

# Sanctions fears choke nascent US trade with Myanmar

REUTERS, Washington/New York/Yangon

Western banks are cutting trade finance in Myanmar after learning that part of the country's main port is controlled by a man blacklisted by Washington, threatening to stop nascent US economic ties with the Southeast Asian nation in their tracks.

US shipments to Myanmar have slowed to a crawl in recent months, after several banks including Citigroup Inc, Bank of America, HSBC and PNC Financial curtailed their financial backing of trade with the country, according to sanctions lawyers and other people familiar with the matter.

Studying trade documents, Citigroup noticed in June that the Port of Yangon's main terminal is controlled by Steven Law, who is subject to US sanctions because of his alleged ties to Myanmar's military, they said.

Citi then alerted other banks, and their compliance officers

warned that further financing could violate remaining US sanctions, according to several sources, who asked not to be named because they were not authorized to speak publicly.

At stake are embryonic, but fast developing economic ties between the United States and Myanmar, which US diplomats see as crucial to maintaining Washington's influence during a critical period in the country's transition to democracy.

Myanmar holds a landmark election on Sunday, key for the future of political reforms that started with a formation of a civilian government in 2011 after decades of military rule.

Washington and the European Union started lifting economic sanctions the following year to encourage Myanmar authorities to stay the reform course.

Since then, the total volume of trade between the United States and Myanmar has risen from less

than \$10 million in 2010 to over \$185 million last year, according to the US Commerce Department.

That is still a tiny fraction of the Southeast Asian country's over \$27 billion trade dominated by its Asian partners - Thailand, China, Singapore, Hong Kong, India and South Korea.

But the political importance of trade with the United States goes far beyond what the modest amounts would suggest, said Jose W. Fernandez, a former assistant secretary of state who was an architect of sanctions policy in Myanmar.

"It is a way for the leaders to prove to the world that they are no longer global pariahs," Fernandez told Reuters.

Developing economic ties with Washington also helps Myanmar counterbalance the influence of Beijing, said Peter Harrell, a former deputy assistant secretary of state who played a key role in easing the sanctions. "Myanmar doesn't want to be overly dependent on the

Chinese."

From that perspective, the slump in US exports to Myanmar to \$5.5 million in September from over \$50 million in June, is a source of concern.

Fernandez said Myanmar offers a preview of challenges Washington will face in implementing an international deal that removes some sanctions on Iran in return for curbs on its nuclear program, and in its re-engagement with Cuba.

"I think some of these sanctions programs were created at a time when we didn't think about the need to remove them," Fernandez said.

Myanmar's trade finance snag highlights how unwinding sanctions while some key economic players remain blacklisted creates a minefield for companies that could undermine Washington's broader political objectives.

Law's business conglomerate Asia World is a case in point.



Shahriar Kamal, deputy managing director of Concord Group, and Tareq Ibrahim, a director of Sajeeb Group, pose at the signing of a three-year branding and sponsorship agreement. Sajeeb Group will get branding, sponsorship and event/concert hosting services at Fantasy Kingdom, Water Kingdom, Heritage Park in Dhaka and Foy's Lake and Sea World in Chittagong.

# Volkswagen engineers have admitted manipulating CO2 emissions data

REUTERS, Berlin

Several Volkswagen engineers have admitted manipulating carbon dioxide emissions data, saying the ambitious goals set by former Chief Executive Martin Winterkorn were difficult to achieve, Bild am Sonntag reported.

The paper said VW engineers tampered with tire pressure and mixed diesel with

their motor oil to make them use less fuel, a deception that began in 2013 and carried on until the spring of this year.

"Employees have indicated in an internal investigation that there were irregularities in ascertaining fuel consumption data. How this happened is subject to ongoing proceedings," a Volkswagen spokesman said, declining to comment on the Bild report.



Atiur Rahman, governor of Bangladesh Bank, and Safiul Alam Khan Chowdhury, deputy managing director of Pubali Bank, attend a programme to handover sanitation materials and tubewells among the residents of former enclaves in Debiganj of Panchagarh.

# Apple defeats US class action lawsuit over bag searches

REUTERS, San Francisco

Apple Inc defeated a US class action lawsuit brought by Apple retail workers over bag search practices at the company's California brick and mortar outlets, according to a court ruling on Saturday.

The decision, from US District Judge William Alsup in San Francisco, came in a case where employees sued to be reimbursed for the time taken by Apple to search their bags to ensure they did not steal any merchandise.

At least two Apple retail store workers complained directly to Chief Executive Tim Cook that the technology company's policy of checking retail employees' bags as a security precaution was embarrassing and demeaning, according to court filings made public earlier in the case.

Lee Shalov, an attorney representing the plaintiffs, said they are disappointed by the ruling and intend to explore all options, including a possible appeal.

Apple representatives could not immediately be reached for comment.



Sayed Khokon, mayor of the Dhaka South City Corporation, lays the foundation stone of the Islampur Complex, a specialised cloth market, on Islampur Road in the old part of the capital on November 4.

# Record China trade surplus highlights struggle to boost demand

AFP, Beijing

China recorded its highest trade surplus on record last month, official data showed Sunday, as plunging imports highlighted the country's continued struggle to boost domestic demand and prop up sagging growth.

The disappointing figures show how Beijing is struggling to keep the world's second-largest economy on the rails and add to mounting evidence China could be heading for a hard landing.

As the planet's biggest trader in goods and a key driver of already subdued world growth, the figures will also add to signs the global economy is facing its toughest year since the height of the financial crisis.

Imports fell 18.8 percent compared to a year ago to \$130.77 billion, the 12th consecutive monthly drop in imports, following a 20.4 percent decrease in September, according to customs figures.

Exports, too, continued their losing streak from July, dropping by 6.9 percent year-on-year in October to \$192.41 billion as foreign demand languished.

That set the trade surplus at \$61.64 billion, a 36 percent increase compared to the same period in 2014 and the highest such figure since at least 1995, the earliest data held on record by Bloomberg News.

The decrease in exports was larger than a median forecast of a 3.2 percent decline in a Bloomberg News survey of economists.

The data "suggests that domestic demand remained sluggish", ANZ analysts said in a research note, adding that they expect "imports growth may start to improve gradually" into the first quarter of 2016.

Weakness in China's property market, overcapacity in the manufacturing sector

and slowed government spending on infrastructure have contributed to the country's economic slowdown and decreasing demand for commodities.

Falling demand from the world's top importer of everything from industrial metals and energy to corn has in turn driven commodity prices down, which has made China's exports even cheaper.

Coal imports have dropped almost 30 percent in volume and 45 percent in value over the first 10 months of the year, measured in the local currency, the data showed.

The sagging numbers have caused anxiety for countries like Australia and Mongolia, whose economies are driven by Chinese demand for the raw materials they produce, despite government efforts to stimulate the economy.

Last week, the ruling Communist Party announced its intention to pursue a combination of stimulus and structural reform measures in its 13th five-year plan, which provides guidance for the national economy through 2020.

Following the release, Chinese President Xi Jinping said annual expansion should be no less than 6.5 percent in 2016-2020 if the country is to double the size of its economy and average incomes compared to 2010 levels by the end of the decade.

Gross domestic product increased 7.0 percent in each of the first two quarters this year following growth of 7.3 percent for the full year of 2014, which was the weakest in nearly a quarter of a century.

Beijing is aiming to rebalance the economy to a sustainable model where expansion is predominantly driven by domestic consumer demand, but the transition is proving bumpy.

# TAG Heuer to launch \$15,000 smartwatch next week

AFP, Geneva

Luxury Swiss watchmaker TAG Heuer will next week launch a smartwatch aimed at taking on the Apple Watch, but with an asking price of \$15,000, the company chief said in an interview published Sunday.

Jean-Claude Biver told the Le Matin Dimanche weekly that the titanium Carrera Connected watch would hit stores in New York at noon (1700 GMT) on Monday.

Three days later, the new watch will come to Europe. "Our watch will have almost the same functions as an Apple Watch, but I don't want to divulge too much," he said.

TAG Heuer has joined forces with technology behemoths Google and Intel to develop a connected watch able to claw back some market share from Apple, which has shipped millions of its smartwatches since launching six months ago. TAG Heuer's new watch will meanwhile target a more high-end clientele than the average Apple Watch buyer. It had been rumoured to go for \$18,000, but Biver said in Sunday's interview it would carry a price tag of \$15,000 (14,000 euros).

# Rural women to get ICT training

FROM PAGE B1

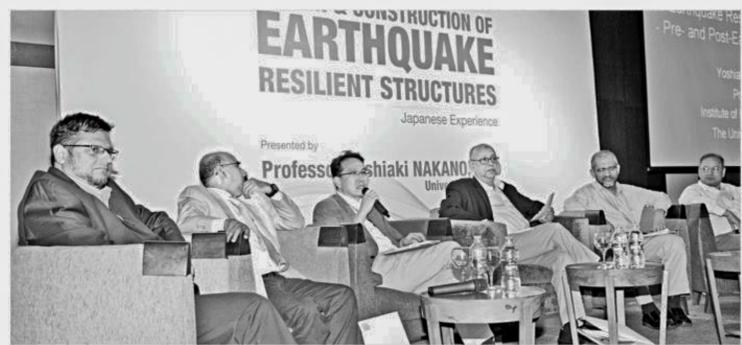
Md Manjur Kadir, joint secretary of the ICT Division, Zhao Haofu, chief executive officer of Huawei Technologies (Bangladesh), and Mahtabuddin Ahmed, chief operating officer of Robi, signed the memorandum.

Each bus will train about 40,000 young women in three years.

The project will also organise roadshows in rural areas to help popularise ICT education not only among women, but also among school and college students, senior officials of the project said.

Training materials will be provided free of cost and the training modules and trainers will be facilitated and supervised by the ICT Division.

Each bus will have individual route plans and will be operational for 40 weeks a year, with each location receiving one or two days of training, depending on the number of local participants.



Yoshiaki Nakano, professor at University of Tokyo in Japan, speaks at a seminar on the Japanese experience on design and construction of earthquake-resilient structures, organised by Shah Cement Industries at Radisson hotel in Dhaka on Thursday. Hafiz Sikander, director for operations of Shah Cement Industries, was also present.

# IMF chief urges Gulf to adapt to sustained oil price drop

AFP, Doha

International Monetary Fund chief Christine Lagarde warned Sunday that global energy prices could remain low for years and urged Gulf countries to adjust their budgets.

Speaking in Qatar's capital Doha after meeting ministers and officials from the six-nation Gulf Cooperation Council (GCC), Lagarde warned that the countries could no longer rely on revenues from oil and gas.

"We believe that the price of oil will probably persist at the level where it is for a number of years and as a result all GCC countries should undertake some degree of fiscal adjustment," she said at a press conference.

She said the IMF believed growth across GCC countries would fall from 3.2 percent

this year to 2.7 percent in 2016.

Lagarde also said that export revenues would be \$275 billion (256 billion euros) lower this year than in 2014 because of low energy prices.

The price of oil has dropped by more than half since the beginning of 2014, with Brent crude, the international benchmark, trading Friday at \$47.42 per barrel for December.

Lagarde said adjustments should include "firm control" on spending, particularly on public sector wages, and encouraging private sector growth.

"Well-planned fiscal consolidation strategies need to be put in place as soon as possible and communicated so that people understand how the adjustment will take place," she said.



Taufiqur Rahman, director of Brac Dairy and Food Enterprises, and AQM Shafiqur Rouf, deputy general manager of Brac AI Enterprise and Producer Services, attend a two-day annual sales conference organised by Brac Artificial Insemination in Savar.



Kh Mesbah Uddin Ahmed, a director of Al-Arafah Islami Bank, opens the bank's 128th branch in Ashuganj, Brahmanbaria yesterday. Md Habibur Rahman, managing director, was also present.



Mohammad Ismail, chairman of Bangladesh Krishi Bank, attends the inaugural of a training programme on removing obstacles to computerisation and staff motivation, at the bank's staff college auditorium in Dhaka on Saturday.