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CHEVRON BANGLADESH

Prime Minister Sheikh Hasina hands over certificates and trophies to top officials of different companies in recognition of their contribution to power and energy sector at the inauguration of "Power and Energy Week 2018" at International Convention City Bashundhara yesterday. Summit Group Chairman Muhammed Aziz Khan, *left*, receives "Best Private Power Generation Company" award for fastest implementation of power plant; Managing Director of United Group Moinuddin Hasan Rashid, *middle*, receives "Best Private Power Producer" award for fastest implementation of power plant in remote area and Chevron Bangladesh President Neil Menzies, *right*, receives the largest natural gas producer of the country award (private sector).

## German industrial orders disappoint in July

AFP, Frankfurt

German industrial orders unexpectedly dipped again in July after a sharp drop in June, official data showed Thursday, as global trade frictions

cast a growing shadow over Europe's top economy.

New contracts at industrial firms slipped 0.9 percent, federal statistics authority Destatis said in figures adjusted for seasonal swings, follow-

ing a 3.9 percent plunge in June.

The July data surprised analysts who had predicted a jump in orders.

The figure, closely watched as an indicator of future economic activity, comes as companies around the world are warily eyeing a slew of trade spats sparked by US President Donald Trump's "America First" policies.

A recent EU-US trade truce has started to wobble after Trump threatened to press ahead with tariffs on foreign cars, and China is bracing for another wave of tariffs in a damaging tit-for-tat dispute with Washington.

The German economy ministry in a statement acknowledged that order intake had "slowed significantly" since the start of the year after a robust 2017.

"Global uncertainty triggered by trade conflicts may have played a role" in this month's reading, it said.

It noted that orders had fallen in the car industry in particular, which the ministry partly blamed on "temporary bottlenecks" created by the introduction of tough new EU emissions tests from September 1.

Overall, Destatis said that orders from within the eurozone fell 2.7 percent month-on-month, while contracts from the rest of the world plunged 4.0 percent.

The only bright spot in the data came from domestic orders, which were up 2.4 percent.

## US trade policy at a crossroads with Canada, China

AFP, Washington

President Donald Trump's trade policy faces a key crossroads on Thursday, as officials try to reach a deal with Canada, and he will decide whether to impose a huge wave of new tariffs on China.

With Canada, the largest US trading partner, talks seem to be on track to agree on a rewrite of the North American Free Trade Agreement.

But there have been no further discussions with China to try to resolve the bitter dispute with Beijing, and Trump could announce the next step that would impose steep duties on half the goods the US imports from the world's second largest economy, as soon as Thursday.

The deadline for public comment on the next wave of punitive taxes on \$200 billion of annual imports from China expires Thursday, and Trump reportedly wants to impose the tariffs immediately.

That would take the total goods targeted to \$250 billion of the \$500 billion imported each year.

Trump has had Beijing in his crosshairs since he took office, and has applied increasing pressure to try to convince the country to change its policies, allow more

imports and reduce the \$335 billion US trade deficit.

China so far has retaliated dollar-for-dollar with tariffs, but since it imports less than \$200 billion a year in US goods, it will run out of room to respond directly.

However, businesses warn there are other ways China can strike back, through regulations and other administrative means.

The last effort at a negotiated solution came in late August with meetings of low-level officials, but nothing came of them.

US businesses have become increasingly concerned about the exchange of tariffs, which are raising prices for manufacturers and hurting US consumers and farmers.

But Trump has been unapologetic, insisting that his tough tactics will work.

Meanwhile, talks are due to continue for another day with Canada to keep Nafta 2.0 as a three-party trade deal -- although Trump on Wednesday said he would "surprise" the public with a new name.

Canada Foreign Minister Chrystia Freeland said the sides are making "good progress" towards a deal to revise the North American Free Trade Agreement, but talks will continue to resolve remaining issues.



REUTERS/FIL

An aerial view of containers at a loading terminal in the port of Hamburg, Germany.

## Uber teams up with Japan taxi firm to crack tough market

AFP, Tokyo

Uber said Thursday it has teamed up with a local taxi firm in Japan, as the ride-hailing service attempts to muscle its way into Asia's second economy.

Fuji Taxi, based in the commercial hub of Nagoya city near the home of Toyota, will use an app built by Uber to bring a cab to its customers.

It is the US firm's first major partnership in the country, which has strict taxi regulations.

"Uber and Fuji Taxi Group will strive to improve the quality of the existing taxi service for local residents as well as visitors to the region," Uber said in a Japanese-language statement. The firm said it hoped to showcase its service and expand it to other parts of Japan.

So far Uber's presence in Japan has been largely contained to a pilot project on the small Awaji island in the country's west, along with Uber Eats in selected urban areas.

## India's rupee hits record low against dollar

AFP, Mumbai

India's rupee hit a new record low of 72 to the dollar on Thursday as emerging market currencies suffered more losses.

The under-pressure currency of Asia's third-largest economy slid to 72.12 to the greenback in afternoon trade.

The rupee has steadily fallen by about 10 percent throughout 2018, after starting the year at 63.67. Last month it crossed 70 for the first time as India was buffeted by the turbulence of the Turkish financial crisis.

The Turkish lira was sent into a tailspin in August by a bitter diplomatic spat with the United States over Turkey's detention of an

American pastor for almost two years on terror-related charges.

The currencies of other emerging economies heavily dependent on dollar-dominated foreign capital like Brazil, South Africa and Argentina also slipped in August.

The rupee slump is widening India's current account deficit.

India is a massive net importer of oil, which is priced in dollars, securing more than two-thirds of its needs from abroad. High oil prices have been squeezing the rupee, making it less appealing to investors, analysts say.

India's central bank has raised interest rates this year in part to help increase the value of the rupee.



REUTERS/FIL

An India Rupee note is seen in this illustration photo.

## GST effect: Hundreds of thousands laid off despite growth

REUTERS, Panipat, India

Tilak Raj Bathla's tiny weaving factory is one of the few still humming on a once busy road in Panipat, known as the country's "textile city".

Nearby, more than two dozen other workshops are locked from the outside, while dogs and cows roam through other abandoned factories. Scrap dealers enquire about idle powerlooms.

India launched the Goods and Services Tax (GST) just over a year ago, its biggest ever tax reform, aiming to replace more than a dozen federal and state levies and unify the sprawling economy.

The move improved economic efficiency but critics say the complexities of the new regime have driven many small enterprises out of business and forced hundreds of thousands out of jobs.

For Prime Minister Narendra Modi, the drawbacks of the GST, especially the job losses, could prove costly in major state elections later this year and a general election in mid-2019.

Bathla says his neighbours, most of them unschooled, could not comply with monthly online filings required under the GST regime. Some of his customers and suppliers could not afford to hire accountants to navigate a system which has been amended more than 200 times already, while others struggled to cope with delays in tax returns caused by glitches in the centralised software.

"I have a GST registration, but I can't work as my vendors and buyers are unable to comply with a complex tax structure," the 50-year-old said, adding his monthly sales had fallen to about 250,000 rupees (\$3,511) from about one million rupees before the GST. Only two of his 10 powerlooms are currently being used.

The government has said it is simplifying the tax measure to make it accessible to everyone. Finance Ministry spokesman DS Malik said requests from small businesses have been considered "from time to time." But he declined to comment on job losses.

Nevertheless, India's economy gathered pace in the April-June quarter, expanding 8.2 percent compared to 5.6 percent in the same period a year earlier. Economists said the number was coming off a low base as companies held off production in the year-ago period ahead of the implementation of the tax measure in July last year.

But while big firms have since shaken off the effects of the change and are set to gain from a uniform tax regime, small

businesses across the country are still hurting.

A survey by the All India Trade Union Congress (AITUC) in July found that a fifth of India's 63 million small businesses -- contributing 32 percent to the economy and employing 111 million people -- faced a 20 percent fall in profits since the GST rollout, and had to sack hundreds of thousands of workers.

Readymade garments, gems and jewellery, leather, handicraft and basic machinery manufacturing are hit the most, industry bodies from across the country say.

According to estimates by the Centre for Monitoring Indian Economy, a Mumbai-based consultancy, nearly five million workers lost their jobs over the past year. But it was not clear how many were from small enterprises.



REUTERS

A scrap dealer dismantles a winding machine at a weaving factory, that was shut a year ago, in Panipat in the northern state of Haryana, India.