



Azharul Islam, chairman of Uttara Bank, attends the bank's "Third Zonal Heads' Conference-2018" at its head office in Dhaka yesterday. Mohammed Rabiul Hossain, CEO, was present.

US trade deficit expands in June amid growing tensions

AFP, Washington

The US trade deficit swelled in June by the largest amount in 19 months, reversing much of May's trade-war driven export bonanza, even as brinkmanship between Beijing and Washington worsened.

A dip in auto exports and rising oil prices in June drove the increase in the gap between US imports and exports, the Commerce Department reported Friday.

And bilateral US deficits widened with China, the European Union, Canada and Mexico, all trading partners that have retaliated against President Donald Trump's multi-front global trade war.

Shortly before the numbers were released, Beijing warned it was ready to impose new tariffs on \$60 billion in American products, responding to Trump's plans to jack up the punitive duties on the next \$200 billion in Chinese

goods to be targeted.

The White House quickly fired back, calling Beijing's latest counter-threat "weak." Top economic aide Larry Kudlow warned China it "better not underestimate" Trump's resolve in the conflict.

The US trade deficit rose 7.3 percent or \$3.2 billion in June to \$46.3 billion, overshooting analyst expectations in the largest jump since November 2016, according to the Commerce Department.

The result could weigh on revised calculations of second quarter growth in the United States, which Trump hailed as a key achievement last week after it was reported as the strongest GDP increase in nearly four years.

In May, a rush by Chinese importers to beat Beijing's looming counter-tariffs led to a surge in US exports of crude oil and soybeans, temporarily driving down the deficit and boosting GDP growth in the April-June period.

GM seeks to exclude China-made Buick SUV from tariff

REUTERS

General Motors Co is seeking an exemption to a 25 percent US tariff on its Chinese-made Buick Envision sport utility, the automaker said on Thursday, in a move to prevent the key model in the brand's US lineup from becoming a victim of the US-China trade war.

The midsize SUV, priced starting at about \$35,000, has become a target for critics of Chinese-made goods, including leaders of the United Auto Workers union and members in key political swing states such as Michigan and Ohio. The Envision, assembled only in China, last year accounted for about 19 percent of Buick brand sales in the United States.

GM said in a statement that it filed the request on July 30 with the US Trade Representative. An official notice was posted on Thursday on the regulations.gov website, which is tracking requests for exclusions from the so-called Section 301 tariff on certain imported goods from China.

GM, the largest US automaker, argued in its request that Envision sales in China and the United States would generate funds "to invest in our US manufacturing facilities and to develop the next generation of automotive technology in the United States."

GM said the "vast majority" of Envisions, about 200,000 a year, are sold in China.

About 41,000 were sold last year in the United States.

Because of the lower US sales volume, "assembly in our home market is not an option" for the Envision, which competes with such mid-size crossover vehicles as the Jeep Grand Cherokee and the Cadillac XT5.

GM President Dan Ammann defended the vehicle, saying it benefits the US market.

"The profitability we generate on that vehicle, selling it in the US market, we obviously reinvest it here," he said on Friday on the sidelines of a conference in Detroit.

However, the UAW said it was opposed to the exemption.

"It will continue to be the position of the UAW that products sold in the USA, be made in the USA," Terry Dittes, the union's vice president and head of its GM department, said in a statement. "They can simply build these 41,000 Buicks right here in the USA, and create American jobs!"

GM has taken other steps to soften the blow of tariffs, which hit just as the automaker had lowered the price of the Envision to make it more competitive.

Ahead of the July 6 start for higher import tariffs, GM shipped in a six-month supply of Envisions at the much lower 2.5 percent tariff rate. Envision sales from April through June plunged to just 7,000 vehicles, while inventories climbed to more than 13,000 vehicles at the end of June.

Mexico eyes Nafta breakthrough next week, says Canada joining soon

REUTERS, Washington

Mexico's economy minister said on Friday that Mexico and the United States could overcome key stumbling blocks standing in the way of a new Nafta deal next week, adding that Canada would likely soon rejoin the negotiations.

Mexican and US teams will work through the weekend to overhaul the North American Free Trade Agreement, and the ministers will return to the table late next week, Mexican Economy Minister Ildefonso Guajardo told reporters after meetings with US officials in Washington.

Mexico and the United States resumed talks last week, after a US move to slap tariffs on Mexican and Canadian metal exports and Mexico's July elections stalled negotiations that began last year when President Donald Trump demanded a better deal for US workers.

"Technically, we are ready to move into finishing the issues, Mexico-US issues, the most next week. There are very good probab-

ilities that we'll be landing solutions," Guajardo said in English.

"We are optimistic that we can try to land a deal before the end of August," adding there were "three critical, specific points" to resolve that he declined to specify.

Another senior Mexican negotiator was a little less bullish about the chances of a deal this month.

"I am cautiously optimistic. I think it can be done, but there can also be problems. We have to see," Jesus Seade, who joined the



Mexico's Economy Minister Ildefonso Guajardo

Mexican negotiating team last week representing President-elect Andres Manuel Lopez Obrador.

Canada has not been at the table in rounds of talks over the past weeks. Some experts say this is a sign of tensions between Canada and the United States, while officials insist trilateral talks will soon resume.

Guajardo said top US and Mexican officials could meet again on Wednesday or Thursday.

Rules for the auto sector, including a US demand for higher wages in Mexico, as well as a US-proposed sunset clause that would kill the deal if it is not renegotiated every five years, have been major stumbling block to talks.

Seade said the issue of the sunset clause could be broached next week. "It is something we have to discuss and the time has come," he said. "We have said that is not something we can work with."

Guajardo said neither the sunset clause nor wages were being discussed between Mexico and the United States on Friday.

India panel wants localisation of cloud storage data in possible blow to big tech firms

REUTERS, New Delhi

A panel working on the Indian government's cloud computing policy wants data generated in India to be stored within the country, according to its draft report seen by Reuters, a proposal that could deal a blow to global technology giants such as Amazon and Microsoft who offer such services.

It could not only raise their costs because they will need to ramp up the number and size of data storage centers in India, where power costs remain high, but at least some of those increases are likely to be passed onto customers who include everyone from small start-ups to large Indian corporations.

The policy will be the latest in a series of proposals that seek to spur data localization in India, as the government finalizes an overarching data protection law. Local data storage requirements for digital payments and e-commerce sectors are also being planned.

The authorities want the information stored locally so that they can more easily get access to it when conducting investigations.

India's push for localization comes at a time of heightened global scrutiny of how companies store user data. In July, India said its federal police had begun probing Cambridge Analytica's misuse of Facebook user data, which New Delhi suspects included information on Indian users.

The draft report of the cloud policy panel, which is headed by the co-founder of Indian tech giant Infosys, Kris Gopalakrishnan, said a "forward looking" data protection regime was needed as India's IT laws framework was "not sufficient" for cloud computing.

"We recommend localization of cloud data and any data that is stored about Indian entities or data generated in India," it said, adding this data "must be available for investigative agencies and national security agencies."

Gopalakrishnan declined to comment on the draft report, but said he hopes to submit it to the information technology ministry before month-end, or at least by September 15. A spokesman for the IT ministry said the department would review the report once it's submitted but won't comment before that.

Cloud computing refers to the provision of software, storage and other services to customers from remote data centers. It allows companies to use programs at lower operational costs as programs and data are not stored at the customer's own data centers, or on their desktops.

Industry executives said many Indian businesses store their data on cloud servers located outside the country and a localization mandate

could force them to migrate data to India.

"Data localization will increase costs for public cloud companies as they might need to expand data center capacity to fit customer data currently hosted outside India," said Santanu Patro, a research director with research and advisory firm Gartner in India. He said they could pass on the increase to customers.

The panel's draft recommendations said that India must consider the importance of securing "data sovereignty, especially in the context of cross-border data flows."

"Indian legal and policy frameworks must focus on ensuring that data generated from India can be utilized for the benefit of Indian citizens, governments and private players," it said.

An executive at a global technology company offering cloud services in India described the policy's recommendations as "protectionist."

"It seems we've turned the clock back on globalization," the executive said.

The Indian public cloud services market is set to more than double to \$7 billion by 2022, the draft report said. Enterprise spending on data center infrastructure software will rise 10 percent to \$3.6 billion in 2018, research firm Gartner estimates.

The government panel's draft listed Amazon, IBM and Microsoft among key companies already registered under a government initiative

on cloud computing. It also listed Alphabet Inc's Google, Oracle and Salesforce.com Inc as those with "significant presence". Amazon, for example, says "tens of thousands of customers" in India use its AWS cloud service platform.

"Due to increasing requirements of data hosting, India would need rapid establishment of data centers," the report said.

The report, however, highlighted infrastructure and connectivity challenges faced by cloud service providers in India - such as high power costs and the need to get various permits - which raise the cost of running data centers.

More than 80 percent of India's data center supply was concentrated in five cities, the panel said. It recommended conducting a study to identify 20 locations conducive for such infrastructure, while also looking at incentives and relaxed tax structure for the industry's growth.

The panel also plans to recommend development of a "national cloud strategy" that could bring cloud service providers under a single regulatory and policy framework.

The Indian government's data localization push has already unnerved US companies who fear it will drive up costs and unsettle businesses. A government panel last week floated a bill that proposes all critical personal data should be processed within India.



The logo of Amazon is pictured inside the company's office in Bengaluru, India.

REUTERS/FILE

Alibaba office app fuels backlash among some Chinese workers

REUTERS, Beijing/Hangzhou

In the cramped former home of Jack Ma, founder of the Chinese e-commerce giant Alibaba, about thirty young engineers sit elbow-to-elbow, working to attract the next million users for DingTalk, Alibaba's workplace communication software.

Their installation in the hallowed flat where Ma got his start in the eastern city of Hangzhou reflects DingTalk's place in the pecking order of the company's sprawling collection of start-up projects.

Since December 2014, DingTalk has grown exponentially to become the world's largest chat service designed for companies, with over 100 million individual users and 7 million employers across China. The company says, without providing numbers, that it also has a growing presence in Europe, the United States and Southeast Asia.

But its rapid rise - propelled by a promise to boost productivity through better monitoring of employee movements and faster responses to important messages - has sparked a backlash from Chinese workers who say the app fuels an unhealthy work culture.

That also raises questions about DingTalk's ability to expand into the West, where people are typically guarded about their workplace privacy. In China, surveillance by the authorities and employers is already common.

Like WhatsApp, DingTalk lets senders see if recipients have read messages, but it also has a "ding" feature that can bombard recipients with repeat notifications, text messages and phone-call reminders.

On top of this original feature, the company has added a wide range of functions that include automatic expense claims, a clock-in system to monitor the whereabouts of employees, as well as a "daily report" function that requires workers to list completed tasks.

As DingTalk has grown, many Chinese office workers have vented their frustrations online about the service, saying it is inhumane and destroys trust.

On Zhihu.com, a question-and-answer website, a thread entitled "how does it feel like to be forced to use DingTalk at work" has more than a thousand posts and has been viewed over 7.7 million times.

An informal Reuters poll of 30 workers using DingTalk showed that about half had negative feelings about the app, while the rest said they were fine with it - often

because their companies had not adopted features such as the clock-in function.

"There's a saying in my circle, that you should quit the day your company installs DingTalk," said Robert, who works in luxury retail in the northwestern province of Shaanxi and complains that DingTalk has "fragmented his time into pieces". He declined to provide his surname.

Li Xiaoyang, a former software sales agent in Beijing, said he had to use DingTalk's geo-location function at his previous firm whenever he met a client, and use a face scanner to verify he was attending meetings.

"I felt so disgusted by it," he said, adding that he was constantly dinged by managers.

"Every level of management thinks their demand is the top priority and should be dealt with first," he said. "Even worse, they will ding you through DingTalk even on holiday and you can't pretend you didn't see it."

A company spokesperson said in response to the poll that DingTalk provided an effective communications tool for the workplace. "DingTalk has many satisfied customers using our tool in Asia, Europe and the US, which points to its success and customer satisfaction."

The spokesperson also said that DingTalk had security technology built into the app to protect the privacy of employees and companies' confidential corporate data.

"DingTalk has not only helped companies improve workflow efficiency through a unified communications platform, but also encouraged transparency and accountability within the workplace."

DingTalk sprang from Alibaba's unsuccessful attempt to challenge the WeChat instant messenger of its arch-rival, Tencent Holdings Ltd, the service's chief executive, Wu Zhao, said in an interview.

"We came to understand that we did not understand social media platforms," Wu said at DingTalk's offices in Hangzhou, where Alibaba has its headquarters. Instead, Wu's team sought another niche, tackling a common managerial complaint in China: workers who fail to reply to messages and later feign ignorance.

The driving force behind DingTalk's growth has been solving the organizational concerns of Chinese firms and providing - for free - a platform that gives companies a level of efficiency similar to Alibaba's, Wu said.