

# Rain brings smile to tea planters in Sylhet region



MINTU DESHWARA

A worker plucks tea leaves in Chandpur tea garden in Chunarughat upazila of Habiganj district yesterday.

MINTU DESHWARA, Moulvibazar

THE heavy rain on Thursday came as a boost for the tea gardens in Sylhet as the shower could help the owners avoid the fall in output caused normally by drought at this time of the year. "The rain has been very beneficial for us," said Iftekher Enam, manager of Chatlapur Tea Estate in Kulaura in Moulvibazar.

He said tea plants had started to dry as there had been no rain and irrigation was out of question because of huge cost involved. On Thursday, 62 mm (millimeter) rain was recorded in the region. The rain is particularly helpful for plants aged upto five years, said Enam.

The rain is likely to help prevent the losses caused by the lack of rain, said Atikur Rahman Atik, manager of Khadim Tea Estate in Sylhet.

Shamim Huda, manager of Chandpur tea garden in Chunarughat upazila of Habiganj, said although the situation has

improved it may take some more days to reap the benefit.

There are 131 tea gardens in Sylhet, which accounts for around 90 percent of 85 million kilogramme of tea produced in the country last year.

But nearly 95 percent tea gardens lack irrigation facilities, according to Mohammad Ali, director of Bangladesh Tea Research Institute (BTRI).

He said as the region is a hilly area, it is difficult for deep tube-wells to pump water. Water bodies, which are the main source for irrigation for tea gardens, do not hold water during the drought.

The drought period normally starts at the end of winter and continues until the rainy season starts. During this period, the wealthy tea garden owners have to use diesel-run motors to pump water and spray on tea plants.

But the rain will also help them save money, said the BTRI official.

Ali said red spider attacks have been reported in some areas. So, the rain will keep the spiders at bay.

# Volkswagen pleads guilty in US court in diesel emissions scandal

REUTERS, Detroit/Washington

VOLKSWAGEN AG pleaded guilty on Friday to fraud, obstruction of justice and falsifying statements as part of a \$4.3 billion settlement reached with the US Justice Department in January over the automaker's diesel emissions scandal.

It was the first time the company has pleaded guilty to criminal conduct in any court in the world, a company spokesman said, and comes as the automaker strives to put the most expensive ever auto industry scandal behind it.

The September 2015 disclosure that VW intentionally cheated on emissions tests for at least six years led to the ouster of its chief executive, damaged the company's reputation around the world and prompted massive bills.

In total, VW has agreed to spend up to \$25 billion in the United States to address claims from owners, environmental regulators, states and dealers and offered to buy back about 500,000 polluting US vehicles.

Volkswagen's general counsel Manfred Doess made the plea on its behalf after he said at a hearing in US District Court in Detroit that he was authorized by the company's board of directors to enter a guilty plea.

"Your honor, VW AG is pleading guilty to all three counts because it is guilty on all three counts," Doess told the court.

US District Judge Sean Cox accepted the company's guilty plea to conspiracy to commit fraud, obstruction and entry of goods by false statement charges and set an April 21 sentencing date, where he must decide whether to approve the terms of the plea agreement.

Investors in VW stock took the news in stride after the expected guilty plea, sending shares up slightly in Germany to close up 0.3 percent at 143.70 euros. VW has agreed to spend up to \$10 billion to buy back diesels that emit up to 40 times legally allowable pollution, along with at least \$5,100 per owner in additional compensation.

Cox said he was considering a motion made by a lawyer for some owners on whether to allow additional restitution for victims.

"This is a very, very, very serious crime. It is incumbent on me to make a considered decision," Cox said.

The Justice Department and VW have argued that the automaker has already agreed to significant restitution.

"Volkswagen deeply regrets the behavior that gave rise to the diesel crisis. The agree-

ments that we have reached with the US government reflect our determination to address misconduct that went against all of the values Volkswagen holds so dear," the company said in a statement. "Volkswagen today is not the same company it was 18 months ago."

Under the plea agreement, VW agreed to sweeping reforms, new audits and oversight by an independent monitor for three years after admitting to installing secret software in 580,000 US vehicles. The software enabled it to beat emissions tests over a six-year period and emit up to 40 times the legally allowable

Internal Revenue Service and some US states. New York Attorney General Eric Schneiderman told Reuters last month that there have been recent settlement talks, but didn't elaborate.

The German automaker halted sales of diesel vehicles in late 2015 and has said it has no plans to resume sales of new US diesels.

The Justice Department also charged seven current and former VW executives with crimes related to the scandal. One executive is in custody and awaiting trial and another pleaded guilty and agreed to cooperate. US



REUTERS/FILE

An American flag flies next to a Volkswagen car dealership in San Diego, California.

level of pollution.

An assistant US attorney, John Neal, told the court that the emissions scheme "was a well thought-out, planned offense that went to the top of the organization." He said VW could have faced \$17 billion to \$34 billion in fines under sentencing guidelines.

Volkswagen agreed to change the way it operates in the United States and other countries under the settlement. VW, the world's largest automaker by sales, in January agreed to pay \$4.3 billion in US civil and criminal fines.

The company still faces ongoing investigations stemming from the excess emissions by the US Securities and Exchange Commission,

prosecutors said in January that five of the seven are believed to be in Germany. They have not been arraigned.

German prosecutors also have an ongoing criminal probe into VW's excess diesel emissions.

VW Chairman Hans Dieter Poetsch said Monday the company expects to broaden disciplinary action beyond the two dozen employees it has already suspended.

As part of its US emission settlements, VW agreed to spend nearly \$3 billion to offset excess emissions and make \$2 billion in investments in zero emission vehicle infrastructure and awareness programs over a decade.

# German trade surplus rises alongside US tensions

AFP, Frankfurt Am Main

GERMANY'S trade surplus ticked upwards in January, official data showed Friday, as attacks from the Trump White House over the nation's export strength intensify.

Europe's largest economy exported 18.5 billion euros (\$19.6 billion) more than it imported, according to preliminary data adjusted for seasonal and calendar effects from federal statistics office Destatis.

Exports increased 2.7 percent over December's figure to 103.8 billion euros, while imports added 3.0 percent to reach 85.3 billion. In a year-on-year comparison, exports added 11.8 percent to January 2016's figure, slightly outpacing the 11.7-percent increase for imports.

Expanding surpluses for Germany are unlikely to calm rhetoric from the White House, which has promised to act on President Donald Trump's com-



REUTERS/FILE

Containerships at loading terminals are seen in the port of Hamburg.

plaints about seeing more German cars on American roads than American cars in Germany.

In 2016, the United States was Germany's biggest export customer, importing 107 billion euros of goods while selling back just 58 billion.

Destatis did not issue country-by-country figures Friday, but German exports to non-EU countries picked up at 17.7 percent year-on-year in January, far outpacing intra-EU trade, which added 8.0 percent. While the United States has long complained about

German trade surpluses, the rhetoric has been ratcheted up since Trump's inauguration.

Top White House trade advisor Peter Navarro targeted Germany and China in a speech Monday, promising action against "currency manipulation and other forms of trade cheating".

The new US administration has argued that the euro single currency gives Berlin an unfair advantage, making its exports cheaper than they would be if the nation had its own money.

But German leaders have rejected the allegations, saying the euro is managed by the European Central Bank in Frankfurt on behalf of all 19 member nations.

German Finance Minister Wolfgang Schaueble is set to meet US counterpart Steven Mnuchin for the first time next week, at a gathering of finance ministers and central bankers from the G20 group of industrialised and emerging economies in Baden-Baden, southwest Germany.

# US economy adds 235,000 new jobs in February



REUTERS/FILE

A fast food restaurant advertises for workers on its front window in Encinitas, California.

AFP, Washington

THE US economy had another strong month of job creation in February, the Labor Department reported Friday -- a result sure to boost already high expectations that the Fed will raise interest rates next week.

President Donald Trump's White House also seized on the news as a validation of its economic agenda, though much of this has yet to take shape.

Employers added a net 235,000 new positions last month, with the manufacturing, health care, mining and construction sectors all adding positions.

That was well above analyst forecasts and just shy of the 238,000 new positions added in January.

And in another sign that jobs markets are tightening, the already low unemployment rate fell a tenth of a point to 4.7 percent, leaving the unemployed population at 7.5 million.

That decline came even as the labor force participation rate rose to 63 percent, a level not surpassed in almost three years, meaning people who had been on the sidelines, perhaps discouraged from looking for a job, are rejoining the labor market.

With February's robust job creation and an upward revision to January's numbers, the world's largest economy has added an average of 209,000 new jobs over the last three months. Wall Street closed modestly higher after the news, following a downward trend for much of the week. The blue-chip Dow Jones Industrial Average rose 0.2 percent to 20,902.98. The Federal Reserve has sent strong

signals this month that it is likely to hike rates, absent a negative surprise in economic data.

Job creation, unemployment and inflation have all approached the central bank's targets in recent months.

Ian Shepherdson of Pantheon Macroeconomics said the latest jobs numbers virtually guaranteed this, "barring an asteroid strike on Washington."

Wages also accelerated in February, with average hourly earnings rising six cents, or 0.2 percent, to \$26.09, following January's five-cent increase -- another sign employers are having greater difficulty filling open positions. Average weekly earnings stood at \$897.50, up 2.5 percent over February of last year. Shepherdson and other economists also pointed to the unseasonably warm temperatures as a factor boosting jobs growth, including in the construction sector, which added 98,000 jobs over the last two months.

"We're pretty sure that both January and February payrolls enjoyed a weather boost," Shepherdson wrote in a client note. Shepherdson said current trends suggested the unemployment rate could hit 4.5 percent before June, when he expects the Fed to again raise rates.

In the goods-producing sector, payrolls rose by 95,000, the highest level since March of 2000. Manufacturing, which has trended steadily upwards since early 2010, added 28,000 new positions for the month. Employment in the retail sector fell by 26,000 jobs. Among major demographic groups, the unemployment rate fell for most but rose by 0.4 points among African Americans to 8.1 percent.

# Spanish GDP seen taking a hit from Brexit

AFP, Madrid

BRITAIN'S exit from the European Union will trim 0.2-0.4 percentage points off Spain's gross domestic product growth, according to a government report published Friday by daily newspaper El Pais.

Spain's top priority in Brexit talks will be to keep workers moving freely between both countries, the report, prepared by Madrid's representation to the EU, added.

Britain and Spain have strong trade and investment links and the report said the Spanish economy would "suffer negative consequences" from Brexit.

It said Spanish exports to Britain would fall by 464 million euros (\$490 million) per year under the best-case scenario which the report defined as

Madrid reaching a bilateral trade agreement with London after Brexit.

But the report said the fall in exports could reach as much as one billion euros per year, with the food and auto sectors especially hard-hit.

Brexit could cause Spain's economic output to fall by two and four billion euros per year, the equivalent of a fall of between 0.2 and 0.4 percentage points in its gross domestic product, it added.

Britain is the biggest destination for Spanish investment abroad and is Spain's main source of foreign visitors.

Spanish banks such as Santander play leading roles in British finance while Spanish service providers like Telefonica and construction firm FCC have significant holdings in the coun-

try. Santander generates 12 percent of its revenues in Britain and the country accounts for 30 percent of Telefonica's earnings, according to the report.

It said there are 102,498

Spanish nationals living in Britain and 391,000 Britons living in Spain, including 105,000 pensioners who cost Spain's public health system around 250 million euros per year.



REUTERS/FILE

Cranes are seen at a construction site in north Madrid, Spain.