BYLC

Industries Minister Nurul Majid Mahmud Humayun attends a ceremony in Dhaka on Tuesday when five teams of entrepreneurs were announced as winners of Youth Entrepreneurship Challenge, an initiative of Bangladesh Youth Leadership Center (BYLC) Ventures supported by Manusher Jonno Foundation and the Department for International Development. Each team will receive seed funding of Tk 8 lakh and, if needed, an additional investment of Tk 15 lakh. They will also have access to a co-working space, mentoring and a rigorous accelerator curriculum for six months.

Under fire in India, Amazon offers small business owners $1b olive branch

REUTERS, *New Delhi*

Amazon.com Inc CEO Jeff Bezos said his company will invest $1 billion to bring small businesses online in India, reaching out to some of his fiercest critics in a goodwill visit that saw him donning traditional Indian attire and fly a kite with children.

Amazon and Walmart's Flipkart have been hit with a barrage of criticism from India's brick-and-mortar retailers who accuse the US giants of violating Indian law with deep discounts and discriminating against small sellers by promoting select big ones. The companies deny the allegations.

Just this week, the Competition Commission of India (CCI) launched an anti-trust probe to look into those allegations.

Amazon said it will setup digital centers in 100 Indian cities and villages to help businesses get online to sell their goods and will offer support in marketing and logistics.

The investment of $1 billion will help bring more than 10 million Indian businesses online and enable exports of India-made goods worth $10 billion by 2025, it added.

Speaking at a company event at a New Delhi stadium which Amazon described as "a first-of-its-kind mega summit" bringing together more than 3,000 small businesses, Bezos praised India and said Amazon was committed to being its long-term partner.

"The dynamism, the energy ... the growth. This country has something special," Bezos, who wore a blue-colored traditional Indian jacket, said to the audience which responded with cheers.

Other events in India have included Bezos paying his respects to a memorial dedicated to Mahatma Gandhi. Sources say he has sought a meeting with Prime Minister Narendra Modi and other government officials.

The Confederation of All India Traders, a group representing roughly 70 million brick-and-mortar retailers, has said it will protest in 300 cities during Bezos' visit.

But protests so far have been small. At one in New Delhi and another in the eastern state of Odisha on Wednesday, there were about 50 demonstrators each.

"We are not able to compete. There is an unhealthy competition," said Girish Prasad Ratha, a demonstrator who said he had lost 15 percent of his sales in the last two years because customers were increasingly going online.

The company maintains it provides opportunities to more than 550,000 sellers on its platform to grow their business in India.

India's e-commerce market revenues are set to touch $120 billion this year, having grown 51 percent annually between 2017 and 2020, according to a study by the CCI.

UK annual inflation hits three-year low

AFP, *London*

British annual inflation slid to the lowest level in more than three years in December, increasing the chances of an interest-rate cut by the Bank of England before Brexit.

The Consumer Prices Index 12-month rate dropped to 1.3 percent last month from 1.5 percent in November on falls in the prices of hotel rooms and women's clothing, the Office for National Statistics said in a statement.

At 1.3 percent, it was the lowest level since November 2016, while analysts' consensus forecast had been for no change.

"This gives the Bank of England all the excuse it needs to cut later this month," said Neil Wilson, chief market analyst for Markets.com.

The weak inflation update, that weighed on the pound, comes after official data on Monday showed British economic growth has stalled, as Brexit and political uncertainty slashed manufacturing output at the end of last year.

Britain will leave the European Union on January 31 after Prime Minister Boris Johnson's convincing general election victory in December finally broke the Brexit deadlock.

With the inflation data "coming off the back of ... weaker GDP and industrial production numbers, it does not look as though the economy was firing on all cylinders at the tail end of last year", Wilson said.

"While there may well be a 'Boris Bounce' in the offing, I rather think the die is cast in favour of a rate cut" this month.

The Bank of England, whose main rate stands at 0.75 percent, will give its latest decision on British borrowing costs on January 30.

It will follow the final BoE rate-setting meeting for governor Mark Carney, who is standing down to become UN special envoy on climate action and finance.

After serving six years in the top seat, Carney will be replaced in mid-March by Andrew Bailey, head of Britain's Financial Conduct Authority watchdog.

US, China set to sign massive purchases deal, easing trade war

REUTERS, *Washington*

The US-China trade war is set to enter a new, quieter phase on Wednesday as US President Donald Trump and Chinese Vice Premier Liu He sign an initial trade deal that aims to vastly increase Chinese purchases of US manufactured products, agricultural goods, energy and services.

The Phase 1 agreement caps 18 months of tariff conflict between the world's two largest economies that has hit hundreds of billions of dollars in goods, roiling financial markets, uprooting supply chains and slowing global growth.

Trump and Liu are scheduled to sign the 86-page document, at a White House event before over 200 invited guests from business, government and diplomatic circles.

A translation of the text to Chinese was still being completed late on Tuesday afternoon, as Liu met with US Trade Representative Robert Lighthizer.

Trump has already begun touting the trade deal as a centerpiece of his 2020 re-election campaign, calling it "a big beautiful monster" at a rally in Toledo, Ohio last week.

"Our farmers will take it in. I keep saying, 'Go buy larger tractors, go buy larger tractors,'" Trump said.

The centerpiece of the deal is a pledge by China to purchase an additional $200 billion worth of US goods over two years to cut a bilateral US trade deficit that peaked at $420 billion in 2018.

AFP

US Secretary of State Steven Mnuchin speaks to the press outside the White House in Washington, DC on Tuesday.

A source briefed on the agreement told Reuters that China will purchase an additional $80 billion worth of US manufactured goods over the two-year period, including aircraft, autos and car parts, agricultural machinery and medical devices.

Beijing will boost energy purchases by some $50 billion and services by $35 billion, while agricultural purchases will get a $32 billion lift over the two years, all compared to a 2017 baseline of US exports to China, the source said.

When combined with the $24 billion in 2017 farm exports, the $16 billion annual increase approaches Trump's goal of $40 billion to $50 billion in annual agricultural sales to China.

Although the deal could be a big boost to farmers, planemaker Boeing, US automakers and heavy equipment manufacturers, some analysts question China's ability to divert imports from other trading partners to the United States.

"I find a radical shift in Chinese spending unlikely. I have low expectations for meeting stated goals," said Jim Paulsen, chief investment strategist at Leuthold Group in Minneapolis.

"But I do think the whole negotiation has moved the football forward for both the US and China."

The Phase 1 deal, reached in December, canceled planned US tariffs on Chinese-made cell phones, toys and laptop computers and halved the tariff rate to 7.5% on about $120 billion worth of other Chinese goods, including flat panel televisions, Bluetooth headphones and footwear.

But it will leave in place 25% tariffs on a vast, $250 billion array of Chinese industrial goods and components used by US manufacturers.

Evidence is mounting that these tariffs have raised input costs for US manufacturers, eroding their competitiveness.

Diesel engine maker Cummins Inc said on Tuesday that the deal will leave it paying $150 million in tariffs for engines and castings that it produces in China.

The company issued tepid statement of approval on Tuesday: "We believe this is a positive step and remain optimistic that all parties will remain at the table in order to create a pathway to eliminate all of the instituted tariffs."

Lighthizer and Mnuchin moved to stamp out suggestions that the US and China may review possible removal of more tariffs after the November US election, issuing a joint statement that there were no written or oral agreements for future tariff reductions.

COMMERCIAL BANK OF CEYLON

Kapila Liyanage, chief operating officer of Commercial Bank of Ceylon, and Shagufa Anwar, chief of communication and business development of United Hospitals, exchange signed copies of a memorandum of understanding at the bank's corporate office on Monday to offer discounts to platinum credit cardholders.

METROCEM CEMENT

Metrocem Group Chairman Nilufa Yeasmin attends a two-day programme of Metrocem Cement organised for its 40 top performing dealers and their family members at Sarah Resort in Gazipur on Sunday.

Curtain falls on Germany's 'golden decade' of growth

AFP, *Frankfurt Main*

German economic growth plummeted in 2019, official data showed Wednesday, providing fresh ammunition for debate about how to use fiscal surpluses to boost gross domestic product.

Europe's powerhouse expanded just 0.6 percent last year, compared with 1.5 percent in 2018, federal statistics authority Destatis said in preliminary figures.

"Growth momentum ebbed significantly" last year, Destatis expert Albert Braakmann told reporters at a Berlin press conference. But the office also noted that 10 successive years of growth had made for the longest expansion since German reunification in 1990.

Looking ahead, "the golden decade Germany has seen for growth is gradually coming to an end," said Holger Schmieding of Berenberg bank.

Trade conflicts, political upsets such as Brexit, slowing global growth and a near-unprecedented rate of change in the car industry have all weighed on Germany's manufacturing backbone in recent years.

"The difficult foreign trade environment meant permanent stress for German industry," said Fritzi Koehler-Geib, chief economist at KfW public investment bank.

With unemployment low and service industries more resilient, "solid domestic demand alone saved the economy from recession last year," she added.

As 2020 begins, a "phase one" US-China trade deal is set to be signed Wednesday, while the next Brexit steps are clear after Boris Johnson's resounding British election victory last month.

Both could provide much-needed relief to export-oriented German manufacturers.

But ratings agency Moody's warned Tuesday of a "deteriorating global environment" that "will weigh on growth in (eurozone) member states' open economies in 2020".

The Bundesbank central bank sees growth this year marking time at around the 2019 level, while think tanks and some bank analysts expect a mini rebound, to around one percent.

Destatis said GDP "grew slightly" in the fourth quarter of 2019, without providing figures -- "a moderately positive starting base for 2020," tweeted analyst Oliver Rakau of Oxford Economics.

Persistently anaemic growth and a multitude of structural challenges -- from an ageing population to crumbling infrastructure and the car industry's transition to electric power -- have prompted calls at home and abroad for Berlin to spend more.

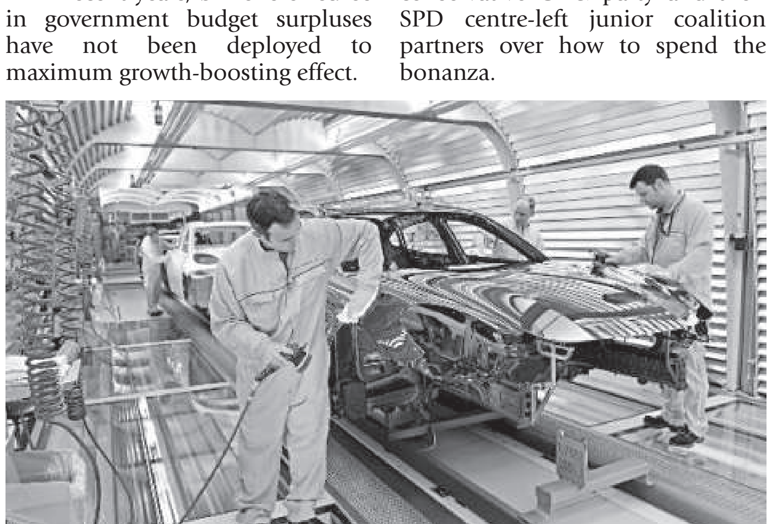
Critics say Chancellor Angela Merkel's successive governments have stuck too dogmatically to a no-new-debts policy known as "black zero".

In recent years, billions of euros in government budget surpluses have not been deployed to maximum growth-boosting effect.

"Germany is stuck in a reform traffic jam," said economist Uwe Burkert of LBBW bank.

Destatis on Wednesday said the total surplus across all levels of government -- local, regional and federal -- amounted to 49.8 billion euros ($55.4 billion), or 1.5 percent of GDP.

A fresh tug of war is already beginning between Merkel's conservative CDU party and their SPD centre-left junior coalition partners over how to spend the bonanza.



REUTERS/FILE

German carmaker Porsche hosts a photo tour showing the production and the manufacturing of the new Macan in Leipzig, Germany.

JPMorgan Chase, Citi surge on Q4 profits

AFP, *New York*

US banking giants JPMorgan Chase and Citigroup posted strong profits on Tuesday, while Wells Fargo suffered another earnings stumble and signaled cost-cutting is ahead.

Shares of JPMorgan and Citigroup rallied after both banks highlighted growth in their credit card businesses as US consumers kept spending during the holiday period.

The two New York giants also cited better institutional client sentiment that boosted some key trading divisions that have been weak in recent quarters.

"What the fourth quarter has demonstrated is the more clarity we have on these geopolitical issues, the more of a benefit we see in terms of corporate sentiment and the prospects for good growth," Citigroup Chief Financial Officer Mark Mason said on a conference call with reporters.

Besides better relations between the United States and China, Mason cited diminished uncertainty on Brexit and progress on a new US-Mexico-Canada Agreement on trade.

Citigroup scored a 15 percent jump in fourth-quarter profits to $5.0 billion, while revenues rose 7.3 percent to $18.4 billion.

At JPMorgan, net income surged 20.6 percent to $8.5 billion for the three months ending December 31, a period that saw revenues rise 9.0 percent to $29.2 billion.

The results helped the bank score record profits and sales for the year.

Chief Executive Jamie Dimon said despite the "continued high level of complex geopolitical issues" facing the global economy, the "resolution of some trade issues helped support client and market activity towards the end of the year." Dimon described the holiday season as "robust," as reflected in a 10 percent jump in credit card sales volumes.

Dimon highlighted China as a key growth market, noting that last year it became the first US bank to be approved for a majority-owned securities business in the country.

Following that approval, JPMorgan plans to hire staff in China, especially in corporate and investment banking, and to a lesser degree in asset management and commercial banking, Dimon said.

"China will grow. We'll grow with them. We're going to do it our own way," Dimon said on a conference call with reporters.

"Maybe the trade issues make it a little bit better or a little bit worse but we're going to continue to have the exact same plans." - Turnaround mode - It was a much different story at Wells Fargo, where newly-installed Chief Executive Charlie Scharf has been mapping out a turnaround strategy since joining the struggling bank in October.

The company, a giant in US mortgage lending, has been on the back foot since late 2016 following a fake accounts scandal, one of the regulatory problems that prompted the Federal Reserve to impose a lending cap on the bank.