

# TPP trade talks narrow on tough auto, drug and dairy issues

AFP, Atlanta

Talks on the ambitious Trans-Pacific Partnership remained stuck on a handful of tough issues including auto parts and drug protections as trade ministers moved to a second day of negotiations Thursday.

Under heavy pressure to clinch a deal this week after key differences couldn't be bridged in their July meeting in Hawaii, top officials from the United States, Japan and 10 other Pacific Rim countries were negotiating around the clock in this southern US city.

The representatives of the 12 countries -- Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam -- were seeking to complete talks this week that would form the world's largest free trade region, its members comprising about 40 percent of the global economy.

But major challenges in three areas remained, according to officials involved in the discussions.

- Meeting pressure from Japan to remove US barriers on auto parts imported from non-TPP countries, against resistance from Mexico and Canada, already major favored suppliers of parts

to the US auto industry under the NAFTA trade treaty

- Opening up the Japanese, US and Canadian markets to rival dairy and processed dairy products from New Zealand and Australia

- Extending patent protection for increasingly important biologic drugs to eight years, amid concerns this will raise the costs of the drugs and leave them less accessible in poorer countries

At the end of the first day of ministerial talks Wednesday, negotiators remained mum about the progress on these key issues amid hope that an agreement could be reached.

The stakes were high for many, with farm and pharmaceutical industry lobbyists from various countries and civil society activists gathered at the same Atlanta hotel to defend their interests.

And as the ministers began meeting Wednesday, a handful of protestors marched through the lobby of the hotel chanting "No TPP! Stop Corporate Greed."

Meanwhile a senior US senator warned that Congress could refuse to ratify a deal if it does not protect the interests of US businesses and workers.

"No one -- at least no one from our side of the negotiations -- should be in a hurry to close talks if it means getting a less-than-optimal result for

our country," said Republican Senator Orrin Hatch in a statement.

"If the agreement falls short, I will not support it."

While there is no deadline on the negotiations, time was a clear source of pressure.

Since initiating the talks in 2008, the United States has been hoping to lock in rules on free trade and intellectual property protection that global trade heavyweight China would eventually have to heed. China, however, has already begun trying to set up its own Asia trade agreement, which analysts worry could take concrete shape if TPP talks fail.

Moreover, Washington wants a deal soon to avoid having to ratify it at the height of the 2016 presidential and congressional election campaigns.

The negotiations have covered a range of issues, from governments' protection of state-owned enterprises, to setting up extraterritorial tribunals to settle disputes between governments and foreign investors, to the use of capital controls in a country's financial system.

Activist groups say the secretiveness of the discussions masks an effort that will benefit businesses while costing the people of the countries involved.

# AmCham elects new president

STAR BUSINESS DESK

Md Nurul Islam, regional senior vice president and head of Bangladesh, Nepal and Myanmar for MetLife, and Showkat Ali Sarkar, managing director of DuPont Bangladesh, have been elected president and vice-president respectively of the American Chamber of Commerce in Bangladesh for 2015-2016.

Shafiqul Azim, general manager of R-Pac (Bangladesh), was elected treasurer, the chamber said in a statement yesterday.

Islam joined American Life Insurance Company in Bangladesh in 1981, before which he briefly worked at Fisons (Bangladesh) Ltd, subsidiary of a British pharmaceutical company, it said.

He also completed the 'MetLife Enterprise Leadership Programme' from Harvard Business School in 2014. He is a fellow of the Life Management Institute of Life Office Management Association in Atlanta, USA.

He is currently also a member of the committee of Bangladesh Employers' Federation.



Md Nurul Islam

# Stocks lack lustre, end a slow week barely positive

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Conversely, non-bank financial institutions lost 0.86 percent, followed by pharma 0.13 percent and bank 0.12 percent.

AIBL 1st Islamic Mutual Fund was the day's best performer gaining 10 percent, while the fourth ICB Mutual Fund was the worst loser with a 3.96 percent fall.

Chittagong stocks also rose marginally

with the bourse's benchmark index, CSCX, increasing 12.84 points or 0.14 percent to finish the day at 9,047.96 points.

Losers beat gainers 114 to 108, while 25 others ended the week's last working day unchanged on the Chittagong Stock Exchange.

The port city bourse traded 86.89 lakh shares and mutual fund units, worth Tk 26.45 crore in turnover.



Zafar Ahmed Khan, water resources secretary, attends a workshop on determination of hydro-geological parameters of different regions of Bangladesh at Rigs Inn hotel in Dhaka yesterday. Md Ismail Hossain, director general of Bangladesh Water Development Board, was also present.

BWDB

# Uber campaigns against tough rules proposed in London

AFP, London

Ride-sharing giant Uber launched a petition that had more than 116,000 signatures by Thursday against proposed regulation in London that would force drivers to pass English language and map reading tests.

Drivers of traditional London taxis or "black cabs" have protested against services like Uber for years and hold frequent rallies in the streets of the British capital, accusing them of unfair competition.

"We understand that black cab drivers are feeling the pressure from services like Uber," the company's British branch said on its website.

"But the answer is to level the playing field by reducing today's burdensome black cab regulations -- not to introduce rules that will be bad for riders, drivers and London," the statement said.

Transport for London (TfL), which runs the city's transport system, launched a public consultation on Wednesday on a series of proposals that would affect all minicab services, including Uber, but not taxis.

# ADB's \$120m loans to double electricity transmission

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Bangladesh's installed power generation capacity now stands at 11,683MW, with daily production hovering around 6,500MW, according to Bangladesh Power Development Board.

Cross-border power trading can help South Asian countries meet their demand for electricity and save billions of dollars, said the ADB earlier.

# China's Huawei rides Google coattails into new markets

AFP, Washington

With a partnership to make one of Google's flagship Nexus smartphones, Chinese tech giant Huawei is gaining new prominence which could help its efforts to win broader global consumer appeal.

Huawei was tapped this week to produce the Nexus 6P, one of two handsets unveiled this week by Google to showcase its Android mobile operating system.

The large-screen "phablet" was unveiled as a rival to the iPhone 6S Plus and Samsung Galaxy Note. A second Google phone, the Nexus 5X, will be made by South Korea's LG.

At a time when Chinese firms are struggling to break the dominance of Apple and Samsung on the high end of the smartphone market, the partnership is a milestone for Huawei.

"Clearly, working with Google is vote of confidence in the technology of the product," said Ian Fogg, senior director at the consultancy IHS Technology.

Fogg said the Nexus devices "are intended to be showcases of the best of Android technology, and are designed to be seen as innovation leaders. That's an incredibly valuable association to have."

The deal with Google "opens up a route into the US market to raise visibility for Huawei smartphones," Fogg noted.

"Huawei will be particularly pleased if this can be a bridgehead into the US market," Fogg said that this also helps Google, which is largely absent from China, should the US company decide to dive back into the large market.

"In its home market of China, Huawei has both mobile operator relationships as well as its own expertise in selling smartphones direct to consumers," Fogg said.

Huawei has been selling some unlocked high-end devices direct to US and European consumers, and has a share of the prepaid, low-end smartphone market along with Chinese rival ZTE.

But Huawei and other Chinese makers have generally lacked the appeal of Apple and Samsung for high-end smartphone customers.

The association with Google "provides a brand boost for Huawei," noted Avi Greengart, who follows mobile technology at the research firm Current Analysis.

"If you are buying a Nexus phone and it has a Chinese brand prominently displayed, that's definitely a positive."

Greengart noted that consumers will be looking at more options now that many US carriers and "unbundling" the service from the device.

The Nexus 6P, which starts at \$499 for US customers, is being sold for less than the rival Apple 6S Plus and Samsung Galaxy Note 5, which cost at least \$700.

"Once you break the direct connection between the service and the hardware it becomes easier for consumers to buy their device separately, and it makes a Nexus more attractive," Greengart said.

The partnership could boost the prominence of Huawei, which has received media attention from US government allegations that the company is a security threat because of perceived close links to the Chinese government. The company denies the allegations.

Last year, news reports said the US National Security Agency had been secretly tapping the company's networks for years.

Huawei is one of the largest providers of network infrastructure globally, but its consumer products are less well-known outside China.

Some analysts say it remains questionable whether Huawei can parlay the Google deal into a stronger position in the smartphone market.

"I think people gravitate toward Nexus because it is a Google device," said Ramon Llamas, who follows mobile technology for research firm IDC.

Llamas said other manufacturers partnering with Google on Nexus -- HTC, LG and Motorola, for example -- have failed to get a major boost for their brands from the deals.

# Mobile internet on a roll

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Robi also added four lakh new subscribers in August, taking its total to 2.83 crore, whereas Airtel added 3.12 lakh subscribers to its network to take the total to 93.92 lakh.

Teletalk, the lone state-owned mobile operator, lost 1.42 lakh subscribers in

August, falling to 40.79 lakh total connections, BTRC reported. It however claimed to have crossed the 50 lakh active connections landmark recently, in a separate report to the government.

Citycell lost some 23,000 subscribers, with current active connections coming down to 11.38 lakh in August.

# Hewlett-Packard board approves split into two companies

REUTERS

Hewlett-Packard Co said its board had approved the previously announced split of the company into two separate listed entities - computers and printers, and corporate hardware and services.

Hewlett-Packard said on Thursday that it expected its split into Hewlett-Packard Enterprise Co and HP Inc to be completed on Nov. 1.

A day later, Hewlett-Packard Enterprise, comprising the corporate hardware and service business, will start trading on the New York Stock Exchange under the ticker symbol "HPE".

Hewlett-Packard, which will be renamed HP and comprise the computers and printers business, will continue to trade under its current ticker symbol.

Hewlett-Packard shareholders will get one share of Hewlett-Packard Enterprise for each share held as of Oct. 21.

The tax-free distribution will be on a pro-rata basis, the 75-year-old company said.

Hewlett-Packard announced the split in October 2014 after years of struggling to adjust to the post-PC computing era.

Hewlett-Packard said it expected Hewlett-Packard Enterprise to start trading on a "when issued" basis on or around Oct 19.

# Kuwait to seek private investment in \$36b projects

REUTERS, Kuwait

Kuwait will invite private investors, including foreigners, to take part over the next two years in nine infrastructure projects worth about \$36 billion, under a new law designed to facilitate such deals, an official said.

The country has huge construction plans, ranging from power stations and sewage and waste treatment facilities to railway and metro systems. But the plunge in oil prices since last year has slashed its revenues.

So rather than assuming the full cost of construction, the government wants increasingly to use public-private partnerships (PPPs), in which private investors take stakes in projects, bear part of the risk and share profits from operating them.

"This has become an inevitable necessity because it reduces the burden on the state budget in light of falling oil prices," Adel Mohammad al-Roumi, the president of the Kuwait Authority for Partnership Projects, which will oversee PPPs, said in an interview.

In the past, Kuwait has completed only one PPP deal. Projects have been delayed or cancelled because of red tape, uncertainty over legal terms and political tensions between the cabinet and parliament, which have hindered planning.

But a new PPP law which took effect this year may help to break the logjam, partly by making it easier for investors to raise money. While it was hard for banks to obtain security for loans under the old rules, the new law allows a range of assets to be used as collateral, including the developer's shares.

# Govt offers SEZ to Japanese investors

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Bangladesh looks to export \$2 billion of products to Japan in the next three years. Last fiscal year, the country managed \$915.22 million.

Ahmed said it would be possible to hit the target if the Japanese investors set up factories in the SEZ and ship the products back to their country.

Besides, demand for Bangladeshi products, especially garment and leather, is higher in Japan, he said.

In April, Japan relaxed its rules of origin (RoO) for products originating from least-developed countries. The RoO are a set of conditions that determine the source of a product and are important in determination of duties.

As a result, all Bangladeshi exports to Japan, save for hand gloves and arms, enjoy duty-free benefits.

In fiscal 2014-15, garment exports to Japan rose 14.02 percent year-on-year to \$652.55 million.

Japan's annual garment sales are about \$40 billion, most of which are from China.

In 2008, Japan introduced a 'China Plus One' policy to reduce its dependence on China and encourage its retailers to look to

Bangladesh, Vietnam and Cambodia for sourcing.

Seki said the Japanese investors' emphasis is on improved infrastructure.

Later, the visiting Japanese delegates met Bangladesh Bank Governor Atiur Rahman at his office and discussed bilateral issues.

Rahman urged the Japanese entrepreneurs to invest more in Bangladesh.

"Our policy stance on foreign direct investment and foreign portfolio investment inflow are among the most liberal in South Asia," Rahman said.

The central bank chief also assured the Japanese investors that they would fully facilitate their businesses in Bangladesh.

The central bank is continuously engaging with local foreign investor communities in Bangladesh to facilitate all kinds of business related external transactions, including inflow of equity and debt, and outflow of royalty/technical fee, profits/dividends and disinvestment proceeds including capital gains, he said.

Major recent new facilitations include enhancement of the family remittance ceiling for expatriates to 75 percent of salaries, and repatriation of sale proceeds of foreign equity in unlisted companies at fair value based on assets, income and earnings.



Muhammed Ali, managing director of United Commercial Bank; Janina Jaruzelski, USAID mission director to Bangladesh; and M Rabin, managing director of Alliance for Bangladesh Worker Safety, pose after signing a credit guarantee agreement at USAID conference room in Dhaka. USAID will initially provide a guarantee of \$5 million against loans made by UCB for a total sum of \$10 million for garment factories supplying to members of the Alliance, Accord, and those participating in the government's National Tripartite Action Plan.

UCB