

German jobs bonanza drives employment to record high

REUTERS, Berlin

Germany's jobless total fell more than expected in February and employment hit a record high in January, data showed on Wednesday, underlining the strength of a labour market that is fuelling a consumption-led upswing in Europe's biggest economy.

Data published by the Federal Labour Office showed the seasonally adjusted jobless total dropped by 22,000 to 2.393 million. That was way more than the predicted drop of 15,000 forecast in a Reuters poll.

The unemployment rate was unchanged at 5.4 percent in February, the lowest level since German reunification in 1990, the Office said.

"The good labour market developments are continuing in February," said Detlef Scheele, head of the Labour Office. He added that employment within the scope of social insurance rose further and firms continued to look for more staff.

The solid labour market is likely to continue supporting a consumption-led growth cycle in Germany where a rebound in exports and increased company investments have recently

kicked in as additional growth drivers.

In a further positive sign, seasonally adjusted employment as measured by the International Labour Organisation climbed to a record 44.54 million in January, separate data released by the Federal Statistics Office showed.

Household spending has become the main source of Germany's economic expansion as record-high employment, increased job security, above-inflation pay hikes and low borrowing costs all help open shoppers' wallets.

However, a sentiment survey by the GfK institute also showed on Wednesday that the cheerful mood among shoppers darkened slightly heading into March, suggesting political concerns could be weighing on household spending.

GfK's consumer sentiment indicator, which is based on a survey of around 2,000 Germans, slipped to 10.8 points going into March from 11.0 in February, which was the highest level since 2001. The March reading compared with a Reuters consensus forecast for the index to edge down to 10.9.

GfK researcher Rolf Buerkl pointed to the political uncertainty since last year's inconclusive federal election as a factor behind the drop in all three components of the indicator.

"The political turbulence surrounding the formation of a stable, viable government in Berlin may have unsettled consumers," Buerkl said. "Despite this setback, consumer optimism among German citizens remains high," Buerkl added.

The GfK survey was conducted from Jan. 26 to Feb. 9, mainly during ongoing coalition talks between Chancellor Angela Merkel's conservatives and the Social Democrats (SPD), which resulted in an agreement on Feb. 7.

The GfK data followed other sentiment surveys that showed German business morale deteriorated more than expected in February as a stronger euro clouded the outlook of exporters and investor morale also fell.

The DIHK Chambers of Industry and Commerce expects the German economy to grow by 2.7 percent this year, which would be the strongest pace since 2011.

Eurozone inflation falls in February

AFP, Brussels

Inflation in the eurozone slowed to 1.2 percent in February, the EU's official statistics agency said Wednesday, well off the European Central Bank's 2.0 percent target.

The figure, which was in line with a forecast by analysts at data company Factset, will make it less likely that the ECB will turn off its massive stimulus programme in the near future.

The Frankfurt-based ECB has announced it was starting to wind down the massive support it has given the 19-member currency zone to boost inflation and help Europe through the crises of recent years.

Over that period, it has set interest rates at historic lows, offered cheap loans to banks and bought tens of billions of euros per month in bonds in a bid to pump easy cash to businesses and households.

Taiwan warns its firms to be wary as China grants greater access

REUTERS, Taipei/Beijing

Taiwan on Wednesday warned its companies and people to exercise caution and not rush to China's embrace after Beijing released new measures meant to further ease investment by Taiwan firms.

Taiwan companies have flocked to China since the two sides begun a detente in the 1980s, attracted by far lower costs and a common language and culture.

China claims sovereignty over self-ruled Taiwan, and has pledged to make life easier for Taiwanese companies and people living in China, who the government views as essentially Chinese citizens.

In its latest policy pledge, China's Taiwan Affairs Office said the government would treat Taiwanese companies in certain sectors as equal to Chinese companies to help reduce manufacturing and operating costs.

"They are aimed at sharing the opportunities of the mainland's development with Taiwan compatriots," the office said of the measures.

However Taiwan's Mainland Affairs Council urged vigilance, warning that China, which has not renounced the use of force to ensure eventual unification, had not changed its policy.

China "recently has continued to tighten up and put pressure on us, and at the same time has come out with so-called 'measures to benefit Taiwanese' to entice our people",

it said.

"The mainland side has for a long time repeatedly put forward many types of similar measures, all of which are aimed at unilaterally enhancing the benefits of its economic development goals and absorbing Taiwan's resources," the council added.

Taiwan and China have different systems, laws and values, it added, in a pointed reference to Taiwan's free-wheeling democratic system in contrast to China's autocratic form of government.

"Before participating, companies and people should cautiously evaluate the risks and effects of the costs."

While China has become increasingly hostile towards Taiwan since Tsai Ing-wen from the pro-independence Democratic Progressive Party won the presidency two years ago, it has redoubled efforts to reach out to ordinary Taiwanese.

Those have included incentives to young Taiwanese to set up businesses in China.

Tsai has repeatedly expressed her goodwill towards China. Beijing, for its part, wants Tsai to acknowledge that Taiwan and China are part of the same country.

In a speech to foreign diplomats in Taipei on Tuesday evening, Tsai said she would not change her position of maintaining the current status quo in the Taiwan Strait, a reference to Taiwan not seeking independence and China not seeking to force unification.



LANKABANGLA INVESTMENTS

MA Mannan, chairman of Butterfly Manufacturing Company, and Hassan Zabeed Chowdhury, CEO of LankaBangla Investments, attend a deal signing ceremony at the former's office in Dhaka recently. LankaBangla Investments will be the issue manager for Butterfly's initial public offering.

Bangladesh must grow 10pc annually for 20 years: ADB chief

FROM PAGE B1

Although VAT looks like tax on consumption, it is a very broad-based tax. "I support the government move to raise revenue through VAT," he said.

On the much-talked about Rohingya refugees, he hailed Bangladesh for extending full support to the displaced community.

"The government is so serious about the living standards of those refugees and is trying to settle them in an island. ADB is prepared to support the country if there is any certain request to address this issue."

The ADB is yet to get any concrete proposal from Bangladesh for financing the resettlement of refugees.

Asked if the multilateral lender would provide financing for the second Padma Bridge and other mega

projects, he said: "If we get any such request we can consider it." The Manila-based lender has already bumped up its lending to Bangladesh and last year it disbursed \$2.1 billion.

"We are ready to increase lending if there is any demand," he said, while citing the recent trebling of the bank's equity to \$50 billion as proof of its higher lending capacity.

ADB has set a target to extend \$8 billion to Bangladesh in assistance for the 2016-2020 period, up 60 percent from the previous 5 years.

In response to another query on Bangladesh's graduation from the least-developed country bracket and its impact on ADB's lending terms, he said: "Bangladesh is already a lower middle income country but ADB is still providing concessional loans."

On the growing inequality, he said it is an issue for all and respective countries need to pay attention at an early stage before it becomes a big problem. "Equality is the main basis for sustainable growth."

The ADB president stressed on the need for policy consistency as well for sustainable growth.

"I hope this country will continue with stable policies in terms of macro-economy and infrastructure investment regardless of leaders and ruling party of the country."

Nakao, who leaves Dhaka today, met with Prime Minister Sheikh Hasina, Finance Minister AMA Muhiht and other senior officials and discussed issues to further strengthen the ADB's 45-year partnership with Bangladesh during the visit.

First female chairman for a state bank

FROM PAGE B1

Luna is the chairman of Dohatec New Media and managing director of Global Voice Telecommunications Ltd.

Dohatec was involved in the development of voter enrolment solution in 2007-2008. Her firm developed several e-governance projects as well as the electronic government procurement system, which ensures transparency in public procurement.

Her company also has other big projects at home and abroad.

Luna, who has a masters degree in international relations from Dhaka University, started working as lecturer at the Dhaka University's Institute of Modern Language. Later, she started her own business.

She was bestowed with the 'Outstanding Woman in Business' award at the 2017 Bangladesh Business Awards.

US trade officials meet auto executives in midst of Nafta talks

REUTERS, Washington/Mexico City

US trade officials met with auto industry executives in Washington on Tuesday, three sources said, as talks to renegotiate the North American Free Trade Agreement try to make progress on a major sticking point around vehicle production.

The US negotiator handling 'rules of origin' for automobiles, Jason Bernstein, unexpectedly returned to Washington for consultations soon after the seventh round of Nafta talks between the United States, Mexico and Canada began in Mexico City on Sunday.

Three people familiar with the matter said representatives from the office of US Trade Representative (USTR) Robert Lighthizer would hold separate meetings with executives from Ford and General Motors on Tuesday afternoon.

USTR declined to comment. Ford said in a statement it had an ongoing dialogue about the importance of Nafta with the government, with an emphasis on enforceable rules prohibiting currency manipulation.

A GM spokesman said: "These regular meetings with USTR happen in the context of any major trade agreement to assure that GM's point

of view is heard."

The GM meeting lasted less than an hour and was a routine meeting that did not discuss any major breakthroughs or policy changes, according to one of the sources, who was briefed on the meetings.

Time is running out to agree a new Nafta before a Mexican presidential vote and US mid-term congressional elections later this year. The administration of US President Donald Trump has put forward an aggressive set of proposals that are complicating progress.

Among those proposals is a demand that seeks to guarantee that the United States gets more of the world's auto business by ensuring that more of the finished product is produced in North America.

Officials have said they do not expect a major breakthrough on the auto issue during the current round of talks, though some in attendance were encouraged by the signs of greater US discussion of rules of origin - even if that part of the round is now on hold while Bernstein is in Washington.

Kenneth Smith, Mexico's chief Nafta negotiator, said he hoped Bernstein would quickly return to Mexico City, where rules of origin

discussions were meant to last from Sunday to Tuesday.

"Hopefully these consultations are positive," Smith told reporters, referring to the industry talks in Washington.

Smith said there had been "a lot of progress" on other Nafta chapters involving telecommunications, digital commerce, technical barriers to trade and regulatory practices.

Mexico's economy minister had said the country could put forward its own automotive proposal at the round, but he is facing resistance from the industry to give any ground.

Eduardo Solis, the head of Mexico's automotive industry association (AMIA), told reporters at the talks there was no fresh Mexican proposal and reiterated his long-standing position that the rules of origin in the original NAFTA be maintained.

"All there is is the original US proposal, which we've said is totally unacceptable," Solis said.

Under Nafta, 62.5 percent of the net cost of a passenger car or light truck must originate in the Nafta region to avoid tariffs. Trump wants the threshold raised to 85 percent and is also seeking to ensure half the total content is from the United States.

Farmers' children should not leave farming: Hasina

FROM PAGE B1

The digital platform was developed by the A2i of the Prime Minister's Office in collaboration with the Department of Agricultural Extension.

The programme was launched as a pilot project for the upazilas in Kushtia and 30 more upazilas across the country. Krishi Batayan has been developed by including geographical features of various regions, districts and upazilas, nature of lands, orientation of crops as well as successes, challenges and prospects of agriculture.

Sub-assistant agriculture officer, agriculture extension officer and upazila agri-

culture officers will be there to provide services through cellphones of the farmers enlisted with Krishi Batayan.

Any farmer can seek advice from the officers by dialling 3331 from their mobile phones.

The unattended calls will remain recorded and the caller will get desired answers through the next voice SMS from the agriculture officials.

The prime minister praised the roles of the agriculture officers in solving the problems of farmers in rural areas.

Agriculture Minister Matia Chowdhury also spoke at the programme.

Every corrupt will be brought to book

FROM PAGE B1

"Corruption begins from government offices. We operate [business] in an environment where we are forced to get involved in corruption," said Farooq Ahmed, secretary general of the Metropolitan Chamber of Commerce and Industry, Dhaka.

Ahmed said his chamber can work together with the ACC to curb corruption.

The ACC chairman said companies should do ethical business. "You have to follow the system. We will not accept any speed money to help you do any

wrongdoing."

He asked businessmen to inform the ACC whenever any government official seeks bribe.

He also asked businesses to ensure that their members pay appropriate amount of tax and VAT on time.

Kazi M Aminul Islam, executive chairman of the BIDA; Syed Moazzam Hossain, president of the Bangladesh-Malaysia Chamber of Commerce and Industry, and Salim Akhter Khan, a director of the Dhaka Chamber of Commerce and Industry, also spoke.

Bangladesh won't seek GSP from US anymore: commerce minister

FROM PAGE B1

Ahmed said once Bangladesh graduates from the status of least developed country, it won't be granted zero-duty benefit by any country.

"So, it doesn't matter whether the US gives the duty privilege to Bangladesh or not."

The US is the single largest export destination for Bangladesh. Of the total exports of the country, 16.78 percent goods are destined to the American markets, with garment items accounting for 95 percent of the shipment.

Bangladeshi exporters face 15.62 percent duty on the shipment of garments to the US, as it doesn't grant tariff exemption to any country on apparels.

Before the suspension of the GSP, Bangladesh used to export goods mainly tobacco, ceramics, and plastic products worth \$25 million to the US a year under the GSP scheme.

The commerce minister, however, said Bangladesh would enjoy GSP plus facility to the EU markets even after its graduation from the LDC grouping.



M4C

Officials of Making Markets Work for the Jamuna, Padma and Teesta Chars (M4C), a Swisscontact project on reducing poverty and vulnerability of char households in 10 districts of northern Bangladesh, attend a "Char Sales Conference" in Dinajpur's Fulbari on Monday to recognise contributions of M4C's partner agro-input companies.

A 1,320 MW power plant in Ctg on way

FROM PAGE B1

The sponsor company will set up the power plant on BOO basis, with the tenure being 15 years.

The government would purchase electricity from the diesel-based power plant at 10.4950 cents per kW/h, which is equivalent to Tk 8.2553.

The power division informed the purchase committee that they will go into production in 9 months.

The committee also gave the nod to tenure extension for two quick rental power companies by two years.

One of them is 50 MW rental power plant at Shahjibazar, whose sponsor company is Energy Prima. During the extended tenure, the government will procure electricity from the company at 3.3908 cents per kW/h, which is equivalent to Tk 2.7126.

The committee also extended tenure of Energy Prima's another gas-based 50 MW power plant in Kumargaon in Sylhet. The government will buy electricity from the company for 3.2739 cents per kW/h, which is equivalent to Tk 2.6191.