

# Trade deficit dogs US, China strategic talks

AFP, Washington

The United States and China begin high-level talks Tuesday on key economic issues expected to be dominated by American concerns over a burgeoning trade deficit with the Asian giant.

The two-day "strategic economic dialogue" meeting is likely to focus on China's yuan currency, which US groups say is grossly undervalued and responsible for the widening trade gap.

A group of 21 lawmakers from the US Senate's powerful finance committee has written a letter to China's Vice-Premier Wu Yi, who arrived in Washington Monday with 15 cabinet ministers for the talks, asking her to be prepared to make "meaningful commitments" at the meeting.

Topping their list of immediate concerns is the need to "increase the flexibility of and appreciate the RMB (yuan)."

"Failure to adequately resolve these short-term issues will not only keep our long-term objectives out of reach, but also threatens to undermine the relationship between our two countries," they warned in the letter sent Friday.

Other concerns cited were China's enforcement of intellectual property rights; implementation of World Trade Organization commitments; lingering "unscientific" restrictions on US agriculture products; and tariff and non-tariff barriers on environmental goods and services.

"Progress in many areas has been long promised and is overdue," said the senators, who monitor US trade policy.

US lawmakers have accused Beijing of keeping its currency artificially low to give its exporters an unfair advantage, a key factor cited for the snowballing US trade deficit with China that hit 232 billion dollars last year.

They have also threatened to push ahead with legislation imposing sanctions on Beijing if the Chinese refused to budge.

But China's Wu Yi, known to be a tough negotiator, is unlikely to give in to their demands although she is scheduled to state Beijing's case for a stable currency as it battles various economic problems.

"Attempts to politicize trade issues should be resisted," she said

ahead of her trip, accusing some US groups of overstating the US trade imbalance with China or even advocating "trade protectionism."

US Treasury Secretary Henry Paulson said in an interview Tuesday with Beijing's China Daily newspaper that progress was linked to the US presidential election set for November 2008.

"The reason I want progress so much now is that with the presidential election coming up, I don't want people in the United States to use the lack of progress as a reason for saying, 'Dialogue doesn't work, we need tougher legislation or we need to make China an issue in the election,'" he said.

Mahbubur Rahman, president of International Chamber of Commerce (ICC)-Bangladesh, inaugurated the seminar as chief guest, while Mamun Rashid, managing director of Citibank NA Bangladesh and Citigroup country officer, among others, was present.

Mahbubur Rahman encouraged all concerned to have a very clear concept on the latest trade tools, while Mamun Rashid stressed better understanding on trade fraud and forgery, under-invoicing, over invoicing and impact of globalisation on country's foreign trade.

Around 50 participants from the central bank, commercial banks and different government bodies took part in the seminar.

## Citibank holds seminar on int'l trade management

Citibank NA Bangladesh recently organised a seminar on 'International Trade Management' as part of its global trade initiatives and client education, says a press release.

The seminar mainly focused on disseminating the required knowledge and skills in understanding various trade settlement methods, associated fund flow risks and mitigants, recent changes in ICC rules and their overall impact.

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## Dollar firms against euro

AFP, London

The dollar firmed against the euro and the yen on Tuesday, as dealers set aside evidence of rising investor confidence in Germany and looked instead to easing concerns over the US economy.

In early European trading, the dollar rose to 121.50 yen, close to a three-month peak and compared with 121.45 yen in New York late on Monday.

The European single currency eased to 1.3464 dollars, from 1.3469 dollars on Monday.

German investor confidence hit the highest level in 11 months in May as the eurozone's biggest economy shrugged off a steep rise in sales tax and slowing growth in the US, according to a new poll published on Tuesday.



PHOTO: GRAMEENPHONE  
Mizanur Rahman, country director of Muslim Aid-UK, a UK-based donor organisation, and Khandaker Omar Farhan, head of Direct Sales of Grameenphone Ltd, pose for photographs at a corporate agreement signing ceremony recently. As per the deal, the mobile phone operator will provide complete communication facilities under its 'Business Solutions' package for Muslim Aid.



PHOTO: MINDSHARE  
Sculptor Ferdousi Priyobhashini speaks at the launch of Lakme NextGen Designer Search 2007 held recently in the capital. The cosmetic brand took the initiative to bring out local talents from the fashion institutes.

## CURRENCY

Following is Tuesday's (May 22, 2007) forex trading statement by Standard Chartered Bank

Sell	TT/OD	BC	CURRENCY	Buy	
				TTCLEAN	OD SIGHT DOC
69.3200	69.3500	USD	68.3500	68.3272	68.2817
94.6565	94.6974	EUR	90.4407	90.4106	90.3503
138.2657	138.3255	GBP	133.0228	132.9784	132.8897
58.2773	58.3025	AUD	54.6937	54.6754	54.6390
0.5834	0.5837	JPY	0.5587	0.5585	0.5581
57.2325	57.2573	CHF	54.4231	54.4050	54.3687
10.5808	10.5854	SEK	9.5640	9.5608	9.5544
65.0220	65.0502	CAD	62.2722	62.2515	62.2100
8.8821	8.8859	HKD	8.7181	8.7152	8.7094
46.2967	46.3167	SGD	44.4929	44.4781	44.4484
19.0340	19.0423	AED	18.4655	18.4588	18.4465
18.6294	18.6375	SAR	18.0820	18.0760	18.0639
13.0963	13.1039	DKK	11.8089	11.8050	11.7971
237.2760	237.3808	KWD	235.5800	235.5038	235.3514
Exchange rates of some currencies against US dollar					
Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor. kroner	NZ dollar
40.44	60.755	110.8	34.635	6.0568	0.7278
					3.39

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69.3200 69.3500 USD 68.3500 68.3272 68.2817

94.6565 94.6974 EUR 90.4407 90.4106 90.3503

138.2657 138.3255 GBP 133.0228 132.9784 132.8897

58.2773 58.3025 AUD 54.6937 54.6754 54.6390

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46.2967 46.3167 SGD 44.4929 44.4781 44.4484

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