

China tycoon moves jobs to US, citing high taxes at home

AFP, Shanghai

A Chinese auto glass tycoon has caused a stir by shifting part of his empire to the United States and setting up a factory in Ohio, citing high taxes and soaring labour costs at home.

Cao Dewang's \$600-million investment comes after Donald Trump threatened to declare Beijing a currency manipulator and slap 45 percent punitive tariffs on Chinese imports to protect American jobs.

The 70-year-old tycoon's decision to open a glass factory in the eastern American state of Ohio in October -- a rare case of jobs being exported from China to the US -- triggered an outpouring of criticism on social media.

The phrase "Cao Dewang has escaped" became a hot topic, generating nearly 10 million views on the Twitter-like Weibo microblog and many comments urging China to "not let Cao Dewang run away".

Cao's Fuyao Glass Industry Group -- a supplier to big names including Volkswagen and General Motors -- claims to be the biggest exporter of auto glass in the world, reporting 2.6 billion yuan (\$370 million) profits last year.

Cao defended himself in an interview with the Beijing News Wednesday, saying he "did not run and will not run. The centre of my business is in China because I'm Chinese".

"I'm a business man and I'm doing business in the US," he said. "I'm merely reminding the government" that taxes and labour costs are too high.

In an interview with the state-owned China Business News last week, Cao said the country was home to the "world's highest taxes" and that the manufacturing industry suffered under taxes 35 percent higher than those imposed by the US.

Cao is a high-school dropout who began building his fortune as a salesman for a local glassmaker.

The Fuyao group owns production lines in nearly a dozen Chinese cities including the capital Beijing and the commercial hub Shanghai. It also has a factory in Russia, according to its website.

Defending Cao's remarks, the Communist Party mouthpiece the People's Daily said Thursday that the fact that "entrepreneurs dare to raise problems means (they) still hold confidence in China's economy".

Brazil poised to leave recession in 2017: minister

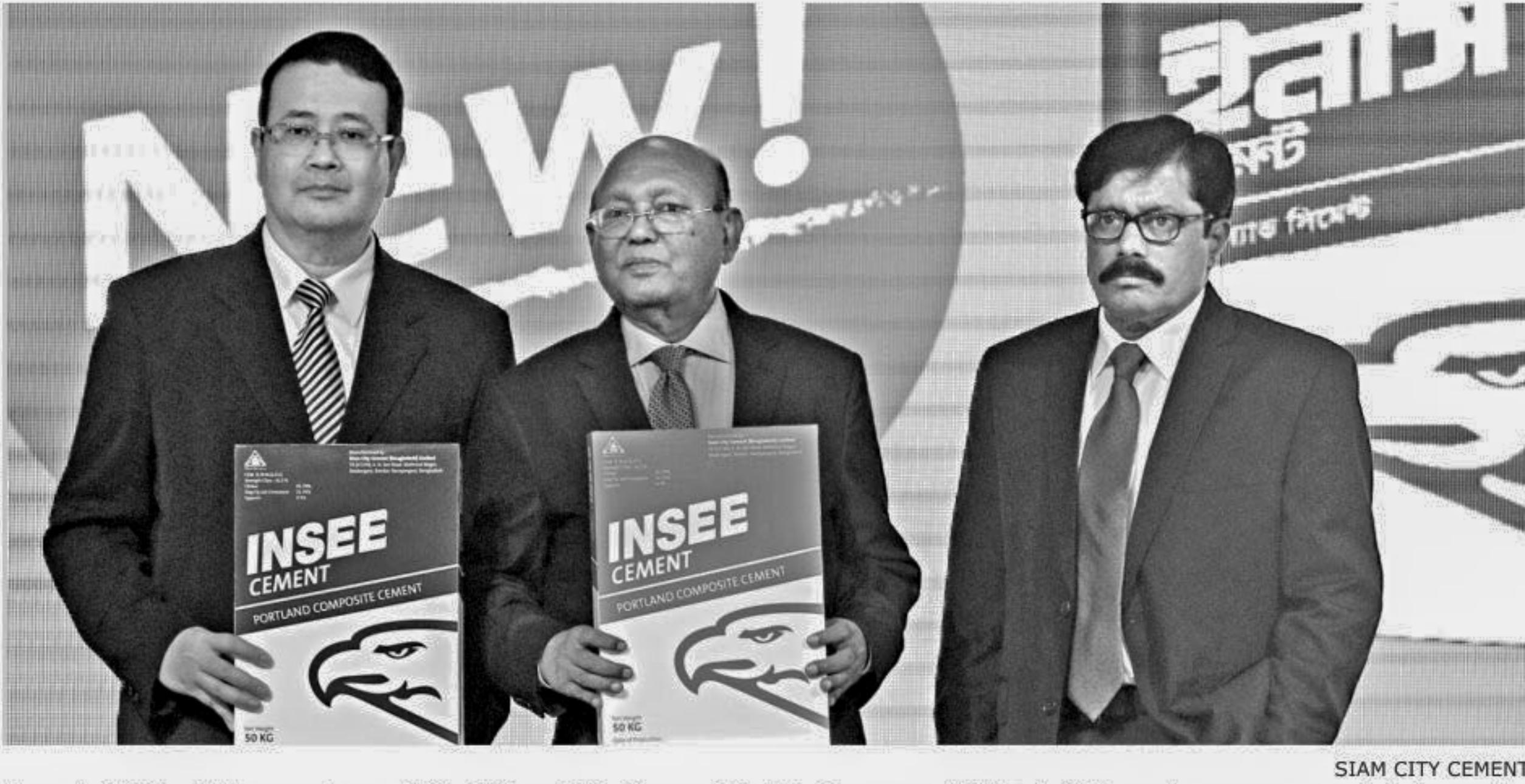
AFP, Brasilia

Brazil is set to exit its recession next year with weak growth and is laying the groundwork for a return to long-term stability, Finance Minister Henrique Meirelles said Wednesday.

Meirelles was cautious about predicting exactly when growth would return, following two years of shrinking GDP.

"There are possibilities but also uncertainties that GDP will be positive in the first quarter of 2017. But we are not counting on it," he told a press conference.

Over the year, Brazil can expect one percent growth, according to the government. Market estimates, however, point to an even more meager 0.58 percent rise.



From left, Siva Mahasandana, CEO of Siam City Cement Public Company Ltd; Tofail Ahmed, commerce minister, and PN Iyer, CEO of Siam City Cement (Bangladesh) Ltd, pose at the launch of INSEE cement, a brand of Siam City Cement (Bangladesh), at Radisson Blu Dhaka Water Garden Hotel yesterday.

SIAM CITY CEMENT

WTO rules largely in favour of Taiwan in steel row with Canada

REUTERS, Geneva/ottawa

A dispute panel of the World Trade Organization (WTO) largely ruled in favour of Taiwan on Wednesday on its complaint over anti-dumping duties imposed by Canada on some of its steel goods.

The ruling, related to certain carbon steel welded pipes and certain provisions of Canada's underlying legislation, found that Canada had contravened the WTO's Anti-Dumping Agreement but that Taiwan had failed to establish some points.

Canada slapped duties on some imports of carbon steel welded pipes from Taiwan in 2012 and Taiwan brought the complaint to the WTO in Jan 2015. The annual value of Taiwan's exports of carbon steel welded pipes to Canada dropped from around \$19 million before the anti-dumping duties were imposed to around \$5 million, Taiwan officials said at the time of the filing.

A spokesman for Canadian Trade Minister Chrystia Freeland said Canada will review the decision before deciding whether to appeal. Both sides have 60 days

to decide whether to appeal any of the panel's findings.

"Canada takes its WTO trade obligations seriously and is also committed to maintaining a strong trade remedy system," spokesman Alex Lawrence said in an email.

The panel found that Canada acted inconsistently with certain obligations under the WTO and recommended that Canada bring its measures into conformity.

Taiwanese trade officials said that while they welcomed the ruling on Thursday, they also expect Canada will appeal the decision.

"In our filing, we requested the Canadian government to amend its laws," said Jack Hsiao, an official in the trade negotiation office of Taiwan's cabinet.

Hsiao added that Canadian regulations regarding dumping investigations were problematic and if their appeal were rejected Canada would need to revise its rules.

Joseph Galimberti, president of the Canadian Steel Producers Association, said the group is "disappointed but not surprised" by the ruling.

ADB approves \$500m loan to help Azerbaijan amid low oil price

REUTERS, Baku

The Asian Development Bank (ADB) said on Thursday it had approved a \$500 million loan to help Azerbaijan tackle economic and social problems, mitigating the adverse impact of a decline in oil prices.

The slide in the price of oil, which with gas accounts for about 75 percent of state revenues, hit growth, the budget, the balance of payments, and foreign exchange reserves.

"ADB's countercyclical support is critical for Azerbaijan's economy now and will help promote sustainable development and inclusive growth over the longer term," said Sean O'Sullivan, the ADB's Central and West Asia Department's director general.



Md Nojib Rahman, chairman of the National Board of Revenue, and Syed Waseque Md Ali, managing director of First Security Islami Bank, attend the opening of the bank's Chhatak branch in Sunamganj on December 21.

Construction, tourism fuel strong New Zealand growth

AFP, Wellington

New Zealand's economy exceeded expectations to grow 1.1 percent in the September quarter on the back of booming construction and record tourist numbers, official data showed Thursday.

The strong performance from July to September topped market forecasts of 0.9 percent and took annual economic growth to 3.0 percent.

Statistics New Zealand said 13 of the 16 industries used to gauge gross domestic product were positive, pointing to a broad-based expansion in economic activity.

The standout sectors were construction, up 2.1 percent, and transport, which surged 3.7 percent over the quarter.

"It is clear that the economy is still benefiting from the combination of high net

migration, strong tourism flows and low interest rates," Capital Economics analyst Paul Dales said.

The strong economic activity was likely to spur New Zealand's stubbornly low inflation rate, easing pressure on the central bank to further cut interest rates from a record low of 1.75 percent, he added.

New Zealand recorded a record 3.45 million international visitors in the year to November 30, while net migration over the same period was an all-time high of 70,400.

Finance Minister Steven Joyce said it was a welcome boost for the economy as the rural sector, once New Zealand's biggest export, struggled.

"It's hard to overstate the importance of key service sector exports like tourism and education in New Zealand's economic success in recent years," he said.

Dubai's 2017 budget foresees \$681m deficit

AFP, Dubai

The Dubai government in the United Arab Emirates on Wednesday announced its 2017 budget foreseeing a deficit of 2.5 billion dirhams (\$681 million, 652 million euros) and 3 percent expenditure increase.

The city state, which has established itself as a regional business centre and tourism destination, is predicting its first deficit after two years of balanced budgets (2015 and 2016) since the financial crisis of 2009.

That year, the emirate rocked world financial centres by calling for a moratorium on the equivalent of 23.7 billion euros in debt of its Dubai World group.

The 2017 budget includes expenditure of 47.3 billion dirhams (12.3 billion euros) and a deficit of 2.5 billion dirhams or "0.6% of the GDP of the emirate", a statement said.

Dubai, one of seven emirates in the UAE federation, has the most diversified economy in the Gulf, and is not dependent on oil revenues.

Salaries will account for 33 percent of expenditure next year, while spending on infrastructure projects is expected to rise by 27 percent compared with 2016 -- 17 percent of the overall budget.

"The deficit resulted from the reclassification of the budget and the 27 percent increase in infrastructure expenditure," Wednesday's official statement said.

The economy of Dubai, where the population of 2.5 million people is comprised mainly of foreigners, is focused on the finance, property, tourism and leisure sectors.

The emirate will also host Expo 2020.



MA Sabur, chairman of United Commercial Bank; Muhammed Ali, managing director; Showkat Aziz Russell, chairman of the bank's executive committee, and Mahtab Uddin Ahmed, CEO of Robi Axiata, attend a deal signing ceremony at the corporate office of the bank in Dhaka on December 20. The bank's credit cardholders will enjoy special roaming packages from the mobile operator.

Real estate fair pulls in crowds

FROM PAGE B1

Apart from housing projects, developers are also showcasing various civic facilities, such as educational institutions, community centres, gymnasium and mosques.

Among the participants, Navana Real Estate has undertaken four projects in the capital's sprawling Mirpur area, keeping in mind the need and purchasing capacity of the middle-income buyers. Of the four projects, three projects -- Navana City Dale, Urban Dale and Spring Dale -- are located in Mirpur-15. There will be 1,500 flats in the projects with sizes ranging between 1,300 and 2,048 square feet.

Building Technology and Ideas Ltd, another developer, has undertaken two projects in Uttara, with the size of the

apartments ranging between 935 and 1,249 square feet.

Rakeen Development is developing a city on 50 bighas of land in Mirpur-14. The housing project will have some 1,950 flats ranging between 1,553 and 1,872 square feet.

Riding on recent political stability and price corrections, Bangladesh's real estate sector may make a comeback this year, after three years of bad luck.

Since 2012, the once-burgeoning real estate sector has been in difficult times due to the intermittent political instability, squeezed bank loans, a bearish stockmarket, and a lack of adequate gas and electricity supplies.

The fair will continue until December 25.



Food Minister Md Qamrul Islam opens the 103rd branch of AB Bank at Kamrangirchar in Dhaka on December 21. President and Managing Director of the bank Shamim Ahmed Chaudhury was also present.

US returns Alibaba website to counterfeits blacklist

APP, Washington

The United States on Wednesday put a division of the Chinese e-commerce giant Alibaba back on a blacklist of "notorious markets" known for selling counterfeit goods and violating intellectual property rights.

The office of the United States Trade Representative (USTR), which removed Alibaba from its annual list four years ago, included the company's online platform Taobao in its latest release, saying it is not doing enough to curb sales of fake and pirated goods.

"The Taobao.com e-commerce platform is an important concern due to the large volume of allegedly counterfeit and pirated goods available and the challenges right holders experience in removing and preventing illicit sales and offers of such goods," the agency said.

Although inclusion on the blacklist carries no penalties, it deals a blow to Alibaba's reputation after the company has struggled to improve its image and boost international sales.

China's largest online retailer said it is "disappointed" by the decision, saying it has improved policing of the goods for sale on its platforms.

The emirate will also host Expo 2020.

President-elect Donald Trump has repeatedly accused China of stealing intellectual property, part of what he calls the country's economic war against the United States.

Alibaba and its Taobao site have long been accused of providing a platform for the sale of counterfeit goods.

Second submarine cable delayed for inland link

FROM PAGE B1

Telecom Division Secretary Md Faizur Rahman Chowdhury, who is also the chairman of the board at both BSCCL and BTCL, said the initial work in establishing connectivity from the landing station to other parts of the country was a "mess". "We are sorry for that and we expect this link to be established soon," Chowdhury said yesterday.

Bangladesh got its first submarine cable connection -- SEA-ME-WE-4 -- in 2006.

Abul Kasem Khan, new president of Dhaka Chamber

FROM PAGE B1

Senior Vice President Kamrul Islam is the chairman of Mashnoos Ltd and partner of Islam Aftab Kamrul and Co Chartered Accountants.

He completed his masters in accounting from Dhaka University. He is the fellow member of the Institute of Chartered Accountants of Bangladesh and the Institute of Chartered Secretaries of Bangladesh.