.

International FX Market

The dollar rallied against the euro and hit its highest level against the yen since late October on Monday as investors bet higher interest rates would continue to support the US recovery. The dollar's quick recovery from Friday's disappointing US payroll data cheered bulls who seized on other figures -- notably rising wages and raw material costs -- showing building inflationary pressure in the US economy.

The dollar's rally run out of steam in the middle of the week as traders locked in profits after the currency hit a five-month high against the yen and a two-month peak versus the euro. The dollar rose to its highest level since Oct 19 against the yen on Tuesday. That was more than 5 percent in less than a month on hopes that the US Federal Reserve might boost the pace of interest rate rises to nip inflation in the bud. But the perception that the rally might have gone too far fast prompted traders to take profits, especially after Fed Chief Alan Greenspan did not mention the threat of inflation when he talked about soaring oil prices late on Tuesday.

The euro recovered some lost ground to hit a one-week high against the dollar in European trade on Thursday as yield spreads dipped and investors turned their focus on next week's US trade data. Expectations that the Federal Reserve will tighten monetary policy aggressively to offset rising inflationary pressure had pushed the dollar to a two-month high against the European single currency and five-month peak versus the yen earlier this week. Analysts said that the dollar retraced some of those gains in the absence of new driving factors. Some analysts said investors would be watching US jobless claims data to be released on Thursday to gauge the strength of US economic growth. New jobless claims are estimated to have fallen to 332,000 in the week ended April 2 from 350,000 a week earlier.

- Standard Chartered Bank

US cites progress on free trade talks in Thailand

AFP, Pattaya, Thailand

The United States and Thailand wrapped up their third round of free trade talks Friday with the US confident a bilateral pact would boost the kingdom's GDP and help alleviate poverty.

The United States government is pleased with the progress that was achieved during the week-long round of negotiations, "with the two sides gaining a "better understanding" of each other's positions, Barbara Weisel, the US chief negotiator, told reporters at the end of the talks.

Washington is convinced a deal improving Thailand's access to the US market, already the kingdom's top consumer, would be especially good for Thailand as it seeks to expand economic growth and reduce poverty.

"We expect the completed agreement to help alleviate poverty and lead to more choices of products and services, improving welfare and living standards for the Thai people," she said.

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at strengthening its member countries in the aftermath of the 1997/98 Asian economic crisis.

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