Trade disputes loom over Merkel's China visit

AFP, *Beijing*

Tensions over trade and Chinese investment in a German robotics firm dominated Chancellor Angela Merkel's visit to Beijing Monday, with differences about steel and China's future market status on display.

China has been pressing the European Union to grant it "market economy" status this year, making it harder for the bloc to levy anti-dumping tariffs even as Beijing is accused of selling excess steel cheaply on world markets at the cost of European jobs.

European lawmakers in Strasbourg last month voted overwhelmingly against issuing the designation, concerned that doing so would cost Europe jobs in key industries such as steel.

At a press conference with Merkel, Chinese Premier Li Keqiang repeated Beijing's view that the EU must grant it market economy status according to accession rules when it joined the World Trade Organisation in 2001.

"Before the end of this year... the agreement should receive appropriate enforcement," said Li, adding: "We don't want a trade war."

"Steel overproduction is a global problem, not just a Chinese problem," he said, adding China imported large amounts of steel from Germany and was cutting its own domestic capacity. "I hope people don't point fingers at China".

Merkel responded that Germany was "very clear about promises made in 2001", adding that it was better to have "a situation in which anti-dumping tarriffs are not necessary," according to a translation of her remarks.

China posted a 2.4 percent year-on-year increase in steel exports in May, swelling the supply glut that has left industry in Europe and elsewhere in turmoil.

Beijing says reducing overcapacity and excess inventory and cutting borrowing are top priorities in its economic reform drive, with the ailing steel industry a key target.

But foreign governments say they have seen little movement towards implementing the promises.

The EU, the second-biggest steel producer, has launched a dumping probe into Chinese steel. Angry manufacturers urge it to copy the US in introducing tough tariffs.

The trip is Merkel's ninth to China as chancellor and comes as Chinese appliance giant Midea tries to increase its stake in German robotics firm Kuka from 13.5 percent to more than 30 percent.

Kuka describes itself as one of the world's leading manufacturers of industrial robots and automated systems for manufacturing.

Berlin last week denied reports it was blocking what has been described as a Chinese takeover bid for the firm. "We are looking into a solution which can satisfy both sides," Merkel told reporters in Beijing, adding: "There will be a good solution."

In remarks Sunday the chancellor sought to reassure Chinese investors that Germany was open for business.

Her country has invested around 60 billion euros ($68 billion) in China, she said, adding that "what we have is reciprocity". "Of course, Chinese companies will come to the German market too."

Merkel also took the opportunity of her meeting with Li to prod her hosts on the sensitive issue of disputed claims in the South China Sea.

Beijing has stirred regional opposition by rapidly building artificial islands capable of hosting military hardware, despite partial counter-claims by several Southeast Asian states. It opposes attempts to solve the dispute through international bodies, insisting that all talks be bilateral.

In rare direct comments on the dispute, Merkel said that "a variety of mechanisms, including multilateral ones, should be used to avoid new tensions emerging".

New DMD for National Bank

STAR BUSINESS DESK

Md Farid Uddin Ahmed, manager of Dilkusha branch of National Bank, has recently been promoted as the deputy managing director of the bank.

Prior to the promotion, he was the senior executive vice president of the bank, the bank said in a statement yesterday. He started his career at National Bank as a probationary officer in April 1984 after completing M.Com in accounting from Dhaka University.

Mercantile Bank elects new vice chairmen

Md Anwarul Haque

AKM Shaheed Reza

STAR BUSINESS DESK

Mercantile Bank has recently elected Md Anwarul Haque and AKM Shaheed Reza as its new vice chairmen, the bank said in a statement yesterday.

A civil engineer, Haque is the managing director of Living Plus Ltd, a sponsor shareholder of Premier Leasing and Finance Ltd and a director of Holiday Travels Ltd.

He is also the chairman of Premier Leasing Securities Ltd and Mercantile Bank Securities Ltd, according to the statement. Reza is the chairman of Reza Group, a vice chairman of National Rating Ltd, a credit rating company.

He is also a director of The Daily Observer, an English daily, and the owner of Bangla Radio FM 95.20. He has also served Mercantile Bank as the chairman of the executive and audit committee.

Reza has also served Mercantile Bank Securities Ltd as vice chairman and Global Insurance Ltd as chairman

STANDARD BANK

Md Nazmus Salehin, managing director of Standard Bank, and Momluk Sabir Ahmed, managing director of Computer Services Ltd, sign a deal to set up state- of- the-art data centre and disaster recovery centre at the bank's head office.

China auto sales increase in May

AFP, *Beijing*

Car sales in China, the world's top auto market, increased at a faster pace in May than the previous month, an industry group reported Monday, despite continued woes in the country's economy.

A total of 2.09 million vehicles were sold in China last month, up 9.8 percent from a year ago, the China Association of Automobile Manufacturers (CAAM) said in a statement.

The numbers were an increase on the 6.3 percent gain posted in April.

The pickup came despite protracted weakness in the world's second-largest economy, where growth slowed to 6.7 percent in the January-March period, the worst quarterly expansion in seven years.

Key economic indicators further deteriorated in May, with official figures released this week showing the increase in fixed-asset investment, a main gauge of infrastructure spending, has slowed to its weakest pace in 16 years.

Airbus says Brexit could hurt UK investment

AFP, *London*

Airbus said on Monday that a vote for Brexit could harm its future investment in Britain where the European aerospace giant employs 15,000 people.

In an interview with AFP, Airbus Group UK chief Paul Kahn said the company can invest anywhere in the world so long as it remains globally competitive.

"If the regulatory environment changes, if the economic environment changes, then those future investment decisions could change, and that's what being put at risk by a vote to leave," he said.

British voters go to the polls on June 23 to decide whether to leave the European Union.

"We very much hope the UK will remain in the EU," Kahn said, adding however that "that's a choice for the British people".

Airbus builds aircraft ranging from under 100 to over 600 seats and employs more than 55,000 people worldwide.

The company produces wings for its entire global fleet in Britain, where it also builds satellites and helicopters.

"It's very much an integrated operation where all different parts of the Airbus Group are working together to create a globally competitive product," Kahn said.

While Airbus is sanguine on the short-term impact of any Brexit, the impact could be felt further down the line, he said.

"The issue is future investments: the next time, when we have to increase automation, increase investments, increase productivity, does that investment go to our British operations or somewhere else?" he asked.

"If that investment goes somewhere else, then the jobs and the benefits of that investment go elsewhere as well."

Kahn said the single European market has benefitted Airbus's integrated production structure, and fostered cultural diversity, including by allowing British staff to work in other countries.

"We make use of the benefits of the single market all the time in our day-to-day life," he said.

Cheap gas, coal won't hobble renewables: energy report

AFP, *Paris*

Weak coal and gas prices will not stop record investment in renewables over the coming decades as the cost of generating clean energy drops, a key energy report said Monday.

Renewables are set to attract $7.8 trillion (6.9 trillion euros) by 2040, nearly four times as much as carbon-based power over the same period, the New Energy Outlook 2016 forecast said.

The impact of cheap gas and coal will be offset, it projected, by drops of 41 and 60 percent, respectively, in the price of power from wind and solar panels.

Compared to a year ago, the report projects "significantly lower" coal and gas prices, said Jon Moore, chief executive of Bloomberg New Energy Finance, the research unit which conducted the study.

"But, strikingly, (the report) still shows rapid transition towards clean power."

The shift, however, to a low-carbon energy sector will not happen quickly enough to keep global warming below two degrees Celsius (3.6 degrees Fahrenheit), much less the more ambitious goal embraced by the world's nations last December, the analysts warned.

The Paris Agreement calls for capping Earth's average surface temperature at "well below" 2.0C to stave off severe climate impacts.

To achieve even the two-degree target, additional investment of $5.3 trillion in zero-carbon power -- on top of the projected $7.8 trillion -- would be needed by 2040, the report concludes. The energy sector accounts for two-thirds of the greenhouse gas emissions that drive global warming.

Currently, 80 percent of global energy consumption is drawn from fossil fuels.

From a climate change perspective, the annual report is a "good news/bad news" compendium of energy trends.

The encouraging surge in renewables -- which today account for only a small slice of energy consumed -- is balanced by the fact that fossil fuel power will still pull in more than $2.1 trillion (1.9 trillion euros) in investments by 2040, mainly in emerging economies.

China's slowing economy and retreat from coal means that CO2 emissions from the world's top carbon polluter may peak as early as 2025, five years earlier than Beijing promised. At the same time, however, energy demands in India -- which, despite a big push towards solar, continues to rely heavily on dirty coal -- are forecast to nearly quadruple in the next quarter century.

"That makes India the key to the future global emissions trend," the authors said in a statement.

In Europe, renewables will dominate, generating 70 percent of the continent's power by 2040, up from 32 percent in 2015. In the US, the share of wind, solar, hydro and other zero-carbon energy sources will jump from 14 percent last year to 44 percent in 2040.

At the same time, natural gas' slice of the energy pie will slip from 33 to 31 percent, despite a boom in fracking.

A surge in electric cars will add some eight percent to global electricity demand, the report forecast.

By 2040, 35 percent of light-duty vehicles sold in the world will be electric, some 41 million cars in all.

Bill Gates: Chickens, not computers, can solve poverty

AFP, *Washington*

Want to end extreme poverty? Technology hyper-billionaire Bill Gates says the answer is chickens. And that's not the name of new Microsoft software.

Gates, the founder of the world's largest software company, says the best thing to improve the lives of the world's poorest is not computers or the Internet but raising a few roosters and hens.

"It's pretty clear to me that just about anyone who's living in extreme poverty is better off if they have chickens," he said this week on his website GatesNotes.com.

The world's richest person, who made his $75 billion fortune pushing for a Microsoft computer in every home, said his Bill & Melinda Gates Foundation has just partnered with the global development group Heifer International to donate some 100,000 chickens to families in sub-Saharan Africa living on less than $2 a day.

The goal, he said, is to get 30 percent of the rural families in the region to raise improved breeds of vaccinated chickens, compared with the current five percent.

The return is better than other solutions, he said: Chickens cost little to take care of, they mulitiply fast and eggs and chicken meat can boost family nutrition. They also empower women, he said.

"Because chickens are small and typically stay close to home, many cultures regard them as a woman's animal, in contrast to larger livestock like goats or cows. Women who sell chickens are likely to reinvest the profits in their families."

Fitch cuts outlook on Japan over sales-tax delay

AFP, *Tokyo*

Fitch on Monday cut its outlook for Japan, citing Tokyo's decision to postpone a sales tax hike seen as critical to paying down one of the world's biggest national debts.

The company said it was changing its view to negative from stable but left Japan's "A" credit rating unchanged, after downgrading the heavily indebted country last year.

Delaying the tax rise undermined Japan's commitment to paying a debt mountain that has grown to more than twice the size of an economy, Fitch said.

"The outlook revision primarily reflects Fitch's decreased confidence in the Japanese authorities' commitment to fiscal consolidation," it said Monday.

"The consumption tax increase was an important element in the government's" budget plans.

Fitch also said Tokyo had not supplied details about how it would make up for revenue lost by not boosting the tax rate to 10 percent from the current eight percent.

However, the agency noted that stable, wealthy Japan still had plenty of funding options.

Much of the country's debt is held domestically at low interest rates which have allowed the country to avoid a Greek-style cash crunch.

But a loss of confidence in Tokyo's ability to pay its debts could send interest rates soaring and increase the risk of a bankruptcy.

CHEVRON BANGLADESH

Officials of Chevron Bangladesh attend a ceremony at Rajuk Gulshan Central Park in the capital yesterday when the company started a tree plantation programme to celebrate World Environment Day.

From troubled Pirojpur youth to an adept IT businessman

FROM PAGE B1

Nazmul Hasan, customer relations officer of Brac Bank, echoed Parimal. He said: "Ferdous maintains good terms with us. Sometimes in my free time I go to his shop and I saw that he tries his best to serve the customers, always calmly."

His shop, New Chips and Bytes in Pirojpur's Hatem Ali market, sells both wholesale and retail IT equipment. He has become the local distributor for two companies. With monthly turnover of about Tk 20 lakh, his business serves around 80 percent of local government offices and most NGOs. He employs 11 people.

Central to his business strategy has been customer satisfaction. "I have been with Ferdous from the beginning and I'm really pleased with him," says wholesale buyer Masud Gazi from Mathbaria upazila in the same district. "He always gives us his best service," says Paritosh Mondal, owner of a computer shop in the district town. "I am happy with his business policy and I only deal with him."

Yet Ferdous says that a focused business mind is the root of his success. "I am always developing business strategy," he says. "When I go to sleep I think of my business. I believe in aiming high. I want to reach the top position in my business, and I want to create jobs for others as well."

Always forward-looking, this year Ferdous established a computer training centre approved by the Bangladesh Technical Education Board. "My next goal is to set up branches in all of the seven upazilas in Pirojpur," he says.

IDLC gets asset management licence

FROM PAGE B1

Besides institutional fund management, IDLC AML also aims to create avenues for alternative investments through private equity and venture capital, the web posting read.

IDLC Finance, which was listed on the stockmarket in 1992, also has two other subsidiaries -- IDLC Securities and IDLC Investments -- to carry out stock brokerage and merchant banking activities.

On the Dhaka Stock Exchange yesterday, each IDLC share traded between Tk 53.4 and Tk 44.7 before closing at Tk 53.9. Sponsors hold a 59.66 percent stake in the company, institutions 19.39 percent, foreign investors 3.44 percent and general public the remaining 17.51 percent, according to DSE data.