

Slowing growth looms over China parliament meeting



A vessel is seen under construction at the Waigaoqiao shipyard in Shanghai. China's gross domestic product expanded 6.9 percent in 2015 -- its worst performance in a quarter of a century and a far cry from the years of double-digit increases.

China's Communist-controlled parliament meets on Saturday to approve a new five-year plan to tackle slowing growth in the world's second-largest economy, as President Xi Jinping centralises power and narrows the spaces for public debate.

Economic strains will loom over the annual meeting of the National People's Congress (NPC), the rubber-stamp parliament, after China's gross domestic product expanded 6.9 percent in 2015.

That was its worst performance in a quarter of a century and a far cry from the years of double-digit increases.

Premier Li Keqiang is widely expected to declare a growth target of 6.5 to 7.0 percent for this year in his opening speech.

Such a range would give officials significant latitude to declare the target has been met in the face of mounting uncertainty.

The NPC is also set to adopt the 13th Five-Year Plan, a legacy of the Communist command economy that still provides China with a set of goals and targets.

But as growth has stumbled, the government has become markedly less tolerant of dissenting opinions, including from within its own ranks.

Xi has accumulated more power more quickly than either of his two immediate predecessors, Hu Jintao and Jiang Zemin.

In recent months various local officials have repeatedly called for him to be designated the "core" of the ruling party leadership.

The term has previously only been applied to Communist China's founding father Mao Zedong and economic reformer Deng Xiaoping.

"Xi will certainly try to further consolidate his power during the NPC," said Joseph Cheng, a former professor of political science at the City University of Hong Kong. "But there's been some resistance to Xi amassing even more power."

China's already tight muzzle on the media has tightened, and last month Xi visited the official news agency Xinhua, state broadcaster CCTV and party mouthpiece the People's Daily.

According to Xinhua he ordered journalists to focus on "positive reporting", and "speak the Party's will and protect the Party's authority and unity".

Several laws are being formulated that will increase government control over society, including a cyber security bill that cites maintaining "social stability" as a major objective.

US officials have described the plan as "deeply troubling".

China has detained more than 250 lawyers and activists in a crackdown since July, and the UN's human rights chief has warned that Beijing appears to be locking up critics even if they have committed no crime.

Some of China's most vulnerable citizens are already feeling the low tolerance for dissent under Xi.

Cao Yongfang, 63, has been petitioning the central government for a decade -- at times being sent to labour camp -- after officials improperly evicted her from her land, she said.

Petitioners in Beijing have long been targeted during the NPC, but their treatment has worsened in recent years, she said.

"Now many of us get sent back to the town where we came from," Cao said outside the government bureau that handles petitioner cases.

"But getting back to Beijing is very expensive for people with nothing."



RAM Obaidul Mukhtar Chowdhury, a lawmaker from Brahmanbaria, opens the 104th branch of Bank Asia on Sadar Hospital Road in Brahmanbaria yesterday. Rumea A Hossain, chairman of the board executive committee of the bank, was also present.

ExxonMobil chief looking for deals amid oil crash

AFP, New York

ExxonMobil hopes to take advantage of the oil price crash to acquire other petroleum companies, but will wait for the right opportunity, chief executive Rex Tillerson said Wednesday.

Tillerson alluded to the company's history of big takeovers during oil busts, as when Exxon acquired Mobil in 1999.

That deal expanded Exxon's presence in key oil producers such as Kazakhstan and Nigeria. A 2009 acquisition of XTO Energy significantly boosted its holdings in US shale.

Analysts at an ExxonMobil investor day said they were surprised that, given the current market conditions, the company had not made a big acquisition to boost its portfolio of oil and gas plays.

As US prices have fallen from more than \$100 a barrel in July 2014 to the current \$34 a barrel, many smaller oil producers have seen profits dry up and face problems paying debts.

Tillerson said there are many "quality resources" that could boost ExxonMobil's holdings, but that potential targets are setting unrealistic terms for a buyout.

"Expectations have yet to come in line for sellers," he said.

Tillerson also said some producers have "destroyed" the value of their companies by taking on more debt or diluting equity as they try to stay afloat.

"We're just going to have to wait," he said.

Tillerson said nothing has changed yet in the crude market despite the crash.

"We're still oversupplying and overproducing for a market that doesn't need it," he said.

Global economic conditions are also uncertain, with Europe struggling to maintain growth and China's economy slowing.

"I don't think we can look to the market demand side to solve this problem quickly," he said.

ExxonMobil plans a 2016 capital budget of \$23 billion, down 25 percent from 2015.

The oil giant has held off from green-lighting major projects. In some cases, ExxonMobil's plans have been delayed by partners who have not wanted to move ahead.

"There's been a bit of a pause, appropriately so, on the next wave of major multi-year projects," he said.

Argentina-IMF relations thawing after a 10-year break

AFP, Washington

Argentina's reformist government has opened the way to resuming relations with the International Monetary Fund, after a decade of icy relations that saw the country censured by the crisis lender.

President Mauricio Macri's tentative deal Monday to repay bondholders long branded as vultures by Buenos Aires has signalled a new approach to economic management to global capital markets.

Resuming friendly relations with the IMF would confirm the country's return from the cold and help restore its former image as a South American economic leader.

And with its finances still strained, it could also reopen Argentina's access to IMF valuable technical and funding support.

Relations were frozen in 2006 when the country, still recovering from its default on nearly \$100 billion in debt five years earlier, stopped cooperating with the Washington institution.

It also halted the annual "Article IV" economic reviews the IMF conducts with all members.

Over time relations worsened as the country supplied data on economic growth and inflation that was far from meeting IMF standards and allegedly masked real problems.

Fast-forward to Macri, who took office in December vowing to break with the policies of his predecessors which isolated the country internationally and, Macri

says, left the economy very weak.

Macri has begun to reform economic statistics, admitting growth is slow and inflation high. And he has told the IMF he wants to resume Article IV assessments later this year.

"Reengagement with the IMF is crucial because it removes the longstanding view of Argentina being a completely opaque country that doesn't publish any kind of credible economic information whatsoever," said Monica de Bolle, a former IMF economist now at the Peterson Institute for International Economics in Washington.

A return to the good graces of the IMF would also encourage the return of foreign investors, said Ernesto Calvi, director of the Brookings Institution's Global-CERES Economic and Social Policy in Latin America Initiative.

"Knowing that the Fund will be there if needed is a strong reassurance for investors, especially at a time when they're already pretty scared about emerging markets," he told AFP.

The rapprochement is hardly a given. Some people in Argentina still hold the IMF responsible for its 2001 crisis.

The former IMF managing director Dominique Strauss-Kahn conceded in 2007 that there are reasons Argentinians labelled the Fund a "devil".

That resentment smoldered throughout the eight years of the populist presidency of Cristina Kirchner, Macri's predecessor.

Greece finance minister warns huge bailout risks failure

AFP, Brussels

Greek Finance Minister Euclid Tsakalotos warned Wednesday that his country's massive bailout programme could fail if the EU and IMF persist in delaying the completion of a crucial review.

"We haven't got endless time," Tsakalotos told lawmakers at a European Parliament committee hearing in Brussels, sharply criticising that teams from the EU and the IMF had not returned to Athens in a month.

Greece's international creditors -- the EU, European Central Bank and International Monetary Fund -- completed a first phase of the review on February 5, but there has been little progress since.

"That time is in danger of making a self-fulfilling prophecy that the Greek programme fails, for no reason that I can understand either as an academic economist or as a minister of finance," Tsakalotos, an Oxford-educated former professor, told MEPs.

The IMF worked with the EU on two previous bailouts for Greece since 2010 but the Washington-based lender has said it will not participate in the third rescue plan without credible reforms and an EU agreement to ease Athens' debt burden.

A major sticking point is the pension reforms planned by Greece's leftist government which the IMF has found insufficient.

The IMF also questions Greece's budget estimations, a crucial piece of data that helps determine if Athens has delivered on the austerity reforms promised in its 86-billion-euro bailout programme.



Sunil Agarwal, chairman of Ratnasagar Herbs Pvt Ltd, and Azmal Hossain Bablu, chairman of Naba Distribution, pose at the launch of Karis brand cosmetics of Ratnasagar Herbs at Pan Pacific Sonargaon hotel in Dhaka on Tuesday. Naba Distribution is the franchisee for Karis in Bangladesh.

Yahoo launches eSports arena to win video game fans

AFP, San Francisco

Yahoo launched an online arena for eSports Wednesday in a challenge to venues hosted by YouTube and Amazon-owned Twitch.

Yahoo eSports will feature live tournaments, commentary, features, interviews and more tailored for the booming trend of video games as spectator sports.

"We're approaching our coverage of eSports with the same tenacity and professionalism we always have with Yahoo Sports, News and Finance," Yahoo Sports

Media vice president Bob Condor said in an online post.

"We've gone out and assembled an experienced and innovative content team that will cover eSports from every angle."

The rollout of YouTube Gaming in the middle of last year marked the public debut of an online venue where video game lovers can find commentary, live play, on-demand snippets and more.

An English-language website at gaming.youtube.com was rolled out in countries where YouTube is available.



SAA Masrur, country head of Bank Alfalah, poses with the best participants of an IT skills development initiative at the bank's head office in Dhaka. Bank Alfalah under its CSR programme supports NeoSTAR Innovation in conducting IT skills training for underprivileged students.

Dutch company to acquire Pakistani food conglomerate

AFP, Karachi

A Dutch dairy cooperative is set to buy out a Pakistani food giant with an investment of around \$460 million, in what would amount to the largest private sector takeover by a foreign firm in the country's history.

FrieslandCampina International Holding BV intends to acquire a 51 percent stake of Engro Foods Limited, one of the largest listed companies at the benchmark Pakistan Stock Exchange (PSX), a notification on the bourse's website said Thursday.

The deal would bring in a minimum investment of \$460 million

based on the Pakistani firm's present stock value.

"Yes, it is the largest ever deal in the private sector," analyst Faisal Shaji, head of research at Standard Capital Securities, said.

Citibank Pakistan is the financial advisor.

Shaji added the deal would be closely watched by international investors eyeing the emerging South Asian economy.

"Pakistan is already in the radar range of the world corporate sector and this deal further lifts its image outside," he said.

If finalised the Dutch takeover

would boost Pakistan's foreign direct investment statistics.

FDI was down by 57 percent to \$336 million in Pakistan for the first seven months of the current financial year compared to the corresponding period in the last financial year ending June 2015.

Pakistan expects its economy to grow by 4.5 percent for the 2015-16 financial year due to lower oil prices, planned improvements in the energy supply, investment related to the China Pakistan Economic Corridor (CPEC), buoyant construction activity, and acceleration of credit growth.