



Syed Waseque Md Ali, managing director of First Security Islami Bank, poses with bank's officials and employees at its annual business conference for 2020 at Sarah Resort in Gazipur.

China GDP grew 6.1pc in 2019, slowest in three decades

China's economy weakened to its slowest pace in three decades in 2019 as weaker domestic demand and trade tensions with the United States took their toll, official data showed Friday.

The world's second-largest economy grew by 6.1 percent last year, its worst performance since 1990, according to the National Bureau of Statistics.

The figure matches an AFP analyst forecast and is within Beijing's official target of 6.0-6.5 percent. But last year's growth was down from 6.6 percent in 2018.

While China's economy had been gradually losing steam over the first three quarters, growth stabilised at 6.0 percent in the last three months of 2019 -- the same pace as in the third quarter, according to the National Bureau of Statistics (NBS).

Ning Jizhe, commissioner of the NBS, said China's economy generally sustained a stable momentum of growth in 2019.

"However, we should also be



Vehicles drive past construction sites in Beijing's central business area.

aware that the global economic and trade growth is slowing down," he said at a news conference.

He added that there were more sources of instability and risk, with the economy facing "mounting downward pressure".

The figures were released after a truce was reached in the nearly two-year-old trade war, as President Donald Trump and Chinese Vice

Premier Liu He signed a "phase one" agreement on Wednesday.

The mini-deal includes a pledge by China to purchase \$200 billion worth of US goods over two years.

In return, the US has pledged to slash in half some of the tariffs imposed on China, but levies remain in place on two-thirds of more than \$500 billion in imports from the Asian country.

The World Bank said in a report this month that weakening exports in China had compounded the impact of its ongoing slowdown in domestic demand.

Policy uncertainty and higher tariffs on exports to the US also cast a pall on manufacturing activity and investor sentiment, it added.

The latest data showed that China's industrial production grew by 5.7 percent last year, down from 6.2 percent in 2018.

Retail sales growth came in at 8.0 percent, down from 9.0 percent in the year before.

In December, sales grew 8.0 percent, and the NBS noted that online retail sales in particular had a strong showing.

But analysts note that China's slowdown is structural, as it becomes a more developed economy and faces demographic challenges such as a shrinking number of people of working age.

Louis Kuijs, head of Asia economics at Oxford Economics, told AFP that Beijing considers such a slowdown part of a "new normal".

After India's Amazon snub, Modi's party slams Bezos-owned Washington Post

REUTERS, New Delhi

Indian Prime Minister Narendra Modi's ruling party on Friday slammed editorial policies of billionaire Jeff Bezos-owned Washington Post, even as his e-commerce firm Amazon announced plans to create a million jobs in the country by 2025.

Vijay Chauthaiwale, chief of the Bharatiya Janata Party's (BJP) foreign affairs department, said there was "a lot of problem" with the newspaper's coverage of India, but gave no examples.

The swipe at the Post came a day after a cabinet minister gave short shrift to Amazon's investment plans for India.

Bezos has praised India during his visit, saying the 21st century will be the Indian century and calling the country's dynamism and energy "something special".

"I am not opposing Amazon as a company, in fact I am a regular customer ... Jeff Bezos should go home tell Washington Post what is his impression about India," Chauthaiwale told Reuters.

"The Washington Post editorial policy is highly biased and agenda driven."

In a statement to Reuters, The Washington Post said it "has covered India fairly and accurately, even when the government has imposed tight restrictions on the flow of information." The Post's Opinions department is independent from the news division and publishes different perspectives from within India and around the globe, the newspaper added.

Chauthaiwale has in the past criticized foreign media's reporting, including on the disputed Kashmir region claimed by both India and Pakistan, saying coverage has been biased against Modi.

Amazon did not respond to an email seeking comment on Chauthaiwale's remarks. In its statement announcing the job-creation plans, Bezos said "we're excited about what lies ahead."

Still, street protests this week by small retailers and adverse comments from politicians have made Bezos' visit a public relations nightmare for Amazon.

India's shopkeepers have been a core constituency for the BJP since the party's early days. Sources told Reuters that Modi, who has courted other foreign investors, was unlikely to meet Bezos during his visit despite repeated requests by Amazon.

India last year enforced stringent rules for foreign investment in e-commerce, which forced Amazon to rework its business structures and strained ties between New Delhi and Washington.

India's antitrust body this week launched a probe into Amazon and Walmart's Flipkart e-commerce service. India's brick-and-mortar retailers say Amazon and Flipkart have flouted regulations and burned billions of dollars to offer steep discounts. The companies deny the allegations.

On Thursday, Bezos attended a company event in Mumbai with Bollywood actors such as Shah Rukh Khan and

said the company would "double down" its investments on its video streaming service, Prime Video.

But the event was largely overshadowed by comments from India's trade minister Piyush Goyal, who raised questions about the company's business practices while addressing a security conference in New Delhi and said Amazon had done no big favor to India by announcing a \$1 billion investment.

Industry executives and their advisers told Reuters on Friday that Goyal's remarks were likely to put off foreign investors, denting India's economic growth which is already projected to fall to a 11-year low this year.

"This clearly is unbecoming, and it will hurt how the world views India as a destination," said a senior executive of a US-based company operating in India.



Jeff Bezos



Actor Chanchal Chowdhury, brand ambassador of Unilever's water purifier Pureit, poses at a gathering of Pureit dealers in Dhaka recently.



Muhammad A (Rume) Ali, chairman of AB Bank, and Tarique Afzal, managing director, attend the bank's town hall meeting at a hotel in Dhaka recently.

To defuse palm row, Davos diplomacy likely between India, Malaysia

REUTERS, Kuala Lumpur/New Delhi

Trade ministers from India and Malaysia are likely to meet on the sidelines of the World Economic Forum's annual meeting in Davos next week amid a palm oil spat between the two countries, a Malaysian government spokesman told Reuters on Friday.

Hindu-majority India has repeatedly objected to Malaysian Prime Minister Mahathir Mohamad speaking out against its recent policies which critics say discriminate against Muslims.

Malaysia, a Muslim-majority nation, is the second biggest producer and exporter of palm oil and India's restrictions on the refined variety of the commodity imposed last week have been seen as a retaliation for Mahathir's criticism of New Delhi's actions.

India's trade minister Piyush Goyal denied on Thursday that the government was trying to hit out at Malaysia in particular. The row between the countries,

nevertheless, pushed benchmark Malaysian palm futures to its biggest weekly decline in more than 11 years on Friday.

No agenda has been set for the proposed meeting between Goyal and his Malaysian counterpart Darell Leiking on Friday, the spokesman for Malaysia's Ministry of International Trade and Industry said, adding that the request for a meeting had come from India.

An Indian government source said a meeting was indeed likely with Leiking. A spokeswoman for India's trade ministry did not respond to a request for comment.

Reuters reported on Thursday that Malaysia did not want to escalate the palm spat with India by talking of any retaliation for now, after Mahathir's media adviser called for tighter regulations on Indian expatriates and products. Malaysia instead wants to rely on diplomacy.

A separate Indian government source said it was important for New Delhi also to talk things out with Malaysia.

US Senate approves new North American trade deal

AFP, Washington

The US Senate on Thursday voted overwhelmingly to approve a new North American trade pact, handing President Donald Trump a second back-to-back trade win just as his impeachment trial was beginning in Washington.

After a brief debate, lawmakers voted 89-10 in favor of a bill allowing the US-Mexico-Canada agreement to take effect, overhauling trade relations among the three countries.

The USMCA bill faced some opposition -- including from Democratic leader Chuck Schumer, who said it failed to address the threat of climate change -- and Republican Pat Toomey of Pennsylvania, who complained that it erected barriers to free trade.

Given that the USMCA was negotiated at his instigation, Trump's signature is not in doubt, however.

In split-screen drama and with the vote scarcely concluded, House lawmakers who will serve as prosecutors in Trump's trial gathered in the well of the Senate bearing articles of impeachment which were later read aloud to the chamber -- setting the historic proceedings

in motion. The second straight day of good news on the trade front offered a welcome boost to the embattled president, who faces a tough re-election fight 10 months from now.

Adoption of the continent-wide agreement comes less than a day after Washington and Beijing reached a separate partial deal, pausing a damaging trade war between the world's top two economies and letting farmers and businesses breathe a sigh of relief.

In an internet video, Mexican President Andres Manuel Lopez Obrador hailed the USMCA's Senate passage, calling the news "very meaningful" as it signaled "more confidence in Mexico" and would lead to growth and investment.

The USMCA is billed as an update to the 1994 North American Free Trade Agreement, which Trump had long lambasted as a job killer and threatened to scrap outright.

House lawmakers voted last month to adopt the USMCA after winning changes to the text, including stronger guarantees that Mexican labor reforms can be enforced, as well as changes governing medications and environmental

standards. "Today, the Senate passed a USMCA that has been transformed by Democrats' leadership," House Speaker Nancy Pelosi said in a statement.

Mexican lawmakers adopted those changes last month while Canada has yet to vote on the text, the final step for it to enter into force.

Trump had long blamed NAFTA for the offshoring of American jobs, and negotiations for what would become the USCMA began in August of 2017.

Mexican and Canadian officials likewise conceded that the 26-year-old NAFTA, ratified in an era before the rise of digital commerce, was in need of an update.

The new treaty was signed by the three countries in November 2018.

The earlier NAFTA created a vast free-trade zone across North America, leading to radical shifts in the makeup of industries in the three countries and vastly increasing cross-border exchanges in goods, services and people.

While the agreement produced winners and losers in some areas, economists say overall it increased growth and raised the standard of living in North America.



Mashrur Arefin, CEO of City Bank, and Kamal Quadir, CEO of bKash, exchange the signed documents of a deal at the former's head office in Dhaka on January 16. The deal would allow the mobile financial service provider's distributors to enjoy a working capital for a short period.



Md Sanaullah Shahid, chairman of Shahjalal Islami Bank, and M Shahidul Islam, CEO, attend the bank's annual business conference at a hotel in Dhaka yesterday.