



Khondkar Anisur Rahman, a director of Gulshan North Club, and Md Abu Sakin, head of card division at Mercantile Bank, exchange signed documents of a deal at the club in Dhaka on Friday on installing an ATM booth on the club premises. M Amanullah, the club's president and chairman of the bank's risk management committee, and Kazi Masihur Rahman, CEO of the bank, were present.

Johnson & Johnson to work with India on compensation

REUTERS, Mumbai

Johnson & Johnson (J&J) said it would work with the Indian government to compensate patients who had suffered from hip implants that were recalled by the US healthcare firm eight years ago after data showed high failure rates.

This follows last week's recommendation from a government panel that J&J pay at least 2 million rupees (\$27,812) to each patient for the faulty ASR hip implant. The federal government has asked states to help patients get relief soon.

About 93,000 people worldwide received ASR implants which were recalled in 2010. The Indian panel said in its report that about 4,700 of those

people were in India.

Given the recent committee report, "we are seeking to work with the Indian government to develop an appropriate process for providing further support and compensation for patients in need", a J&J spokeswoman said in a statement to Reuters, adding the firm was committed to support all ASR patients in India.

Sushobhan Dasgupta, a senior J&J executive in India, has, however, told Indian newspaper Mint that the company "will not pay people who had an ASR implant if they are doing well".

The company is not okay with the methodology used by the Indian panel, Dasgupta told the paper in an interview published on Friday. The report has "factual inaccuracies" and

"the conclusions could also be inaccurate", he added.

In 2013, J&J agreed to pay nearly \$2.5 billion to settle thousands of lawsuits from patients in the United States who said they were injured by the implants.

In India, the company paid \$2 million to patients for repeat surgeries and about \$250,000 in related diagnostic costs under its ASR reimbursement programme, but the government panel has criticised J&J for offering no compensation.

Metal hip implant systems such as ASR were designed to be more durable than a traditional metal-on-plastic, ball-and-socket design. But many Indian patients suffered adverse reactions to the implant, the panel said.

Italy reassures nervous euro zone on budget plans

AFP, Vienna

A top EU official on Friday said that Italy's budget plans were going in the right direction despite calls for a major spending boost by the anti-establishment government in Rome.

Italy has become a major concern for eurozone finance ministers who met in Vienna for the first time since Greece, their previous worry, ended its bailout programme in August.

Rome's debt currently stands at a towering 132 percent of gross domestic product (GDP), making Italy's the second largest debt ratio in the eurozone after Greece.

But the anti-EU government in Rome, which brings together the far-right League party and the anti-establishment Five-Star Movement, is under pressure to meet electoral pledges and boost spending instead of slashing its deficit, as promised by the previous government.

"Minister (Giovanni) Tria assured me that currently the budget which is under preparation foresees improvement on the structural balance of Italy's budget," Latvian Valdis Dombrovskis, Vice President of the European Commission told a news conference. "This clearly is a commitment which goes into right direction," he added after meeting Tria on the sidelines of the talks in Austria.

The fragile state of Italy's economy has reawakened memories of the debt crisis amid dangers that Italy could face punitive measures by its EU partners if it insisted on breaking bloc rules on running excessive deficits and high debt.

"I expect and hope that Italy will, in the next few days too, present an appropriate and sensible proposal for the 2019 budget," said Hartwig Loger, the finance minister from Austria, which holds the EU's rotating presidency.

"If Italy should ... come up with another proposal, I assume that the European Union will provide a suitable response," he said. Pressed on Italy, German Finance Minister Olaf Scholz warned: "I always assume that everyone adheres to European rules."

The tensions over Italy's spending plans will grow until October 15 when Rome must deliver its budget proposal to the Commission, the EU's executive arm.

"Austerity is one thing, lack of seriousness is another," said the EU's Economic Affairs Commissioner Pierre Moscovici, who will lead the budget talks with Rome.

"I want to believe that seriousness, realism, pragmatism will prevail," he added. In Vienna, Moscovici and Dombrovskis sat down with Tria, who wants to reassure financial markets about the stability of Italy.

Nervous markets are closely tracking developments on the budget, putting pressure on the rates Italy must pay to meet its colossal borrowing needs. In recent days, the so-called "yield spread" -- which measures the difference in perceived risk between Italian and ultra-safe German government bonds -- has come down from alarming levels but is still much wider than officials would like.

China's record trade surplus with US adds fuel to trade war fire

REUTERS, Beijing

China's trade surplus with the United States widened to a record in August even as the country's export growth slowed slightly, an outcome that could push President Donald Trump to turn up the heat on Beijing in their cantankerous trade dispute.

The politically sensitive surplus hit \$31.05 billion in August, up from \$28.09 billion in July, customs data showed on Saturday, surpassing the previous record set in June.

Over the first eight months of the year, China's surplus with its largest export market has risen nearly 15 percent, adding to tensions in the trade relationship between the world's two largest economies.

China's annual export growth in August moderated slightly to 9.8 percent, the data showed, the weakest rate since March but only slightly below recent trends.

The number missed analysts' forecasts that shipments from the world's largest exporter would rise 10.1 percent, slowing only slightly from 12.2 percent in July.

Even with US tariffs targeting \$50 billion of Chinese exports in effect for their first full month in August, China's exports to the United States still accelerated, growing 13.2 percent from a year earlier from 11.2 percent in July.

"There is still an impact from front-loading of exports, but the main reason (for still-solid export growth) is strong growth in the US economy," said Zhang Yi, an economist at Zhonghai Shengrong Capital Management.

Zhang said the impact from US tariffs on China's exports would likely be limited over the next few months.

China's imports from the United States grew only 2.7 percent in August, a slowdown from 11.1 percent in July.

The world's largest trading nation got off to a strong start this year, but its economic outlook is being clouded by the rapidly escalating US trade dispute and cooling domestic demand. Trump upped the ante on Friday, warning he was ready to slap tariffs on nearly all Chinese imports to the United States, threatening duties on another \$267 billion of goods on top of \$200 billion in imports primed for levies in coming days.

Washington has long criticized China's huge trade surplus with the United States and has demanded Beijing reduce it. Still, disagreements between the two major economic powers run deeper than just the trade balance and tensions remain over limits on US firms' access to Chinese markets, intellectual property protection, technology transfers and investment.

Imports, a key gauge of the strength of China's domestic demand, grew 20 percent, beating forecasts. Analysts had expected growth of 18.7 percent, slowing from July's surprisingly high 27.3 percent.

That resulted in China posting a smaller overall trade



Shipping containers are seen at a port in Shanghai, China.

surplus of \$27.91 billion for the month. Analysts had expected the surplus would rise to \$31.79 billion from \$28.05 billion in July.

The surplus with the United States was larger than China's net surplus for the month, indicating China would be running a deficit if trade with the world's largest economy was excluded.

While no one predicted a sudden, sharp blow from US tariffs, China's official export data has been surprisingly resilient so far, with growth exceeding analysts' expectations for five months in a row.

Chinese officials acknowledged Chinese exporters have been rushing out shipments to beat new US tariffs, buoying the headline growth readings, while some companies such as steel mills are diversifying and selling more products to other countries.

Economists have noted that disruptions in supply chains are likely to be more company specific, and will take time to be reflected in broad economic data and corporate earnings reports.

However, anecdotal evidence of mounting trade dam-

age on both sides of the Pacific is on the rise.

Official and private manufacturing surveys for China show global demand for Chinese goods is clearly on the wane, with export orders shrinking for months in a row.

"Risks have increased due to the negative impacts of China-US trade friction. The impact on exports may gradually start to show up, with future export growth possible declining," said Liu Xuezi, an analyst with Bank of Communications.

Policymakers have shifted their focus in recent months to improving credit conditions and shoring up business confidence.

Beijing is ramping up spending on infrastructure projects to spur domestic demand and the central bank is tamping down borrowing costs and leaning on commercial banks to continue lending to struggling firms hit by trade troubles.

But such steps will take time to arrest the economy's slide, and analysts expect the government to unveil more stimulus measures if business conditions continue to deteriorate.

Asia gold: India buying robust ahead of festivals

REUTERS, Mumbai/Bengaluru

Physical gold buying picked up pace in major Asian centres this week as lower prices fuelled appetite for the metal, with India seeing healthy demand ahead of the festive season despite a rise in domestic rates to a two-month high.

In India, the world's second-biggest consumer of the metal after China, gold futures rose to 30,700 rupees (\$428) per 10 grams on Thursday, a peak since July 9.

Demand in India usually strengthens in the final quarter as the country gears up for the wedding season and major festivals such as Diwali and Dussehra, when buying gold is considered auspicious.

"Due to uncertainty over the rupee, jewellers are buying even after the recent price rise. They want to build inventory for the upcoming festive season," a Mumbai-based dealer with a private bank said.

The Indian rupee fell to a record low of 72.11 per dollar on Thursday.

Dealers in India were charging a premium of up to \$1 an ounce over official domestic prices this week, unchanged from last week. The domestic price includes a 10 percent import tax.

"Since the rupee is falling, consumers are buying, expecting a further price rise," said Kumar Jain, a Mumbai-based jeweller.

India's gold imports more than doubled in August as lower prices prompted manufacturers to replenish inventory for the five-day India International Jewellery Show in Mumbai, data from metals consultancy GFMS showed.

Premiums in China were little changed from last week at \$6-\$7 an ounce, traders said.

"There is very good interest in buying at current levels as prices have come a long way from \$1,300," said Ji Ming, chief analyst at Shandong



A woman tries on a gold necklace inside a jewellery showroom at a market in Mumbai.

Gold Group. Benchmark spot gold prices have tumbled about 12 percent from a peak of \$1,365.23 in April.

Premiums in Hong Kong were around \$0.90 to \$1.40 an ounce versus \$0.90-\$1.30 previously.

"There is a lot of demand for the kilobar. There has been demand from manufacturers and jewellers, who want to be ready ahead of the festival season," said a Hong Kong-based official with an international refiner.

Premiums in Singapore were between \$0.70 and

\$1.50, as against \$0.80-\$1.30 an ounce last week.

Demand in Hong Kong and Singapore was better than the average over the last few weeks, said Joshua Rotbart, managing partner, J. Rotbart & Co in Hong Kong.

"Investors are getting used to the new price range and feeling more comfortable re-entering the market at this level."

In Japan, premiums rose to 50 cents from last week's 25 cents, on retail demand for gold coins and bars, a Tokyo-based trader said.

Canada's jobless rate rises to 6pc

AFP, Ottawa

The Canadian economy shed jobs in August following two months of increases and the jobless rate rose, largely due to falling government hiring, StatsCan reported Friday.

Employment fell by 52,000 last month, counteracting nearly all of the gains in July and pushing the unemployment rate up 0.2 points to six percent, according to the report.

The change was largely driven by the 80,000 decline in Ontario province from the prior month. Public sector employment fell by 38,000 or one percent, while hiring in the private sector was little changed.

The data also showed part-time work plunged 92,000 or 2.6 percent in the month -- most of that in Ontario -- while full-time employment was little changed.

German industrial production stumbles in July

AFP, Frankfurt

Industrial production in Germany slipped in July, official data showed Friday, following up a weak new orders figure the day before. Output fell 1.1 percent month-on-month, federal statistics authority Destatis said in figures adjusted for price, seasonal and calendar effects.

That disappointed forecasts from analysts surveyed by Factset, who had reckoned with a 0.2 percent increase.

Production was lower across manufacturing firms, with capital goods makers shedding 2.5 percent, producer goods makers 1.4 percent and consumer goods 0.9 percent. Construction output was the only sector to report an increase, while energy firms generated the same amount as last month.

Economic growth in Germany has slowed from the high pace seen in late 2017, as trade war fears have weighed on confidence in the export-reliant country.

Think-tank DIW predicted Thursday annual growth of 1.8 percent, saying "the German economy is pressing slightly on the brake pedal" following last year's 2.2-percent expansion.

In a separate release, Destatis said Germany's trade balance -- total exports minus total imports -- stood at 16.5 billion euros (\$19.2 billion), down from 18.8 billion one year ago. In July the country spent some 94.5 billion euros on imports, but sold 111 billion euros abroad.

At 12.0 percent year-on-year, growth in imports outstripped the 7.6 percent expansion in exports.

Germany's massive trade surplus is a bugbear for many of its allies and partners in Europe and further afield, especially US President Donald Trump. Friendly governments and international economic organisations like the International Monetary Fund regularly urge Berlin to boost spending at home to smooth out the imbalance, which they argue harms other countries' economies.