

Merkel appeals to Germans to back trade pact ahead of G7 meeting

REUTERS, Berlin
Chancellor Angela Merkel tried to drum up support in Germany for the Transatlantic Trade and Investment Partnership (TTIP) ahead of the G7 summit she is hosting in June, saying in an interview on Saturday she hopes it will be finalised by 2017.



Angela Merkel

Merkel told the Sueddeutsche Zeitung newspaper it was important that talks between the European Union and United States lead to an accord before US President Barack Obama leaves office in January 2017.

Without an agreement on TTIP between the EU and the United States by early 2017, Merkel fears there could be "a long interruption" in the talks.

"It's important for me that the transatlantic free trade keeps pace with the Pacific region," Merkel said, referring to the advanced stage of talks between the United States and Asia about a free trade agreement. Twelve countries, including the United States, Japan, Vietnam, Australia and New Zealand, are in talks for a Trans-Pacific Partnership (TPP).

The TTIP is a free trade and investment agreement being negotiated between the European Union and United States that aims to create greater access to European markets for American goods, strengthen ties between the two regions and increase economic growth for them, among other goals.

Merkel does not often invest political capital backing TTIP at home, but opposition to it is unusually strong in Germany, even though its powerful export-oriented industrial sector stands to benefit greatly.

"The United States is one of our most important trade partners," Merkel said in the interview. "Especially for our export-based economy, the United States is the biggest market outside of the EU, much larger than even China."

Thus, it is "in the interest of our jobs and our prosperity

that we encourage trade with the United States and not give it up to competitors from other regions," Merkel said, referring to Asia.

Merkel acknowledged TTIP opponents in Germany, saying, "There's a concern whether our social and ecological standards will stay in place."

But, she said, some consumer and environmental groups are less interested in ensuring that standards are upheld and rather eager to use TTIP to try to tighten those standards. "That's the wrong approach."

Obama has called for major progress in trade talks with Europe this year. The US presidential election will be held in November 2016.

One of the major stumbling blocks to the deal is an investor protection clause wanted by Americans. Many in Europe fear that US multinational companies will use a so-called investor-to-state dispute settlement (ISDS) mechanism to challenge Europe's food, labour and environmental laws on the grounds that they restrict free commerce.

Proponents of a deal have said it could add \$100 billion in annual economic output on both sides of the Atlantic.

The Group of 7 of the world's most industrialized nations, including France, Germany, Italy, the United Kingdom, Japan, the United States and Canada, meets each year to discuss matters of common interest, including economic issues. Germany currently holds the rotating G7 presidency.

Finance ministers and central bankers from the G7 economies began a three-day meeting in Dresden on Thursday with an agenda that included international tax issues, financial sector regulations and reform of quotas at the International Monetary Fund. The annual summit of the G7 heads of state and government is scheduled for June 7 and 8.



Muhammed Ali, managing director of United Commercial Bank, and Kazi Sayedur Rahman, general manager of Bangladesh Bank, attend a seminar on use of export development funds, organised at the corporate head office of the bank on Saturday.

New wave of smart tech on show at Taiwan's Computex

AFP, Taipei

Smart living and wearable technology will take centre stage at Asia's largest tech trade show from Tuesday with gadgets promising to do everything from analysing state of mind to identifying burglars.

Held in the capital Taipei, Computex will see 1,700 exhibitors from Taiwan and around the world with 130,000 visitors expected over the five-day event, now in its 35th year.

"Smart living and wearable technology remain the focus, but visitors will find more mature products," said

David Liu, of the Taipei Computer Association. While standalone smart products were on show previously, tech firms are now broadening their ambitions, says Liu.

"Many of the exhibitors demonstrated their smart home devices last year, like plugs, lights or locks, but those devices did not work as systems," he told AFP.

"The latest products use an app and infrared sensors to come up with a total solution. So in the case of home security, say, users can now automatically receive images of any intruders into their home."

Wearables have a dedicated area -- including smart watches, fabrics and glasses -- and will this year feature a new device which promises to measure stress levels caused by work through analysing "mind waves", organisers said.

Mobile technology and 3D innovations will also be key areas of this year's show.

But though Computex continues to attract major international players such as Intel, Microsoft and Ford, it comes at a time when Taiwan is fighting to maintain its tech edge in the face of intense competition from China.



Morshed Alam, outgoing chairman of Mercantile Bank, and Akram Hussain, new chairman, attend a press meet to mark the bank's 16th founding anniversary at the National Press Club in Dhaka yesterday. M Ehsanul Haque, managing director, was also present.

MERCANTILE BANK

Drought-hit North Korea seen able to avoid food crisis

REUTERS, Seoul

North Korea has updated farming methods and switched crops that could help soften the blow of drought and avert a disastrous food shortage, an aid worker and an analyst said on Sunday, after a UN official warned of another "huge food deficit".

Impoverished North Korea, which suffered a deadly famine in the 1990s, has seen international food aid fall sharply because of its restrictions on humanitarian workers and reluctance to allow monitoring of food distribution.

Food supplies had since improved and production has been at the highest levels, resulting in the lowest shortfall last year since the mid-2000s, according to independent South Korean studies.

"Supply this year will be even more stable and any shortfall is likely to be met sufficiently by imports," said Kwon Tae-jin of the GSNI Institute in Seoul, an expert on North Korean agriculture.

"Improvement in the supply of food isn't likely by chance or a temporary situation," he said, crediting an increased allocation of resources in agriculture.

Linda Lewis, of the American Friends Service Committee, an NGO running farm

projects in North Korea, said she had heard the new farm management system was helping.

"The production was okay last year, despite the drought, and there are more coping mechanisms in place this year," she said.

North Korea now allows smaller groups of farmers to keep a greater share of their crops, which they are allowed to sell in markets, which in turn improved distribution.

The optimistic outlook follows a warning by the top UN official in North Korea of a looming crisis due to last year's drought, caused by the lowest rainfall in 30 years.

"It is going to create a huge deficit between the needs and what is available," the UN resident coordinator for North Korea, Ghulam Isaczai, said.

North Korean state media last week highlighted the push to step up rice production with "a scientific farming method including the water-saving farming method", KCNA news agency said. It didn't elaborate.

Kwon said part of the success had been in diversifying crops, with wheat, barley and potatoes planted after the fall rice harvest.

Isaczai said farmers had no choice but to diversify, because it was too dry to plant rice.

Crunch time for Greece; US and Chinese data in focus

REUTERS, London

Years of uncertainty and economic pain spent keeping Greece in the euro zone boils down in June to a handful of make-or-break debt repayments, while a raft of key data in the next few days will point to the progress of the global economy.

The threat posed to the wider world by an eventual Greek exit from the euro may have diminished over the last few years, but last week the United States warned of an "accident" for the world economy if Greece and its creditors miss deadlines this coming month to avert a debt default.

Most analysts think Greece has enough cash and options to avoid default when a roughly 300 million euro (\$330 million) payment falls due on June 5 to the International Monetary Fund. What happens in the subsequent weeks is less clear.

"We believe meeting the 1.6 billion euros in payments to the IMF by the end of June will be difficult. Payments of 3.5 billion euros on bonds held by the ECB on July 20 appear even more unlikely," said Michael Gapen, economist at Barclays. "Without an agreement, Greece could descend into what would effectively be an exit from the euro area, where defaults and capital controls become a permanent feature."

Gauging the likelihood of a substantive agreement is difficult because of a clear difference in tone between Athens, optimistic of striking a deal soon, and its far more cautious creditors.

Greece's left-wing government -- elected in January to fight austerity measures imposed by its international lenders -- indicated at the weekend it could compromise on some of its demands, although it didn't specify how.

"The antipathy towards more austerity with the general public and (Greek governing party) Syriza is a major sticking point and means a quick resolution is unlikely if it means Greece has to capitulate," said Ben May, economist at Oxford Economics. Still, analysts polled by Reuters last week put a less than one-in-three chance on Greece leaving the euro zone this year.

Mark Zandi, chief economist at Moody's Analytics, believes that the global economy is now "largely inoculated" from Greece because European banks -- the main channel of contagion --



REUTERS

A Greek national flag flutters next to a statue of ancient Greek goddess Athena, in Athens.

are in better shape than they were a few years ago.

Instead, a protracted slowdown in China, along with how financial markets respond to the US Federal Reserve's intention to raise interest rates from record low levels, are Zandi's top worries for the world economy going into the second half of this year.

Business surveys this week will show if there are any signs that China's vast industrial sector will shake off its recent stagnation.

"My working assumption is that the Chinese are going to be able to gracefully manage their slowdown. But if they stumble too much, that'll make it more difficult for the global economy to kick into a higher gear for sure, including the US economy," said Zandi.

The world's largest economy contracted in the first three months of the year as it buckled under the weight of unusually heavy snowfalls, but most

economists think a rebound is already underway.

Purchasing managers indexes from the United States this week should go a long way to confirming that, but even more important will be labor market data due on Friday as the Federal Reserve gauges when to raise interest rates.

Economists believe the US economy added around 225,000 non-farm jobs in May -- a rate that most expect would keep the Fed on track to tighten policy by the end of the year.

But that also raises the possibility that financial markets, relatively calm during the latest Greek debt standoff, are set for a rocky few months.

Fearful of a looming tumble in stocks and bonds from multi-year highs, global investors have increased the share of safe-haven cash in their portfolios to the highest levels in seven months, according to a Reuters poll of fund managers last week.

Strong sales could shift Ford, GM to higher gear

REUTERS, New York

Shares of US automakers may finally be able to accelerate. Investors are closely awaiting next week's May sales data, expected to come in near record levels.

Meeting those forecasts could be enough to lift the sector -- among the cheapest in the market -- putting the sting of product recalls and tepid recent growth in the rear view mirror. Estimated sales of 1.6 million new cars and trucks in May would make for a seasonally-adjusted annual rate of 17.4 million vehicles, according to Edmunds.com, a car buying platform.

"This is going to be one of the best months ever," said David Kudla, chief investment strategist of Mainstay Capital Management in Grand Blanc, Michigan.



SJIBL

Atiur Rahman, governor of Bangladesh Bank, presents a scholarship cheque to a student at a programme organised by Shahjalal Islami Bank at Officers' Club in Dhaka on Thursday. AK Azad, chairman of SJIBL, and Farman R Chowdhury, managing director, were also present.



NRBCB

ABM Azharul Islam Suruj, chairman of Shimulia Union Parisad, opens the 27th branch of NRB Commercial Bank at Zirani Bazar in Ashulia. Dewan Mujibur Rahman, managing director of the bank, was also present.