

China warns US it will defend own trade interests

REUTERS, Beijing

The United States has flouted trade rules with an inquiry into intellectual property and China will defend its interests, Vice Premier Liu He told US Treasury Secretary Steven Mnuchin in a telephone call on Saturday, Chinese state media reported.

The call between Mnuchin and Liu, a confidante of President Xi Jinping, was the highest-level contact between the two governments since US President Donald Trump announced plans for tariffs on up to \$60 billion of Chinese goods on Thursday.

The deepening rift has sent a chill through financial markets and the corporate world as investors predicted dire consequences for the global economy should trade barriers start going up.

Several US chief executives attending a high-profile forum in Beijing on Saturday, including BlackRock Inc's Larry Fink and Apple Inc's Tim Cook, urged restraint.

In his call with Mnuchin, Liu, a Harvard-trained economist, said China still hoped both sides would remain "rational" and work together to keep trade relations stable, the official Xinhua news agency reported.

US officials say an eight-month probe under the 1974 US Trade Act has found that China engages in unfair trade practices by forcing American investors to turn over key technologies to Chinese firms.

However, Liu said the investigation report "violates international trade rules and is beneficial to neither Chinese interests, US interests nor global interests", Xinhua cited him as saying.

In a statement on its website, the office of the US Trade Representative Robert Lighthizer said it had filed a request - at the direction of Trump - for consultations with China at the World Trade Organization to address "discriminatory technology licensing agreements".

China's commerce ministry expressed regret at the filing on Saturday, and said China had taken strong measures to protect the legal rights and interests of both domestic and foreign owners of intellectual property.

During a visit to Washington in early March, Liu had requested Washington set up a new economic dialogue mechanism, identify a point person on China issues, and deliver a list of demands.

The Trump administration responded by telling China to immediately shave \$100 billion off its record \$375 billion trade surplus with the United States. Beijing told Washington that US export restrictions on some high-tech products are to blame.

"China has already prepared, and has the strength, to defend its national interests," Liu said on Saturday.

According to an editorial by China's state-run Global Times, it was Mnuchin

who called Liu.

Firing off a warning shot, China on Friday declared plans to levy additional duties on up to \$3 billion of US imports in response to US tariffs on steel and aluminum, imposed after a separate US probe.

Zhang Zhaoxiang, senior vice president of China Minmetals Corp, said that while the state-owned mining group's steel exports to the US are tiny, the impact could come indirectly.

"China's direct exports to the US are not big. But there will be some impact due to our exports via the United States or indirect exports," Zhang told reporters on the sidelines of the China Development Forum in Beijing on Saturday.

Global Times said Beijing was only just beginning to look at means to retaliate.

"We believe it is only part of China's countermeasures, and soybeans and other US farm products will be targeted," the widely-read tabloid said in a Saturday editorial.

Wei Jianguo, vice chairman of Beijing-based think tank China Centre for International Economic Exchanges, told China Daily that Beijing could impose tariffs on more US products, and is considering a second and even third list of targets.

Possible items include aircraft and chips, Wei, a former vice commerce minister, told the newspaper, adding that tourism could be a possible target.

The commerce ministry's response had so far been "relatively weak", respected former Chinese finance minister Lou Jiwei said at the forum. "If I were in the government, I would probably hit soybeans first, then hit autos and airplanes," said Lou, currently chairman of the National Council for Social Security Fund.

US farm groups have long feared that China, which imports more than third of all US soybeans, could slow purchases of agricultural products, heaping more pain on the struggling US farm sector.

US agricultural exports to China stood at \$19.6 billion last year, with soybean shipments accounting for \$12.4 billion.

Chinese penalties on US soybeans will especially hurt Iowa, a state that backed Trump in the 2016 presidential elections.

Boeing jets have also been often cited as a potential target by China. China and the US had benefited by globalization, BlackRock's Larry Fink said at the forum.

"I believe that a dialogue - and maybe some adjustments in trade and trade policy - can be in order. It does not need to be done publicly; it can be done privately," he said.

Apple's Tim Cook called for "calm heads" amid the dispute.

The sparring has cast a spotlight on hardware makers such as Apple, which assemble the majority of their products in China for export to other countries.



Ummey J Khan, chairperson of Euro Vigil, and Reza Amin, CEO, pose with an ISO 9001:2015 certificate received recently. The security service provider has over 4,000 security personnel deployed all over the country.



Khaled Afzal Rahim, head of cards at NCC Bank, and Mohammad Imran Humayun Khan, head of sales and marketing of Ocean Paradise Hotel and Resort in Cox's Bazar, exchange documents after signing a deal. The bank's credit cardholders will get up to 50 percent discount on room tariff and 10 percent discount at the hotel's restaurant. Mosleh Uddin Ahmed, CEO of the bank, was present.

Aircraft sales lift US durable goods in February

AFP, Washington

A rebound in sales of defense and civilian aircraft boosted February sales of US-manufactured goods to their biggest gain in eight months, the Commerce Department reported Friday.

The data was a welcome sign for economic growth in the first quarter, with the gain more than double analyst expectations. The sluggish auto sector also saw a healthy bump.

With broad-based gains across multiple industrial sectors, total orders for durable goods rose 3.1 percent to \$247.7 billion, rising the most since June.

The result handily overshot a consensus forecast among economists, who were expecting an increase of only 1.5 percent.

The bounce also offset most of

January's 3.5 percent decline and put the first two months of 2018 a solid 9.1 percent above the same period last year.

However, RDQ Economics said the strong manufacturing sector is sensitive to the looming threat of a trade war, amid heated confrontation between the United States and China.

Uncertainty "hurts capital spending and the greatest uncertainty in the economic environment at present is the wildcard threat that US tariff actions pose to the global trading system," RDQ said in a research note.

Orders for civilian aircraft rose 25.5 percent, reversing January's decline in the volatile sector, while military aircraft sales added 37.7 percent, recouping much of the 48.9 percent drop in the prior month.

But excluding the highly volatile transportation sector, which sees broad swings from month to month, the report still showed 1.2 percent increase.

Sales of cars and trucks, long in the doldrums, rose by 1.6 percent after being essentially flat in the prior two months.

Orders for electrical equipment and appliances had their best month since July 2016, adding 2.6 percent, while non-defense capital goods, a segment that can track investment by the oil drilling industry, added 1.8 percent.

Economist Mickey Levy of Berenberg Capital markets highlighted this "core" data point "which has increased for 13 consecutive months, the longest streak in the 26-year history of the series."

Products of Tk 4.5cr sold at tourism fair

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Md Rakibul Islam, a sales executive of SriLankan Airlines, said it is expecting a good business from Bangladeshi tourists.

Forty-eight foreign organisations displayed their products and services in five pavilions and 60 booths.

On the concluding day, a seminar on the prospect of river-based tourism in Bangladesh took place where Shajahan Khan, shipping minister, Md Nasir Uddin, chief executive officer of Bangladesh Tourism Board, and a number of tour operators spoke.

Raquib Siddiqui, chief editor of the Monitor, said Bangladesh could be an ideal destination for this kind of tourism, but no effort has been made so far to project this unique feature of the country.

Tour operators said they provide Tk 20 crore in taxes and fees every year to the forest department but receive no support from the government organisation for their trips to the Sundarbans, the most attractive destination among the tourists who want to enjoy the river-based tourism in Bangladesh.

The Bangladesh Tourism Board and Biman Bangladesh Airlines were the event's airline partners while US-Bangla the title sponsor.

First mother vessel reaches Ctg port from Korea

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"It reached the Chittagong port from Singapore in just four days as it carried the containers itself without waiting for any other feeder vessel."

The vessel came from Korea with 783 containers, said Golam Sarwar, director for traffic at Chittagong Port.

"It was a long time demand of the port users to introduce this type of container transport, which would save time for both the importers and the exporters."

China's EximBank pledges \$127b for emerging industries

REUTERS, Beijing

The Export-Import Bank of China (EximBank) and the country's top economic planner signed an agreement to boost financing support to emerging industries by more than \$100 billion in a bid to foster new growth drivers.

EximBank will offer at least \$127 billion of financial support to strategic industries including makers of high-tech equipment and new energy vehicles between 2016 and 2020, Xinhua news agency reported.

The funds will be used for major projects and building innovation platforms, according to the agreement signed with the National Development and Reform Commission.

Paperless trade measures can cut costs by 30pc: UN

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The implementation will reduce time and trade costs as all transactions would be done digitally and the documentation would be available to both parties at once, doing away with the bureaucratic tangles.

For example, if any trade takes place between Bangladesh and India, both the countries would have its record on their servers as and when it happens, so the goods could be released without any delays.

The report shows that potential trade cost reductions for all ASEAN (Association of South East Asian Nations) countries exceed 15 percent, with Indonesia, Cambodia and Vietnam seeing the sharpest reductions.

Potential trade cost reductions in South Asia exceed 20 percent in all countries of that sub region, including India and Sri Lanka. At the same time, the report notes that achieving cross-border paperless trade is expected to be a long and complicated process, and it cannot be achieved without close collaboration between countries.

The report also found that more than half of the regional trade agreements (RTAs) that have taken effect globally since 2005 include paperless trade provisions.

A large majority of the agreements now feature one or more commitments aiming to exchange trade-related data and information electronically.

Recent RTAs such as Korea-Vietnam Free Trade Agreement (FTA), Australia-China FTA, among others, are found to go

further than the WTO TFA in promoting digital trade facilitation and the application of modern ICTs to trade procedures.

"Trade facilitation is about making trade easier for all," said UN Under-Secretary-General and Executive Secretary of ESCAP Shamshad Akhtar.

The countries need to work closer together to streamline and digitalise trade procedures and the UN's Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific can support the process.

Bangladesh, Cambodia, China, Armenia and the Islamic Republic of Iran formally signed the UN treaty in 2017.

"I am pleased to see so many countries coming together to support drafting of an implementation roadmap for this agreement," she said at the unveiling of the report last week in Bangkok.

Earlier in October 2016, Bangladesh ratified the TFA that the WTO adopted in its ninth ministerial conference in the Indonesian resort city of Bali in December 2013. "We are not getting the paperless facilities yet as we are continuing our business in the old system," said Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association.

Garment exporters account for more than 80 percent of Bangladesh's outbound shipments. He went on to urge the government to implement the TFA soon to reduce the trade cost.

Boro acreage goes up on rising prices

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Last year, boro rice was harvested from 44.75 lakh hectares of land after crops on 2.96 lakh hectares were damaged by flash floods in the northern and north eastern districts.

Overall production fell 4.87 percent year-on-year to 1.80 crore tonnes in 2016-17, according to Bangladesh Bureau of Statistics (BBS).

The DAE earlier set a target of ensuring production of 1.90 crore tonnes of rice during the boro season, which accounts for 55 percent of the total annual rice output.

Nirod Boron Saha, president of Naogaon Dhan O Chal Arathdar Babshayee Samity, a rice wholesalers' and commission agents' association, said farmers in his region have planted long grains on more areas this season owing to higher prices. Despite optimism, prices of fine rice have risen marginally in the last one month.

Saha said there was a shortage of supply of long grains. Besides, stocks have also dwindled as the season nears to an end, he said.

Revenue target may be Tk 340,000cr next fiscal year

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Tax officials said NBR high-ups don't want the finance ministry to set an ambitious revenue collection target for the next fiscal year; rather it wants a goal that is achievable.

The NBR will raise the issue in meetings with the resource committee and the finance division.

A finance division official said development expenditure may pick up before next elections.

Some polls-oriented expenses will rise; even, after the elections, the new government will start its work with a new vision that will also boost spending.

Both the scenarios will raise revenue collection in the next fiscal year, the official said.



Tasvir UI Islam, CEO of Quasem Industries; and Reyan Anis Islam and Sameed Quasem, directors, launch Wave, the company's body spray and air freshener brand, at Krishibid Institution Bangladesh in the capital on Thursday.



AHA Al Rahman, managing director of Orogenic Resources Bangladesh, a joint venture with Orogenic Resources Sdn Bhd, Malaysia, and Derek Lee, CEO of the Pericom Group of Companies, attend a seminar on document management system at Four Points by Sheraton Dhaka on Wednesday.