

## Chinese official named as top IMF adviser

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By Geoff Dyer in Beijing

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Zhu Min, one of the most prominent financial officials in China, is to become a special adviser to the head of the International Monetary Fund in the latest sign of China's increasing voice in global financial institutions.

Mr Zhu has been one of the deputy governors of the Chinese central bank since October. Before that he was a senior executive at Bank of China and spent six years working for the World Bank. His move to the role at the IMF follows the selection in 2008 of Justin Yifu Lin, the Chinese academic, as chief economist of the World Bank.

The appointment comes at a time when China is pushing for a larger role at the IMF and in global economic policymaking. The G20 summit in London last year agreed on a reform of the IMF that would give China a stronger voice.

Mr Zhu, who will start at the IMF in May, will work as a special adviser to Dominique Strauss-Kahn. "Zhu Min brings a wealth of experience in government and the financial sector," said Mr Strauss-Kahn.

His move last year to the People's Bank of China sparked speculation he was being groomed for one of the three deputy managing director positions at the IMF, conjecture that is not likely to end with his new role. But the IMF already has a deputy managing director from Asia, Takatoshi Kato of Japan, and developing countries have a representation with Murilo Portugal from Brazil.

"This appointment is a validation of China's increasingly important role in guiding policy decisions at the IMF," said Eswar Prasad, an economics professor at Cornell and former IMF official.

Mr Zhu is a respected figure in international financial circles. At this year's World Economic Forum he made headlines when he said the dollar could rise sharply if investors unwound the carry trade involving the US currency. "It is a massive issue. Estimates are that the dollar carry trade is \$1,500bn – which is much bigger than Japan's carry trade was," he said.

One sensitive issue for Mr Zhu will be the renminbi, which Mr Strauss-Kahn has said repeatedly should rise in value to assist global rebalancing.

In December Mr Zhu said the sharp fall in China's exports last year had given Beijing reason to depreciate rather than appreciate the currency, but China had kept the renminbi stable against the US dollar which had helped steady the global economy.

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