US to lift 20-year trade embargo against Sudan

REUTERS, *Washington*

The Obama administration took steps on Friday to lift a 20-year-old trade embargo against Sudan, unfreeze assets and remove financial sanctions in what the White House said was a response to the African nation's cooperation in fighting Islamic State and other groups, angering human rights organizations.

The move in the last days of the Obama administration will however will be delayed by 180 days to see whether Sudan acts further to improve its human rights record, and resolve political and military conflicts, including in Darfur.

That leaves the final decision of sanctions relief, after the review period, to President-elect Donald Trump and his secretary of state, who is likely to be Rex Tillerson, a former oil executive.

"Sudan has long expressed a desire to get out from under sanctions, as well as other restrictions that the United States has imposed on Sudan going back 20 years," a senior administration official said.

"Over the past two years we have looked for a way to engage with Sudan in a way we could overcome some of the lack of trust of the past," the official said on a conference call with reporters, adding that talks with Khartoum had intensified over the past six months.

Trump's transition team had been briefed on the move, the official said, adding that the measures do not affect Sudan's label as a state sponsor of terrorism nor does it impact sanctions tied to Khartoum's role in the Darfur conflict.

The sanctions relief is expected to impact businesses that deal with agriculture, import-export services, transportation, technology and medical equipment, and oil, the official said.

Sudan's foreign ministry welcomed the move, calling it an "important positive development in bilateral relations between Sudan and the United States."

The ministry said it hoped further cooperation would allow Sudan to be removed from the US list of states sponsoring terrorism.

The United States first imposed sanctions on Sudan in 1997, including a trade embargo and blocking the government's assets, for human rights violations and terrorism concerns. It layered on more sanctions in 2006 for what it said was complicity in the violence in Darfur.

In a letter to Congress, US President Barack Obama said "actions of the government of Sudan has been altered by Sudan's positive actions over the past six months."

UCB

Chairman of United Commercial Bank MA Sabur and Managing Director Muhammed Ali attend the bank's annual business conference 2017, at the Palace Luxury Resort in Habiganj on January 13.

Governments grapple with globalisation backlash

AFP, *Paris*

Governments stung by the political backlash from disgruntled voters left worse off by three decades of globalisation are now scrambling for solutions, but there is no easy fix and the populist remedies on offer risk making things even worse, analysts say.

Globalisation has been a boon for many, but western elites should have addressed its inequalities much earlier instead of sweeping them under the rug. "Rich countries have too often forgotten those who lost out, the workers threatened by imports from low-cost countries," Radu Vranceanu, a professor at the French Essec business school, told AFP.

More than 20 years ago the man behind the annual Davos forum, Klaus Schwab, warned of a "mounting backlash" which could threaten economic activity and social stability.

"You have to listen to the people who have entrusted you with leadership," the founder of the World Economic Forum wrote in the New York Times. "But in the end, it's not enough just to listen. You have to solve the issues. You have to address... the root causes."

Two decades on, the chickens have come home to roost: Britain's shock vote to leave the European Union and Donald Trump's US election victory are seen as a cry of protest by voters who feel they are getting poorer while the rich get richer.

The issues of growing income inequality and what to do about it are likely to dominate discussion when political and business elites gather in Davos next week.

"The share of wealth taken by the highest income brackets has risen in almost all countries over the past decade, both in developed and in developing countries" said French economist Thomas Piketty, a best-selling writer on modern capitalism and inequality who also runs a wealth database.

Even the International Monetary Fund (IMF), a champion of free trade, recently acknowledged that "international trade can deepen inequality in developing countries".

But some observers say often-heard calls for "fairer globalisation" have done little to change reality. "This talk today seems bland and naive," Xavier Timbeau, director of French economic think tank OFCE, told AFP.

Still reeling from sudden changes in the political landscape, elites are seeking a response to the anti-establishment voter backlash, but no consensus has emerged.

Even before taking office, Trump threatened protectionist measures against Chinese and Mexican imports and claimed credit when automaker Ford and others dropped plans for new investment in Mexico.

European governments are also scratching their heads. Two junior ministers in the French government, Christophe Sirugue and Matthias Fekl, have come up with an idea for a "Buy European Act" and a "Made in Europe" label.

Such initiatives can be seen as forms of mild isolationism, but OFCE's Timbeau suspects there may be a new form of economic selfishness at work.

"We are entering a stage in which there is no more goodwill in developed countries towards developing countries. On the contrary, everybody is defending their own interests against the others," he said. "Everybody is looking out for number one." Apart from being perceived as unfriendly, such strategies may also be counterproductive, warned Vranceanu, at Essec.

"Trump's protectionist threats could diminish the American economy's capacity to develop. They run counter to his promise as a candidate to give the US a strong growth push," he said.

There are more productive ways to level the playing field, such as taxes on products from countries which don't respect climate agreements or which use "social dumping" to keep prices low, said Thomas Guenole, a political scientist and author of a book called "Unhappy globalisation".

"If such taxes are high enough, they will restore the local economy to competitiveness" and put the brakes on offshore production, he told AFP, perhaps even encourage a return, so called "re-shoring".

Whatever cure is attempted, 2015 Nobel prize winner Angus Deaton warned in a recent article, governments must ensure it's not worse than the disease.

"We cannot ignore those who are hurting, but we need to ensure that our 'fixes' don't make the problem worse," he wrote.

Monopoly suit against Apple's App Store gets new life

AFP, *San Francisco*

A US appeals court on Thursday revived a civil suit accusing Apple of creating a monopoly by making its App Store the only place to buy iPhone applications.

The suit, initially filed in late 2011, seeks hundreds of millions of dollars in damages based on the reasoning that the lack of competition pushed app prices higher.

An appellate court panel in San Francisco reversed a lower court judge's decision to derail the suit on the grounds iPhone owners were doing business with app creators and not Apple at the online shop.

"The panel reversed the dismissal for lack of statutory standing of an antitrust complaint alleging that Apple, Inc., monopolized and attempted to monopolize the market for iPhone apps," the US Court of Appeals for the Ninth Circuit said in a written ruling.

"The panel held that the plaintiffs were direct purchasers of iPhone apps from Apple, rather than the app developers, and therefore had standing to sue."

The ruling gave a green light for the suit to resume, paving the way for a potential big-money payout or even an open market for apps for Apple devices.

Apple launched the iPhone in 2007, creating a walled garden into which only applications approved by the California-based company were permitted.

DHAKA BANK

Reshadur Rahman, chairman of Dhaka Bank, and Syed Mahbubur Rahman, managing director, attend the bank's annual managers' conference for 2017, at Pan Pacific Sonargaon hotel in Dhaka yesterday.

Tata Steel in talks to cut its UK pension scheme benefits

REUTERS

Tata Steel is in talks with stakeholders to cut its UK pension benefits and end its liability for the scheme, according to a statement from the trustees of its British Steel Pension Scheme (BSPS).

Tata Steel, the UK's largest steelmaker, is currently in talks to merge its European assets with Germany's Thyssenkrupp but the success of those talks hinges on Tata being able to separate itself from its pension scheme.

The 15 billion pound ($18.2 billion) scheme, which Tata inherited in 2007 when it bought Corus, formerly state-owned British Steel, is one of the largest defined benefit, or final salary, UK pension schemes.

Its deficit stood at 50 million pounds last October, though it stood at 700 million pounds earlier in the year and could easily balloon again, depending on market conditions. Given that position, the company is seeking a deal with the pensions regulator and other stakeholders to cut benefits for all members but keep them above levels that would be offered by the Pension Protection Fund (PPF) -- a lifeboat for failing schemes.

If a deal were struck, the idea would be for the scheme to be run by the trustees without the financial backing of Tata. "The Trustees hope and expect to be able to provide better benefits for members than PPF compensation. This could be done by transferring members and assets to a new scheme with modified benefits," the BSPS trustees said.

Tata Steel has meanwhile offered to invest in its British business and guarantee the jobs of its 11,000 UK employees if they vote in favour of closing the pension scheme to future accrual and moving on to a less generous scheme.

Davos an opportunity to encourage foreign investment: minister

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The newly elected UN Secretary General Antonio Guterres would also attend the meeting. The foreign minister and state minister for ICT Junaid Ahmed Palak would be among the PM's entourage.

Meanwhile, in reply to a question about the planned visit of Hasina to India, the foreign minister said a new date for her India visit has not yet been finalised.

Terming the visit "an important and sensitive" one, he asked all to wait as they would make the official announcement at an appropriate time.

However, the foreign ministry officials indicated that the visit will likely take place in the first half of February. State Minister for Foreign Affairs Md Shahriar Alam was also present.

Anger as Mexicans fear higher food prices to follow gasoline hike

REUTERS, *Mexico City*

Mexicans who already feel the pinch from a gasoline price hike share economists fears it will now drive up the cost of food and other basics, adding to the unpopularity of the government ahead of elections this year and next.

Riots that broke out after a 14 percent increase in regular gas prices on Jan. 1 also reflected anger at President Enrique Pena Nieto over corruption, crime and the failure of reforms to improve living standards.

More increases in fuel prices are slated for February as the government phases out subsidies, but Pena Nieto vowed he would keep a lid on other consumer prices, and the central bank said any spike in inflation would be temporary.

In Mexico City's Granada market this week, few gave credence to such reassurances, a sign of the risk for the ruling Institutional Revolutionary Party in governor elections this year and the 2018 presidential vote.

"I don't believe the president at all," said housewife Fabiola Hernandez as she left a market with corn tortillas from a shop that had just raised prices by 1 Mexican peso ($0.05) following the gasoline hike.

The head of Mexico's tortilla association said prices for a kilo of the flat corn patties that are staple to the Mexican diet would rise by between 1 and 3 pesos this month above prices of 10 to 16 pesos per kilo last year, daily El Universal said.

"Really, I do not see a good outlook. People are really mad," Hernandez said. "I don't think there is going to be any benefit or that prices will remain the same, I think they are going to have to go up," she said.

A bigger jump in tortilla prices sparked protests in 2007.

Mobile wallet users in a sticky spot

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After learning about this limitation from the correspondent, Ali said it will only make matters difficult for him.

"Every day I have to send more than Tk 20,000 to my suppliers," said Nuruzzaman, a chicken trader in the same market.

A customer can withdraw over Tk 5,000 but for that he/she must show proper verification -- national identity card or its photocopy -- to the mobile banking agent beforehand.

Vendors at Karwan Bazar said they avoid carrying cash for fear of being mugged as they have to travel at night.

The new limit means they will only be able to deposit a partial amount in their mobile accounts and carry the rest in cash.

Rafiq Mozumder, proprietor of Mim Telecom in Mohammadpur, an agent of both bKash and Rocket, said he is yet to be informed about the new directive, but it will create problems for him.

Lowering the transaction limit also helps to increase over the counter volume, which is also a common problem for the MFS business, he said.

On the other hand, industry insiders said showing national ID cards to withdraw more than Tk 5,000 is not an effective solution to check the misuse of the service. Instead, it will bring complexities into the system and harassment for customers.

Moreover, it is not possible for an agent to detect a person with a fake ID while taking cash out from the mobile account.

When contacted, Kamal Quadir, chief executive officer of bKash, said they are assessing the impact of the latest directive on their business.

However, after the central bank's notice, Abul Kashem Shirin, managing director of Dutch-Bangla Bank, who is running the country's second largest MFS service, said this may create some problems for those who receive their salaries in their mobile wallets.

Garment workers are mostly given their salaries in their mobile banking accounts.

"They are used to withdraw a major part of their salaries on the first day but with this restriction it will not be possible."

Industry experts said it is easy to issue a directive but implementation is a totally different ball game, said an industry insider.

"The central bank does not have the weapon to monitor whether the MFS providers are implementing the directive or not."

There are about 3.96 crore registered mobile banking accounts and 1.52 crore of them are regularly in use, according to the BB.

Prague doesn't need euro coordinator: minister

AFP, *Prague*

The Czech Republic doesn't need a euro coordinator as it isn't preparing to join the eurozone, Finance Minister Andrej Babis said Friday.

The economist Oldrich Dedek who has served as "Mr. Euro" at the Czech finance ministry for the past 11 years will leave next month to join the board of the central bank, forcing the nation to once again confront its ambivalent attitude towards the EU and the single European currency.

"We don't need any coordinator, we are not preparing to join the euro," Babis, who is also deputy prime minister, told the Lidove Noviny daily.

He said the post should be cut definitively after elections later this year.

"We'll leave it to the next government," said Babis, who is in pole position to become the next prime minister as his centrist ANO movement is leading the polls for the October legislative elections.

The Czech Republic joined the EU in 2004, and as part of its accession took on the obligation to eventually adopt the euro after meeting economic criteria like a small budget deficit, low inflation, and low interest rates.