

G20 may sidestep trade issue due to discord with US: Germany

REUTERS, Berlin

The protectionist stance of the new US administration could complicate G20 talks this week and force policymakers to leave out the disputed trade issue, German Finance Minister Wolfgang Schaeuble told Reuters in an interview.

Speaking ahead of the G20 gathering of finance ministers and central bankers in the German town of Baden-Baden on Friday and Saturday, Schaeuble said it was still unclear if the G20 would keep joint language supporting free trade and open markets.

"There are differing views on this subject," Schaeuble said, pointing to "America First" comments by US President Donald Trump and other senior US government officials.

"It's possible that we explicitly exclude the topic of trade in Baden-Baden and say that can only be resolved at the summit of the state and government leaders."

An early draft communique for the G20 meeting had suggested that the world's financial leaders might no longer explicitly reject

protectionism, breaking with a decade-old tradition.

"This is not the ideal solution, but it would not be such a big deal," Schaeuble said about the possibility that the G20 members might fail to reach an agreement on trade.

The final communique of Baden-Baden should send the message that international cooperation is still robust in times of growing geopolitical risks, Schaeuble said.

He said he believed the G20 would keep established language rejecting foreign exchange rate manipulation. "That's my expectation," Schaeuble said.

Schaeuble said he would ask his US counterpart Steven Mnuchin during talks in Berlin later on Thursday to explain any plans to overhaul the US tax code and favour exports over imports by introducing a border adjustment tax.

"I'll tell him the arguments that from my point of view speak against changing the tax system of the whole world," Schaeuble said. "I hope that we'll achieve sensible results."

Schaeuble also said that he did not expect

Washington to roll back all financial market regulations after Trump ordered reviews of major banking rules put in place after the global financial crisis.

"I'm not that pessimistic," Schaeuble said, adding that the United States had an interest in completing current negotiations of Basel III banking rules.

Reacting to repeated US criticism of Germany's large current account surplus, Schaeuble said that Germany's strong export performance was also a result of the European Central Bank's loose monetary policy.

"Unfortunately, I have to say, many who criticise the German surplus have not supported me in the matter of not relying increasingly on monetary policy to generate growth."

Schaeuble has repeatedly called for higher interest rates, urging governments to create the conditions for sustainable growth by implementing structural reforms.

The minister told Reuters that if the euro weakened further, it would probably help to push up inflation in the currency bloc.

Australia to invest billions in hydro plant to stem energy crisis

AFP, Sydney

fuelled concerns of a looming domestic energy shortage.

"The unprecedented expansion will help make renewables reliable, filling in holes caused by intermittent supply and generator outages," Turnbull said.

But Danny Price, a former energy adviser to Turnbull, said while the hydro technology was robust and viable, it would not fix current power woes.

"I would describe it as a thought bubble, it will be years before anything happens," he told the Australian Broadcasting Corporation. "This is not a quick fix, this is a much longer-term plan, people should not get carried away because... it's a complicated system (and) a long way off."

Turnbull on Sunday spoke to US technology star Elon Musk, the entrepreneur behind electric carmaker Tesla, after he offered to fix South Australia's power crisis with a battery farm.

Musk earlier said on Twitter he could to get the system installed and working in 100 days, or it would be supplied free.

The South Australian government on Tuesday unveiled a Aus\$550 million plan that included building a new gas-fired power plant and the country's largest battery to store energy from the wind and sun.



Maj Gen Hamidur Rahman Chowdhury, commandant of Bangladesh Ordnance Factory, inaugurates the Gazipur Cantonment branch of Trust Bank on March 15. Ishtiaque Ahmed Chowdhury, managing director and senior officials of the bank were also present at the opening of the lender's 110th branch.

Prepare for challenges in post-LDC era: analysts

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"As a whole, our analysis shows that Bangladesh will be able to strongly come out of the LDC category by 2024 -- it is a matter of pride."

But, there are challenges, he said, citing the end of preferential market access for Bangladesh's products and increased cost of foreign loans as examples.

At present, Bangladesh enjoys preferential access of varying degrees to markets of more than 40 countries.

The country's exports will face an additional 6.7 percent tariff once it graduates from the LDC status. Export may fall by 5.5 to 7.5 percent as a result of withdrawal of preferential access, he said.

"So, we have to adopt a strategy for smooth graduation during this period. And all, including government, private sector and civil society, have important roles in this respect."

Rahman suggested product and market diversification, and increasing regional cooperation for market access, particularly to India and China.

"Time has come for Bangladesh to selectively venture into bilateral and regional trade and investment agreements keeping the development of supply and value chains in the purview."

Rahman stressed the need for adequate preparation before final graduation.

"Because, once Bangladesh has graduated there is no going back," he added.

Bangladesh should take preparation so that it can negotiate to be part of various bilateral and regional agreements and reap benefits from that, said Wahiduddin Mahmud, a former adviser to the caretaker government.

Heavy dependence on apparel makes

Bangladesh's export prospect vulnerable.

"It is very narrow. The industrial base dependent on garments is also narrow," he said, while calling for strengthening production base and improving efficiency.

A comprehensive transition strategy should be taken, said Md Shahriar Alam, state minister for foreign affairs, adding that a countrywide assessment of the implications on the various sectors of the economy upon graduation and erosion of market access will be helpful.

However, the government will try to retain preferential market access beyond graduation and the foreign affairs ministry has already started working on it, he said.

The cost of doing business should be cut to encourage investment and business activities, said Kazi Anis Ahmed, director of Gemcon Group.

Excessive rent-seeking and bureaucratic obstructionism discourage investment and private sector growth.

"This has to be addressed," Ahmed said, adding that the cost of capital should be low and power and gas should be available.

The government is working on easing the bureaucratic red tapes, said Abu Kalam Azad, chief coordinator of Sustainable Development Goals Affairs.

"We have changed the red tape to white tape," he added.

The cost of land is a big concern for investors, said Shaiful Islam Mohiuddin, vice-president of the Federation of Bangladesh Chambers of Commerce and Industry.

Bank of Japan holds fire eyeing US economy, Brexit risk

AFP, Tokyo

Japan's central bank gave an upbeat assessment of the world's number three economy on Thursday, but it flagged risks including "developments" in the US and Chinese economies, as well as Britain's exit from the European Union.

The Bank of Japan held fire on fresh policy measures, as expected, following its latest meeting, a day after the US Federal Reserve hiked interest rates and underscored its confidence in the world's top economy.

BoJ policymakers pointed to a "steady recovery" in the economy, even as efforts to boost inflation remain well short of its two-percent target.

It has not made a significant move for the past four policy meetings.

"The central bank has little reason to do more now -- the economy is perking up, with a tight labour market stoking inflationary pressures and core consumer prices rising again," said Bloomberg Intelligence economist Yuki Masujima. Policymakers repeated previous concerns about developments overseas, worried about how US President Donald Trump's protectionist leanings will affect Japan's trade picture.

"Risks to the outlook include the following: developments in the US economy and the impact of its monetary policy on global financial markets," the BoJ said.

It also cited edginess about China's economy, which last year grew at its slowest pace in a quarter of a century, while Britain's exit from the EU could have implications for the huge trading bloc.

Later, bank chief Haruhiko Kuroda said the bank's monetary easing plan would remain in place for the time being -- dashed hopes that he might give clues about a timeline for pulling back on its huge asset-buying programme.

"Since we're still far off the two-percent price target, it's appropriate to press on with powerful monetary easing," he told a press conference.

Women lack access to financial services: study

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She suggested women to raise their voice for their rights and interests; the challenge of women empowerment in Bangladesh is to raise voices collectively.

There are many instances of women's success in Bangladesh because they overcame the barriers, she said.

Women's contribution in the formal sector is unrecognised and undervalued, said Jamie Terzi, country director of CARE Bangladesh.

"First, we should address the gender discrimination that limits women's potential and opportunities," she said.

It is time to give recognition to women's contribution in the informal and formal economic sectors, she added.

CARE Bangladesh honoured 10 women with crests and certificates to recognise their contribution to women empowerment, while the state minister handed those over.

At the conference, a mobile app on finan-

cial services was launched for the garment workers.

Humaira Aziz, director of Women and Girl's Empowerment Programme of CARE Bangladesh, said the mobile based learning app is designed to provide basic knowledge on financial literacy.

The app was designed based on a financial literacy module developed by CARE through a one year pilot phase of the financial inclusion project targeting apparel workers.

The Labour Force Survey (LFS) 2013 shows that the labour force participation rate for female is only around 33.5 percent. Gender differences in the status of employment were also evident in LFS, which showed that 56.3 percent of women were unpaid family workers compared to 7.1 percent for men.

There is a higher growth rate of women as unpaid family workers from the period 1999 to 2010, and a majority of women's economic participation was in the informal sector.

ERD issues guideline on limited tendering for China

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The direct procurement method can be followed for the projects that have been approved by the two governments or by the cabinet meeting, or the loan application had been sent to the Chinese embassy until November last year.

The Chinese government also proposed that if the contractors that have been selected by Beijing fail to ink deals within next two years from the appointment date,

Dhaka can go for the limited tendering process for those projects. During President Xi Jinping's Dhaka visit in October last year, Beijing gave primary consent to 28 projects for which it will provide soft financing.

The amount of the Chinese financing will be about \$25 billion, according to a primary estimate by the finance ministry.

Chinese contractors have to be mandatorily selected for projects that are financed by the country.



Afzalur Rahman Sinha, chairman of ACME Laboratories Ltd, and Mizanur Rahman Sinha, managing director, attend the pharmaceuticals company's annual sales and marketing conference at the International Convention City Bashundhara in Dhaka on March 14. Directors Rezaur Rahman Sinha, Tasnim Sinha, Tanveer Sinha, Fahim Sinha, and Sabrina Sinha were also present.

Fulfil govt job quota for indigenous people: ILO

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Bir Bahadur Ushwe Sing, state minister for the Chittagong hill tracts affairs; Naba Bikram Kishore Tripura, secretary of the Chittagong hill tracts affairs ministry; Kamal Abdul Naser Chowdhury, principal secretary of the Prime Minister's Office; Aktari Mamta, secretary of Bangladesh Public Service Commission; and Chowdhury Ashiqul Alam, member secretary of the National Coordination Committee for Workers' Education, were also present.

Curb import of solar panels to boost local industries

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He gave examples of developed countries that enforce strict laws to protect their local solar panel industries. India also has made it mandatory to use locally-made solar panels, he added.

Masud urged the central bank to come forward and inspire the local solar panel manufacturers by providing long-term loans at low interest rates.

SMMAB Senior Vice President Moshirul Rahman said the environment-friendly solar power is a potential sector for the development of a green economy.

"To reduce carbon emission and secure sustainable fuel along with ensuring the growth of the economy, renewable energy will be an effective weapon," he said.