

Long road to G8 membership for China, India: Analysts

AFP, Beijing

With vibrant economies and more than a billion people each, China and India might seem obvious candidates for the Group of Eight (G8), but analysts say the road to membership will be long.

Russia is now heading the G8 for the first time, inevitably triggering questions about why the two Asian giants have not joined long ago.

China must look on from the sidelines, although it has an economy that is roughly five times larger than Russia's.

A G8 finance ministers' meeting in Moscow on Friday and Saturday will group Russia with what were

once seen as the world's mightiest economies: Britain, Canada, France, Germany, Italy, Japan and the United States.

China officially became the world's fourth largest economy after recording GDP growth of 9.9 percent last year, and is a top priority for most nations when they look at their trade strategies.

Its official stance, repeated by local government-employed researchers, is a pronounced lack of interest in membership.

"It's not the right time for China to join," said Niu Jun, an international relations scholar at Beijing University, citing the oft-quoted argument that a developing country does not belong in a group of indus-

trialized nations.

Even so China's views are shifting away from a traditional dismissal of the G8 as a rich man's club, according to observers.

Partly this is because the current generation of leaders around President Hu Jintao places greater emphasis on relations with industrialized nations.

But its entry into the World Trade Organization in late 2001, made possible only after opening its economy wider to foreign competition, may cause some renewed hesitation.

"China would now like to enjoy G8 member status but is wary of a new vehicle for concessions," said Jane Skanderup, an expert on the

Asian political economy at the US-based Center for Strategic and International Studies.

Using membership as a bait, the G8 could try to press China on revaluing its currency or even on democratization, she said.

While not enthusiastically pursuing the G8, China actively seeks to promote other multilateral forums where it can shine more easily, according to Ralph Cossa, director of Honolulu-based think tank Pacific Forum CSIS.

"China attaches priority to new forums where it can increase its diplomatic profile, especially among its neighbors, and preferably when it is the biggest kid at the party," he said.



PHOTO: STAR
Karl-Henrik Sundstrom (C), executive vice president and chief financial officer of Ericsson, speaks at a press conference in Dhaka yesterday.



PHOTO: ASIATIC MINDSHARE
Commerce Minister Altaf Hossain Choudhury speaks at the 20th founding anniversary ceremony of Pragati Insurance Ltd on Monday in Dhaka.



PHOTO: SEDF
Mahmudur Rahman, energy ministry adviser and executive chairman of Board of Investment (BoI), speaks at the inaugural session of a workshop titled 'Enhancing Economic Zones and Reducing Administrative Barriers' organised by BoI and SouthAsia Enterprise Development Facility Tuesday.



Dhaka Telecom Company Limited Chairman TM Hayatuzzaman and CEO of ICE Technologies Rubaiyat Jamil exchange documents after signing a memorandum of understanding Tuesday in Dhaka. Under the MoU, ICE Technologies will install the Avabill Billing and Customer Care for post-paid and pre-paid billing for Dhaka Telephone Company.

CURRENCY

Following is Wednesday's (Feb 8, 2006) forex trading statement by Standard Chartered Bank						
Sell				Buy		
TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer	
69.5700	69.6000	USD	68.5500	68.5272	68.4815	
84.2214	84.2578	EUR	81.0467	81.0196	80.9656	
122.2554	122.3081	GBP	118.3721	118.3327	118.2538	
52.5532	52.5758	AUD	49.9113	49.8946	49.8613	
0.5967	0.5969	JPY	0.5767	0.5765	0.5761	
54.2160	54.2394	CHF	52.3322	52.3148	52.2799	
9.3083	9.3123	SEK	8.4967	8.4939	8.4882	
60.9728	60.9991	CAD	58.8614	58.8418	58.8026	
8.9851	8.9890	HKD	8.8129	8.8099	8.8041	
43.6012	43.6200	SGD	41.9292	41.9152	41.8872	
19.0953	19.1036	AED	18.5125	18.5063	18.4940	
18.6996	18.7077	SAR	18.1349	18.1289	18.1168	
11.6186	11.6236	DKK	10.5692	10.5657	10.5587	
234.6982	234.8015	KWD	233.2078	233.1324	232.9816	
Exchange rates of some currencies against US dollar						
Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	Malaysian ringgit
44.105	59.87	102.085	39.715	6.7051	0.6795	3.73
Local Interbank FX Trading						
Local interbank FX market was active on Wednesday. Demand for USD remained high in the market.						
Local Money Market						
Money market was active on Wednesday. Call money rate remained unchanged and ranged between 9.50 and 11.00 percent.						
International Market						
The yen hit one-week highs against the dollar on Wednesday as the start of a two-day Bank of Japan policy board meeting kept traders speculating over the end of the bank's super-easy monetary policy. Although few expect the bank to end the policy at this meeting, traders said investors had been buying the yen on the possibility that BOJ Governor Toshihiko Fukui could make upbeat comments about the economy after the board meeting ends on Thursday. A sharp fall in commodity prices on Tuesday also encouraged investors to unwind carry trade positions, which involved borrowing yen to buy higher-yielding assets. The dollar was steady against the euro. But some traders said the greenback could also come under downward pressure before data due on Friday that may show a widening in the US trade deficit. Germany's trade surplus narrowed to 11.5 billion euros in December from 14 billion in November, data showed on Wednesday.						
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Dollar posts modest gains

AFP, London

The dollar moved higher against the euro and the yen in Wednesday trade, while dealers dismissed speculation that Japan could end its stimulative monetary policy.

The euro dipped to 1.1972 dollars in early European trading from 1.1987 dollars in New York late on Tuesday.

The dollar rose to 118.05 yen from 117.78 yen on Tuesday.

The greenback won back ground against the yen on Wednesday, following losses the previous day made on talk that Japan's central bank may soon take steps that could boost the Japanese currency.

"Nervousness that the Bank of Japan may announce early action to curtail the extent of quantitative easing" had pushed the yen higher on Tuesday, said HBOS currency analyst Steve Pearson.

The yen had been buoyed by mounting expectations that the BoJ might soon end its policy of "quantitative easing", which it says is a necessary step toward ensuring stable long-term bond yields.

Japan's central bank opened a two-day meeting Wednesday amid mounting signs it believes its five-year policy of flooding the system with cash and keeping interest rates super-low has run its course.

US 'pleased' over WTO ruling on GM crops

AFP, Washington

The United States on Tuesday welcomed a World Trade Organization ruling that found the European Union put up unfair restrictions on genetically modified crops.

"We're pleased with the outcome," said a US trade official who asked to remain anonymous but confirmed earlier reports that the confidential WTO dispute panel report backed the complaint by the United States, Canada and Argentina. "The panel agreed with us."

The official declined to comment on the specifics of the ruling, saying US authorities had not yet reviewed the document of several hundred pages, and that it still was subject to appeal.

"We're not at the end of this road, but the report is a significant milestone," the official stated.

The official said the EU moratorium affected "hundreds of millions of dollars" of potential trade in crops including corn, soybeans and cotton, and that "there was no scientific basis for that. The reason was a political reason."

Although the EU officially lifted its moratorium in 2004, Washington has complained of foot-dragging by

Brussels in approving new crops and argued that some individual countries were improperly banning some biotech crops.

"We would hope the EU would comply with its obligations," the official said, adding that the EU approval process has been "languishing" despite the lifting of the moratorium.

"When you have products that are still languishing from the mid-1990s, obviously we think there is still a problem that has to be addressed."

In its confidential, preliminary decision, the WTO panel said that Europe must fall into line with the rules of global commerce.

These are set by the 149 trading nations in the WTO and referred by the Geneva-based body, which can authorize retaliatory customs duties against members who fail to respect its decisions.

Argentina, Canada and the United States brought their complaint before the WTO in May 2003, charging that a European moratorium on imports of genetically modified organisms (GMOs) in place since 1998 was more about business protectionism than concerns about the health of consumers or the environment.

STOCK