



Seungwon Youn, managing director of Samsung Bangladesh, poses at "Samsung Enterprise Evening 2018" organised by Samsung Electronics at The Westin Dhaka recently.

US, Mexico Nafta negotiators to resume talks next week: minister

AFP, Washington

US and Mexican negotiators will resume talks next week on the update of the North American Free Trade Agreement, Mexico's Economy Minister Ildefonso Guajardo said Friday.

At the close of the third consecutive week of discussions in Washington, Guajardo said a deal was still possible by the end of the month. However, he acknowledged: "We still have a lot of work to do."

Guajardo stressed that the most difficult issues had been left to the end, including the US demand that Nafta be approved every five years, a provision known as a sunset clause.

"We are working like we've been doing for the last three weeks and making a lot of advancements. We are coming back next week," he told reporters.

"But as I said before: nothing is closed until everything is closed."

US President Donald Trump tweeted that a "deal with Mexico is coming along nicely,"

emphasizing that "autoworkers and farmers must be taken care of or there will be no deal."

"New President of Mexico has been an absolute gentleman," he said, referring to leftist Andres Manuel Lopez Obrador, set to take over later this year.

But he reiterated his threat that tariffs on auto imports could be in store for the US neighbor to the north: "Canada must wait. Their Tariffs and Trade Barriers are far too high. Will tax cars if we can't make a deal!"

Canada's foreign minister recently said the country is ready to resume NAFTA talks "as quickly and intensively as possible."

US and Mexican officials will continue to work on bilateral issues before their Canadian counterparts rejoin the discussions on modernizing the 24-year-old trade deal, Guajardo said Friday.

Trump demanded Nafta be renegotiated after repeatedly criticizing the 24-year-old pact as a "terrible deal." Officials now are rushing to conclude the talks before Mexico's Lopez Obrador takes office on December 1.

China's banking regulator backs more lending

REUTERS, Shanghai

China's banking and insurance regulator said it will facilitate the transmission of monetary policy by supporting more lending by financial institutions.

The China Banking and Insurance Regulatory Commission said in a statement posted on its website that it would guide financial institutions to expand financing, including to qualified private companies and small businesses. It would encourage them to balance the promotion of economic growth with controlling risks.

The move comes amid a period of greater uncertainty for the Chinese economy, in part because of an intensifying trade conflict between China and the United States.

The regulator took special note of loans for infrastructure projects. In July, preliminary statistics indicated that new infrastructure loans were 172.4 billion yuan, an increase of 46.9 billion yuan over the month before, it said.

The statement follows comments by China's central bank on Friday that it would maintain a neutral and prudent monetary policy and enhance flexibility in yuan exchange rate levels.

UK economy grows 0.4pc in second quarter

AFP, London

Britain's Brexit-facing economy picked up speed in the second quarter of this year, official data showed Friday, with activity aided by sunny weather and the World Cup football tournament.

Gross Domestic Product grew 0.4 percent in the three months to June after a 0.2-percent expansion in the first quarter, the Office for National Statistics said in a statement.

Free-trade pacts hamper India's efforts to curb China textile imports

REUTERS, Mumbai/New Delhi

China is exporting textiles to India through Bangladesh to get around a tax increase on imports, undermining New Delhi's efforts to support local manufacturers, industry sources said.

Earlier this week, India doubled the import tax on more than 300 textile products to 20 percent, marking the second tax increase on textiles in as many months.

This is aimed at providing relief to the country's domestic textile industry, which has been hit by cheaper imports. India's total textile imports jumped by 16 percent to a record \$7 billion in the fiscal year to March 2018. Of this, about \$3 billion were from China.

Textiles are India's second largest job provider directly employing nearly 51 million people and accounting for 5 percent of India's gross domestic product, and 13 percent of its export earnings.

Industry officials said textile raw material from China is coming into India via Bangladesh, which has a free-trade agreement with India giving it access to the country's \$100 billion textile market.

"Duty free fabric from China is coming to Bangladesh, getting converted and landing into India at zero duty," Sanjay Jain, president of Confederation of Indian Textile Industry (CITI) told Reuters.

Industry bodies argue that India's latest action is not enough to protect domestic gar-



A woman works at a textile mill in Mumbai, India.

REUTERS/FILE

ment manufacturers which are facing fierce competition from China and Bangladesh.

Imports of clothing accessories and apparel from Bangladesh - the world's second largest exporter of ready-made garments - rose over 43 percent to \$200.9 million during the year ended March 2018, according to Indian government data.

"Import trends suggests 40 to 50 percent of the garments were made with Chinese fibre," said an Indian analyst who did not

want to be named. It is difficult to estimate exactly how many garments imported in India were produced with fibre sourced from China, he said.

India, Bangladesh and Sri Lanka are among the signatories of the South Asian Free Trade Agreement (SAFTA) that created a free-trade zone in the South Asian region.

Shipments of edible oils coming into India are also being designated as duty free under the regional free-trade pact, circum-

venting an import tax increase.

Trade bodies, which expect textile imports from Bangladesh to rise further, have asked the government to introduce a rule of origin for duty free imports. Competition from China is forcing some businesses, such as polyester production facilities, to run idle, leading to job losses, they said.

"Under the Safta agreement and trade agreement with Bangladesh, only those goods should be exempted from custom duty, whose raw material is also manufactured by one of the Safta countries," Dilip Chenoy, head of The Federation of Indian Chambers of Commerce and Industry said in a letter dated July 25 to a senior official in the government's textile ministry.

Kavita Gupta, India's textile commissioner told Reuters: "The textile ministry has proposed a 'Fabric Forward Policy,' where duty free access to garments will be provided if the fabric is sourced from India. The policy is in discussion stage."

Rising imports sent India's trade deficit with China in textile products (finished garments) to a record high \$1.54 billion in 2017/18, alarming industry officials as India had been until recently a net exporter of textile products to China.

There is a 10 percent price difference on average between textile products made in India and those made in China, according to FICCI. The unit value of some Chinese products such as stockings, blouses and baby garments cost far less than produced in India.



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Kazi Wahidul Alam, editor of tourism and aviation fortnightly The Bangladesh Monitor; M Shamsul Huda, chief advisor of ATN Bangla; Tashik Ahmed, senior vice president; Parvez A Chowdhury, principal of the National Hotel and Tourism Training Institute, and Faisal Mahmud, marketing manager of Bangladesh Edible Oil Ltd, manufacturer of Meizan Palm Olein, attend the launch of "Meizan Palm Olein Sheraton Rongshonshilpi 2018" at the Sonargaon hotel in Dhaka on Thursday. ATN Bangla will run the reality competition show on culinary talent from October.

Lawsuits accuse Tesla's Musk of fraud over tweets, going-private proposal

REUTERS

Tesla Inc and Chief Executive Elon Musk were sued twice on Friday by investors who said they fraudulently engineered a scheme to squeeze short-sellers, including through Musk's proposal to take the electric car company private.

The lawsuits were filed three days after Musk stunned investors by announcing on Twitter that he might take Tesla private in a record \$72 billion transaction that valued the company at \$420 per share, and that "funding" had been "secured."

In one of the lawsuits, the plaintiff Kalman Isaacs said Musk's tweets were false and misleading, and together with Tesla's failure to correct them amounted to a "nuclear attack" designed to "completely decimate" short-sellers.

The lawsuits filed by Isaacs and William Chamberlain said Musk's and Tesla's conduct artificially inflated Tesla's stock price and violated federal securities laws.

Tesla did not respond to a request for comment on the proposed class-action complaints filed in the federal court in San Francisco. The company is based in nearby Palo Alto, California.

Short-sellers borrow shares they believe are overpriced, sell them, and then repurchase shares later at what they hope will be a lower price to make a profit. Such investors have long been an irritant for Musk, who has sometimes used Twitter to criticize them.

Musk's Aug. 7 tweets helped push Tesla's stock price more than 13 percent above the prior day's close.

The stock has since given back more than two-thirds of that gain, in part following reports that the US Securities

and Exchange Commission had begun inquiring about Musk's activity.

Musk has not offered evidence that he has lined up the necessary funding to take Tesla private, and the complaints did not offer proof to the contrary.

But Isaacs said Tesla's and Musk's conduct caused the volatility that cost short-sellers hundreds of millions of dollars from having to cover their short positions, and caused all Tesla securities purchasers to pay inflated prices.

Tesla's market value exceeds \$60 billion, and its shares closed Friday up \$3.04 at \$355.49.

According to his complaint, Isaacs bought 3,000 Tesla shares on Aug. 8 to cover his short position.

The proposed class period in Isaacs' lawsuit runs from the afternoon of Aug. 7 through the next day, and in Chamberlain's lawsuit runs from Aug. 7 to Aug. 10.

Jet Airways hit by earnings delay, prompts recapitalisation calls

REUTERS, New Delhi/Bengaluru

India's Jet Airways shares hit a three-year low on Friday after it deferred its earnings, prompting analysts to say it urgently needed to recapitalize and restructure.

The airline was due to report quarterly earnings on Thursday but instead told the stock exchange that its audit committee had not signed off on them "pending closure of certain matters".

Jet Airways told staff earlier this month it was running out of money, a source had told Reuters, but it has denied this and said it is

confident of cutting costs and keeping its planes flying. India is the world's fastest-growing aviation market, but surging fuel prices, a weaker local currency and increasingly competitive air fares are hurting airlines.

"Recapitalization is critical and long overdue," Kapil Kaul, CEO and director for South Asia at consultancy CAPA, said.

"This coupled with a very effective restructuring which reorganises the business especially the domestic business is central to stability and viability," Kaul said.

India is one of the cheapest domes-

tic airline markets in the world and carriers have struggled to stay profitable despite filling nearly 90 percent of seats and seeing a more-than doubling of domestic passenger numbers over the last four years.

Jet Airways needs to repay about 30 billion rupees (\$436 million) of loans and bonds over the next three years with a third of it due by the end of next year, Reuters data shows.

One of the airline's lenders is State Bank of India, the chairman of the nation's top bank Rajnish Kumar said on Friday. The loan features on the bank's watch list and special mention accounts, Kumar said, without giving details.



Manwar Hossain, chairman of Bangladesh Finance and Investment Company Ltd (BD Finance), and Tarik Morshed, CEO, attend a daylong workshop on "Channel finance (factoring)" at DCCI auditorium in Dhaka yesterday.

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