

US says must have more fair, reciprocal trade with China

AFP, Washington

The US launched its first round of trade talks with China since Donald Trump took office in an unusually blunt manner Wednesday, demanding more "fair, equitable and reciprocal" relationship, with more access to American made goods and services.

Noting the more than 200 percent surge in Chinese exports to the United States in the last 15 years, creating a trade deficit of \$309 billion last year, Commerce Secretary Wilbur Ross insisted change was necessary.

"If this were just the natural product of free market forces, we could understand it, but it's not," Ross said in the opening ceremony of the one-day meeting between the world's top two economies.

"So it is time to rebalance our trade and investment relationship in a more fair, equitable and reciprocal manner."

The talks are a continuation of the process undertaken by the previous two administrations, which the

Trump administration has rebranded as the US-China Comprehensive Economic Dialogue (CED).

Treasury Secretary Steven Mnuchin said the talks with the Chinese delegation led by Vice Premier Wang Yang would focus on concrete steps to provide greater access and a "level playing field" for US companies to the world's second largest market.

"We need to work together to maximize the benefit for both sides. But this is only possible if there is a more fair and balanced economic relationship between the US and China," Mnuchin said.

"It means addressing the imbalances caused by the Chinese intervention in its economy," he said, adding: "A more balanced economic relationship will create prosperity for our two countries and the world."

During his campaign, Trump attacked China for unfair trade practices, but his meeting with Chinese President Xi Jinping at his Florida resort in April prompted a change of

rhetoric and the launch of a 100-day economic cooperation plan.

That led to specific but narrow achievements, including opening the Chinese market to US beef exports, and pledges to remove barriers to US credit card transactions, credit ratings, and other financial services, including bond underwriting, that were to be concluded prior to Wednesday's talks.

Wang said the key point about the meeting is the two countries are "having dialogue, not confrontation."

"We don't need to defeat each other in handling differences," he cautioned, stressing that "confrontation will immediately damage the interests of both" countries.

Wang quoted a passage from Trump's 2009 business advice book "Think Like a Champion" -- which in turn was quoting industry pioneer Henry Ford -- saying, "Coming together is a beginning; keeping together is progress; working together is success."

"China is ready to work together."



COMMERCIAL BANK OF CEYLON

Sri Lankan President Maithripala Sirisena meets with Najith Meewanege, president of Sri Lanka Bangladesh Chamber of Commerce and Industry, during Sirisena's recent visit to Bangladesh. Yasoja Gunasekara, high commissioner of Sri Lanka to Bangladesh, was also present.

Banks can't cut remittance sending costs

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The local exchange houses are making a loss because of lower income from remittance. If the commission is withdrawn, it would be impossible for them to continue the business, said a central banker.

The BB discussed with the banks on ways to bring down the cost, but it has not taken any decision in this regard, said Subhankar Saha, executive director of the central bank.

A few months ago, the finance ministry sent a letter to the BB asking it to assess the cost of sending remittance and take steps to reduce the cost, if necessary.

Bangladesh is the least costly corridor among the remittance recipient countries, according to the World Bank data.

The average cost of sending remittance from Kuwait to Bangladesh is 3 to 4 percent of the amount sent while it is 2 to 3 percent for India.

The cost is 3 to 4 percent for both Bangladesh and India for remittance sent from Singapore, according to the WB.

Expatriates living in Saudi Arabia have to spend 5 to 7 percent to send money to Bangladesh, while the cost is 3 to 4 percent from Oman.

The charge of sending money

from the US and the UK is higher because of stringent compliance related to anti-money laundering regulations, said a central banker.

Globally, sending remittance costs an average of 7.32 percent of the amount sent, according to the WB. Besides, South Asia remains the cheapest receiving region, with an average cost of 5.52 percent.

Currently, there are 29 exchange houses abroad and many of them are loss-making, said a central banker.

The slump in remittance is a result of the global economic crisis, fall in oil prices in Middle Eastern countries, Brexit and the Trump administration's policy aimed at migrant workers, said AB Mirza Azizul Islam, former finance adviser to a caretaker government.

He said adjustment of the exchange rate could help remitters a little bit. "There is a wide gap between the exchange rate in the kerb market and the interbank market. It should be minimised."

Another option, he suggested, is to enhance the skill of migrant workers going abroad and diversify the destinations.

The inter-bank exchange rate was Tk 80.64 per USD on Tuesday whereas it was Tk 82.80 in the informal market.

Morgan Stanley outperforms Goldman

IFR, New York

Morgan Stanley beat arch rival Goldman Sachs in debt trading for the second quarter in a row, posting revenue of \$1.24 billion, down 4% compared to last year.

On Tuesday, Goldman set off alarms reporting revenue from fixed income commodity and currency trading of \$1.16b. The result was stunning considering Morgan Stanley cut its FICC group by 25% more than a year ago. Despite the cut, the bank said it would bring more than \$1b a quarter from FICC trading.

Ctg port moves to reduce congestion

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The CPA would also request the Chittagong Customs House to immediately clear the three rubber-tyred gantry cranes imported by the port such that they can be made operational soon.

With these measures the situation is expected to get back to normal within two weeks, Chowdhury said.

The lack of enough jetties is the major reason for the congestion. No new jetties could be built since 2007 whereas the volume of cargoes and containers handled by the port almost doubled in that time, according to port users.



FBCCI

A delegation from Hungary led by Sandor Sipos, director general of the Asia and Pacific department of the Ministry of Foreign Affairs and Trade of Hungary, and Gyula Petho, ambassador of Hungary to Bangladesh, meet with Md Shafiqul Islam, president of the Federation of Bangladesh Chambers of Commerce and Industry, at the FBCCI office in Dhaka yesterday. The apex trade body called for more Hungarian investment in Bangladesh.

New country manager for Krones

STAR BUSINESS DESK



Md Moniruzzaman

"With the booming affluent consumer class driving up the domestic demand, Bangladesh is a high potential market for Krones," said Markus Winter, CEO of Krones for South East Asia.

"Under Monir's leadership we are confident to offer world-class solutions and seamless services to our existing and potential customers in Bangladesh."

Telcos to spend Tk 22,600cr on 4G services

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They called for declaring the existing spectrum bands to be truly technology neutral, giving them the choice to use their spectrum as they see fit.

The guidelines say the operators should bring in foreign investment and none can be attained from local banks.

Top operators question the need for foreign loans, saying Bangladeshi banks now have enough money to lend at low interest rates.

They also reason that investment gathered from local banks would help keep the money within Bangladesh.

Another instruction is that the speed

must be 100 megabits per second.

Quality service has to be ensured while the operators have to store all relevant data at their own expense until Bangladesh Telecommunication Regulatory Commission gives permission to delete those.

Industry insiders say providing such speeds requires a lot more investment. Moreover, a massive optical fibre network would be needed, which only a handful of entities are allowed to lay, further pushing up the operators' costs.

In the letter, the operators said they also had to keep in mind contingent liabilities such as SIM replacement tax and VAT.

Banks asked to open help desks to boost FDI

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The banks were given 30 days beginning yesterday and asked to inform the foreign exchange investment department of the central bank.

The banks can play a vital role with their proactive guidance and the regulatory framework was adopted in line with the government placing high priority on attracting and boosting foreign direct investment (FDI). FDI inflow stood at \$652.59 million during January-March this year, according to the central bank data.

It includes contributions from economic zones, areas designated for industrial units and with special economic regulations providing entrepreneurs various benefits.

The government plans to develop 100 such zones by 2030 on 75,000 acres of land to create jobs for one crore people and produce goods and services worth \$40 billion.

Bangladesh Economic Zones Authority has so far awarded licences to eight local private companies to set up 10 economic zones.

AK Khan and Company, Abdul Monem Ltd, Bay Group, Aman Group, Maisha Group and United Group were each awarded one licence while Meghna Group and Bashundhara Group two.

The government itself is also setting up four economic zones -- Mirsarai economic zone in Chittagong, Mongla economic zone in Bagerhat, Srihatta economic zone in Moulvibazar and Sabrang tourism park in Cox's Bazar.

Govt to set up 150MW power plant in Saidpur

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Cooperation in the power and energy sectors has grown by leaps and bounds in the last few years, Shringle said. "We are looking at a supply of close to 5,000MW of power to Bangladesh through various kinds of cooperation both in the public and private sectors," he said, adding that 660MW of power is already flowing in from India.

He said India is looking at supplying liquefied natural gas, gas grid interconnectivity between India and Jhenaibah-Khulna pipeline in Bangladesh, setting up a liquefied petroleum gas terminal by Indian Oil Corporation Ltd at Kutubdia; and construction of an LPG pipeline.

Operators add 1.74cr new users in 9 months

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Biometric re-registration began in December 2015 and ended in May last year. At that time, the industry lost more than one crore subscribers as the BTRC directed operators to deactivate SIMs that were not verified biometrically.

Robi and Airtel together controlled only 26.50 percent of the market in August last year, which rose to 28.70 percent in May this year with 3.87 crore customers.

"In the post-merger scenario, our stronger network continues to drive transformative growth for the company," said Ekram Kabir,

vice president for communications and corporate responsibility of Robi.

"Our last quarter results demonstrate the power of our brand, illustrate our potential to drive long-term growth and provide evidence that we are effectively executing integrated network for the benefit of our subscribers."

With the new additions, Grameenphone now has 6.11 crore users with a 45.26 percent market share.

As of May, Banglalink's controls 23.26 percent of the market with 3.14 crore subscribers while the numbers stand at 2.78 percent and 37.59 lakh for Teletalk.



Netherlands Ambassador to Bangladesh Leonie Margaretha Cuelenaere speaks at a seminar on dredging equipment and their use, organised by Damen Group, a Dutch company, at a hotel in the capital on Tuesday. The company also launched new dredging instruments at the programme.

DAMEN DREDGING



Officials of Dhaka Export Processing Zone (DEPZ) and Standard Chartered Bank pose at a seminar on trade finance process for investors of export processing zones. The bank along with the DEPZ organised the event.