



Ilias Kanchan, brand ambassador of Walton, cuts a ribbon to open a distributor showroom—New Social Multi Electronics—of the company, in Tarabo area of Rugganj upazila in Narayanganj on June 9.

## Indian regulator says Reliance Jio telecom offers not anti-competitive

REUTERS

India's anti-trust regulator said on Friday offers for free voice and data from Reliance Jio Infocomm, a unit of Reliance Industries, did not amount to anti-competitive actions, rejecting a complaint by rival Bharti Airtel.

Bharti had filed its complaint with the Competition Commission of India (CCI) saying Jio, backed by billionaire Mukesh Ambani, had engaged in "predatory pricing" after entering the market with temporary offers of free voice and data, with certain caps.

CCI said Jio's offers did not amount to anti-competitive behaviour given the telecom provider was a new entrant and hence did not have a dominant position in India, nor was it preventing others from

offering similar services.

"Free services cannot by itself raise competition concerns unless the same is offered by a dominant enterprise and shown to be tainted with an anti-competitive objective of excluding competition/competitors," CCI said in an order published on its website.

Bharti Airtel declined to comment on the CCI order.

Jio's entry has pushed rivals such as Bharti, the India unit of Vodafone Group Plc and Idea Cellular to lower prices, resulting in a decline in their profits.

Jio, which had signed up 72 million paying customers under its Prime plan by the end of March, has cut down on free services since April as it shifts towards securing more profits.

## Mexico to Merkel: We want significant increase in trade

AFP, Mexico City

Mexican President Enrique Pena Nieto told German Chancellor Angela Merkel Friday he wants a significant increase in trade with the European Union, vowing to complete a new trade deal by year's end.

Pena Nieto's Mexican government has been actively seeking new trade opportunities since US President Donald Trump came to office with a threat to curb Mexico's privileged access to American markets.

Mexico is currently in negotiations with the European Union to modernize a free trade agreement they signed 20 years ago.

Both Merkel and Pena Nieto vowed Friday to conclude the expanded deal by the end of the year, as the German leader kicked off a two-day visit to Mexico.

"We hope the modernization of the free trade agreement between Mexico and the European Union leads to a significant increase in our trade relationship," Pena Nieto told a joint press conference.

Merkel praised Mexico's "strong commitment to free trade," in a veiled jab at Trump's attacks on globalization.

Both Merkel and Pena Nieto have been on the receiving end of some of Trump's most fiery attacks on trade.

The US president has triggered the renegotiation of the North American Free Trade Agreement (NAFTA) with Canada and Mexico, which he says has resulted in American jobs flooding south across the border.

Last month he also lashed out at what he called the United States' massive trade deficit with Germany, and accused the country of failing to pay its way in the NATO alliance.

Mexico and Germany did \$17.8 billion in trade last year, and are keen to expand the relationship.

Major German automakers such as Volkswagen and Audi have opened large plants here, helping make Mexico the seventh-largest auto producer in the world.

Germany's foreign direct investment here totaled \$2.4 billion last year, more than any other country except the United States and Spain.

Merkel, who is traveling with a large business delegation, was in Argentina -- another Latin American powerhouse -- on Thursday and Friday morning.

She will attend an economic forum Saturday before flying home.

# UK vote sparks uncertain outlook for financial sector

AFP, London

Financial markets dislike uncertainty but were handed a hugely clouded outlook Friday after the Conservative party of Prime Minister Theresa May lost its parliamentary majority in Britain's snap general election.

Traders and analysts in the City of London financial district spoke about feeling jaded, not just because they were up all night awaiting the results but because the UK's second shock election result in a year throws the nature of Brexit talks into yet more doubt.

The initial reaction to the general election outcome has been to send the pound plunging.

However this propelled the London stock market higher as a weaker pound boosts the FTSE 100's numerous multinational companies that earn in currencies other than sterling.

"Everyone is a bit tired," said Neil Wilson, senior market analyst at trading group ETX Capital.

"There are a lot of uncertainties," he told AFP from his company's offices soon after the start of London trading.

While the Conservative party came first, it lost its parliamentary majority, and is now set to secure the support of Northern Ireland's Democratic Unionist Party (DUP) and its 10 seats to push it over the line.

May called the election in April in an attempt to extend her majority and strengthen her Brexit-negotiating position, but her gamble backfired spectacularly, triggering fresh concern for the financial sector and businesses.

"The City of London would wish to see an effective and secure government formed as soon as possible," said Catherine McGuinness, the body's policy chairman.

"Markets do not like instability. It is also important for the prospect of successful

Brexit negotiations that we have certainty in the political system," she added in a statement.

Leftist opposition leader Jeremy Corbyn, whose Labour party surged from 20 points behind in the opinion polls, has told May to quit after she "lost votes, lost support and lost confidence".

"I think Corbyn was underestimated massively," Kevin Hector, a fifty-year-old worker at Swiss bank UBS, told AFP on

Friday. "The question now is Theresa May's future obviously, it looks like rejection of a hard Brexit."

A so-called "hard" Brexit would see Britain's departure from the single market or tariff-free zone, while also ending the free movement of people.

"We might have a softer version of Brexit, a smoother transition," noted Wilson at ETX. The past year has seen plenty of surprises in Western politics following presi-

dential victories for Donald Trump and Emmanuel Macron in the United States and France respectively, while it is almost 12 months since Britain voted in favour of exiting the European Union.

"What happened in the US, the UK referendum, nothing is a surprise anymore," concluded Richard as he made his way to work in London on Friday feeling pessimistic.

"It is not a good news," he said.



For the wider British economy, the result of the polls refocuses attention on the uncertain path lying ahead for London's key financial sector.

## Growing supply glut threatens worse to come for restive Indian farmers

REUTERS, Mumbai

Bountiful monsoon rains are unlikely to lift India's rural economy this year, and may instead compound the woes of millions of debt-ridden farmers who are struggling with low prices amid a glut of produce such as lentils, oilseeds and cereals.

The South Asian nation is still carrying a huge inventory of food grains from last year's record harvest as exports were hit by an appreciating rupee, falling global prices and restrictions on overseas shipments.

Another bumper harvest could accelerate the price slide and stoke discontent among farmers that has triggered protests in the big agrarian states of Maharashtra and Madhya Pradesh, where police shot dead five protesting farmers this week.

Three years into his term, Prime Minister Narendra Modi remains popular and has no credible challenger. Yet unrest has flared in states ruled by his Bharatiya Janata Party (BJP), catching regional leaders flat-footed and providing a reality check on Modi's promise to double farmers' incomes over the next five years.

"The next year will be challenging for the government in ensuring farmers get decent realisation," said Harish Galipelli, head of commodities and currencies at Inditrade Derivatives & Commodities in Mumbai.

Farmers in Madhya Pradesh and Maharashtra are demanding better prices for their produce and billions of dollars in debt relief after the new BJP government in India's most populous state, Uttar Pradesh, recently announced a \$5.6 billion loan write-off for farmers.

Yet experts say such loan waivers amount to quick fixes that cannot compensate for flaws in farm policies, which have encouraged higher production of crops previously in short supply

but offered scant protection on prices.

Many farm commodities are trading below support prices set by the government. That is because the government only commits serious sums to buying wheat and rice, but not other crops that enrich the diet of India's 1.3 billion people.

Prices will fall further unless exports are revived, said Galipelli, adding "production has jumped but local demand hasn't risen in the same proportion". Ample world supply is likely to persist, predicts agribusiness giant Cargill Inc.

"There is no export parity right now. Even after the recent correction in oilmeal prices, Indian supplies are expensive," said B.V. Mehta, executive director of the Solvent Extractors' Association (SEA), a Mumbai-based

trade body.

Indian grains production reached an all-time high of 273.38 million tonnes in the latest crop year, on record output of rice, wheat, oilseeds and pulses. But exports failed to revive, depressing local prices of corn, wheat, soybean and turmeric.

Exports of key farm commodities fell by a quarter in 2015/16 to \$16.07 billion due to drought, and failed to revive in 2016/17 despite the recovery in output.

A rising population, shrinking farm plots and increasing indebtedness among farmers have all hit India's vast rural hinterlands. Farming accounts for 14 percent of gross domestic product - down from 47 percent at independence 70 years ago.



Farmers sprinkle fertilisers on a paddy field on the outskirts of Ahmedabad, India.

## Hong Kong wealth gap hits 46-year high

AFP, Hong Kong

Hong Kong's wealth gap was on Friday revealed to be at its highest in nearly 50 years, with living conditions fuelling discontent in the city as it prepares to mark two decades under Chinese rule.

Sky-high prices and the cost of living outstrip many ordinary residents' salaries in Hong Kong, with apartments becoming increasingly cramped and generations of families forced to share.

In a report that comes out every five years, the census and statistics department applies a formula known as the Gini Co-efficient to measure wealth inequality.

A Gini figure of zero indicates perfect equality, while 1.0 would be a society in which one person had all the wealth.

The department said Hong Kong's figure climbed from 0.537 in 2011 to 0.539 in 2016, the highest since 1971.

The census department said poverty alleviation and support for the disadvantaged were "at the top of the government agenda".

But lawmaker and social worker Fernando Cheung said the result showed life had not improved since the handover by colonial power Britain to China in 1997.

"The Gini signifies that the economic development of the past 20 years has not helped narrow the wealth gap or make our society more just," Hong Kong lawmaker Fernando Cheung told AFP.

"Income disparity is still a main problem," Cheung added, describing major industries as controlled by a handful of tycoons.

A string of high-profile corruption trials has led to heightened public suspicion over cosy relations between politicians and the business world.

## Toshiba to pay \$3.7b to keep building US reactors

REUTERS

Toshiba Corp will contribute \$3.68 billion to continue building two nuclear reactors in the US state of Georgia, enabling the completion of a plant project begun by the Japanese conglomerate's now-bankrupt nuclear unit.

Toshiba said in a statement on Saturday it had reached an agreement with Georgia Power, a subsidiary of energy provider Southern Co, to begin payments from October through January 2021 to complete

the Vogtle plant.

The move comes after Georgia Power took over the plant's project management from Westinghouse Electric Corp, which filed for Chapter 11 bankruptcy in March.

Toshiba said it had already set aside loss reserves for the payment and it would not have an impact on its earnings projections.

The struggling conglomerate is rushing to find a buyer for its prized chip unit, to cover billions of dollars in cost overruns at Westinghouse.