



Yasir Azman, deputy CEO of Grameenphone, and Mahboob Zaman, managing director of DataSoft, exchange documents after signing a deal at the telecom operator's headquarters in Dhaka on Wednesday, to develop comprehensive Internet of Things (IoT) solutions for businesses that will leverage both DataSoft's IoT application development capabilities and Grameenphone's M2M Connectivity Plan.

## Clock ticks as Nafta revamp talks to resume May 7

AFP, Washington

US, Canadian and Mexican trade ministers will meet again May 7 trying to finalize an agreement to revamp their 24-year-old free trade pact, officials confirmed on Friday.

US President Donald Trump triggered renegotiation of the North American Free Trade Agreement last year after labeling it a "disaster" that has destroyed US jobs.

He has repeatedly threatened to leave the pact if a satisfactory deal is not reached.

"Technical talks will continue in coming days, remotely and in person," according to a statement from the Mexican delegation. "The ministers will resume the process May 7."

Ministers and other officials have been meeting throughout the month to clear the way for a deal before the political and legislative calendars in the three countries derail the process.

Also hanging over the talks is a May 1 deadline when steep US import tariffs on steel and aluminum are set to take effect.

Mexico and Canada were granted temporary exemptions from the tariffs but those expire Tuesday.

US Trade Representative Robert Lighthizer, Mexican Economy Minister Ildefonso Guajardo and Canadian Foreign Minister Chrystia Freeland met in Washington this week to try to break the deadlock on unresolved issues.

Canada and Mexico have balked at American demands to raise US content requirements in auto-manufacturing, scrap a dispute resolution mechanism and implement a five-year "sunset" clause that would allow a party to exit the pact after five years.

The location of the next round of talks has not yet been decided, a Canadian official said.

A USTR spokesperson said the officials had a "productive week" with discussion on issues like rules of origin. The negotiators are under pressure to reach a deal before elections make signing a new accord politically difficult.

## US GDP growth slows

AFP, Washington

The US economy slowed sharply in the first three months of the year amid a decline in exports, consumer spending and home buying, the Commerce Department announced Friday.

But the result was better than feared as economists were expecting the first quarter to be even weaker, following the trend of recent years, despite the boost from sweeping tax cuts in December. The outcome -- which is subject to significant revision in the coming months -- suggested the current economic expansion was uninterrupted, which could offer the White House a measure of relief that more dire predictions were not been borne out.

GDP expanded by 2.3 percent in the January-March period, according to a preliminary estimate, down from 2.9 percent in the final months of 2017. But growth was two tenths of a point better than a consensus forecast among economists. Economists say statistical anomalies may account for some of the weakness, meaning growth in the first quarter may have been stronger than it appeared.

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President Donald Trump has vowed to return the United States to three percent annual growth or higher, and is banking on a juiced economy to produce higher government revenues and offset the \$1.6 trillion cost of the tax cuts.

Economists say however the current pace of growth is likely above potential, making sustained growth of three percent unrealistic.

The Federal Reserve is not expected to raise interest rates at a periodic meeting on monetary policy next week but the overshoot on growth -- and signs of rising prices and wages also published Friday -- could add to pressure on the central bank to tighten policy more quickly.

Ian Shepherdson of Pantheon Macroeconomics said the aftermath of last year's late-summer hurricanes "dominated" the first-quarter results. Consumer spending dialed back after the unsustainable gains from rebuilding efforts in the prior quarter.

"The average for the two quarters, two percent, is in line with the prior trend," he said in a client note. But "government spending will

strengthen as the fiscal stimulus kicks in."

Consumer spending had its slowest quarter in more than four years, rising 1.1 percent, after a jump of four percent in the prior quarter when natural disasters in the southern and western United States drove a boom in purchases of retail goods and supplies.

Consumers bought fewer cars and less clothing and footwear in the winter months while also spending less on food and drink, according to the report. And real estate brokers saw a dip in commissions in the tight housing market.

Spending by state and local governments slowed, rising just 0.8 percent after a 2.9 percent jump in the prior quarter, and exports also fell.

This was partly offset by higher spending on business inventories, which companies ran down as they raced to meet consumer demand following the back-to-back hurricanes and the devastating California wildfires.

Economists expect a rebound in the second quarter to three percent or higher, as the data work to make up for downward distortions in the first quarter.

## Asian buyers unimpressed by gold price dip

REUTERS, Mumbai/Bengaluru

Physical gold demand lacked vigour in most Asian hubs this week amid a slight dip in prices, while the yellow metal switched to a premium in India for the first time in over 1-1/2 months due to a correction in local rates.

In India, dealers were charging a premium of up to \$1 an ounce over official domestic prices. This compared to a discount of \$1 last week as the country celebrated the annual Akshaya Tritiya festival, when buying gold is considered auspicious.

However, retail demand in India, the second-biggest gold consumer after China, remained subdued.

"Many retail consumers made purchases last week during the Akshaya Tritiya festival. Now retail buying is weak," said Daman Prakash Rathod, a director at MNC Bullion, a wholesaler in Chennai.

In the local market, gold futures were trading at around 31,186 rupees per 10

grams, after rising to 31,620 last week, their highest since August 2016.

"Jewellers were waiting for a price correction. As prices are falling, they could start replenishing inventory in coming weeks," said a Mumbai-based dealer with a private bullion-importing bank.

Meanwhile, physical gold markets remained quiet in most other Asian regions, except for Singapore, which saw a slight pick-up in buying.

Benchmark spot gold prices were on course for an over 1 percent decline this week, pressured by a thaw in tensions on the Korean peninsula and a stronger dollar as investors looked to riskier assets such as equities.

In China, premiums ranged between \$8 and \$9 an ounce over the benchmark, versus \$5 to \$7 previously.

"Demand in China is slow, not too much activity," said Ronald Leung, chief dealer at Lee Cheong Gold Dealers in Hong Kong.



Sudipto Mukerjee, country director at UNDP Bangladesh, and Alihussain Akberali, chairman of BSRM Group, attend a deal signing ceremony at BSRM Corporate Office at Sadarghat in Chittagong on April 23. BSRM and UNDP will jointly provide livelihoods and life skills training to disadvantaged people.

## Profit slip in Q1 fails to brake Daimler's confidence

AFP, Frankfurt

Mercedes-Benz maker Daimler said Friday it was confident of reaching its objectives in 2018 even as it reported a significant slide in profits in the first quarter.

Net profits at the Stuttgart-based group shrank 11.1 percent year-on-year between January and March, to 2.4 billion euros (\$2.9 billion), in line with analysts' forecasts.

The world's biggest high-end carmaker -- which also produces trucks and compact Smart cars -- reported a record number of vehicles sold, at 807,000.

Daimler's revenues increased 3.0 percent, to 39.8 billion euros.

But operating, or underlying profit also saw a double-digit drop, falling 12 percent to 3.3 billion euros -- although Daimler noted last year's figure was lifted by a one-off effect of 700 million euros.

The group is "sustainably continuing along our profitable growth course and sold more vehicles than ever," chief executive Dieter Zetsche said in a statement.

"We aim to continue building on this" over the rest of the year, he added, with Daimler hoping to "slightly increase" total unit sales

from the 3.3 million booked in 2017.

Executives are targeting a similarly modest increase in revenue over last year's 164.3 billion euros as well as in operating profits. Revenues could be boosted further if competition authorities approve Daimler's proposed merger of its Car2Go carsharing service with rival BMW's DriveNow app.

In a telephone conference, finance director Bodo Uebber pointed to a "very dynamic and eventful" three months, highlighting the surprise emergence of Chinese carmaker Geely -- controlled by billionaire Li Shufu -- as Daimler's biggest shareholder in February.

## EU says 'decision time' for stalled eurozone reforms

AFP, Sofia

A top EU official on Friday urged member states to paper over differences and commit to eurozone reforms that have been stalled amid deep splits between France and Germany.

Under the impetus of French President Emmanuel Macron, EU leaders have pledged to table a set of reforms at a summit in June that the 40-year-old leader says are necessary to reboot Europe after setbacks of Brexit.

Germany however has proved strongly reluctant to follow through on Macron's ideas, even though Chancellor Angela Merkel has committed to submitting a joint

proposal with France ahead of the June 28 summit in Brussels.

"The truth is, we are starting to run out of time," European Commission Vice President Valdis Dombrovskis told a news conference in the Bulgarian capital of Sofia.

"We need to move beyond established positions now and find compromises, so it is time to decide," the former Latvian prime minister said after talks with EU finance ministers.

Eurozone ministers have for months discussed the proposals, but discussions have gone nowhere with richer member states resistant to move forward.

## Jio telecom venture hikes profit

AFP, Mumbai

India's oil-to-telecom conglomerate Reliance Industries on Friday said its telecoms venture Jio reported its second successive quarterly net profit since launching two years ago, as it added millions more subscribers.

Reliance Industries, owned by Asia's richest man Mukesh Ambani, said Jio made a profit of 5.10 billion rupees (\$76.43 million) for the quarter ended March 31, up from 5.04 billion rupees reported in the previous quarter.

"The strong financial results of Jio in a competitive market environment demonstrates the robustness of the Jio business model... Jio has demonstrated that it can scale and sustain its strong financial performance," Ambani said in a statement.

With its launch into India's highly competitive telecom sector in September 2016, Jio shook the industry and sparked a price war by offering free voice calls for life and drastically reduced tariffs.

## Britain suffers severe slowdown one year before Brexit

AFP, London

Britain's economy suffered a sharp slowdown in the first quarter with the weakest growth rate since 2012, official data showed Friday in a gloomy sign one year before Brexit.

Gross domestic product expanded 0.1 percent in the three months to the end of March, the Office for National Statistics (ONS) said in a statement which highlighted falling construction work and sluggish manufacturing activity.

The initial estimate marked the slowest pace for more than five years and compared with expansion of 0.4 percent in the final quarter of 2017. The data also dashed market expectations for growth of 0.3 percent.

"Our initial estimate shows the UK economy growing at its slowest pace in more than five years, with weaker manufacturing growth, subdued consumer facing industries and construction output falling significantly," said ONS spokesman Rob Kent-Smith.

The news sent the pound diving against the euro and the dollar, as analysts said it ruled out any remaining hope of an interest rate hike next month.

Britain is meanwhile scheduled to leave the European Union in March 2019, after a shock Brexit referendum that was held almost two years ago.



REUTERS/FILE

Anti-Brexit protesters wear masks and wave flags during a demonstration in front of the Houses of Parliament in London.

"It's a very concerning sign for the economy with just one year to go until Brexit," XTB analyst David Cheetham told AFP.

"This is the first full quarter since the BoE hiked in November and the early signs are not good," he added.

"When you consider that there has been limited tangible progress on an acceptable Brexit deal in the near two-years since the referendum, it is all the more worrying as the deadline approaches."

Recent data showed UK inflation unexpectedly slowed in March 2.5 percent -- the lowest level in a year -- undermining the urgency of raising rates.



From left, Sangita Khan, director of India-Bangladesh Chamber of Commerce and Industry (IBCCI); Joydeep Dutta Gupta, board member of the Bengal Chamber of Commerce and Industry (BCC&I); Abdul Matlub Ahmad, IBCCI president, and Jahangir Bin Alam, CEO, attend an IBCCI business-to-business meeting with a BCC&I delegation at the IBCCI office in Dhaka on Thursday.