

US workers see big wage gains in Aug

AFP, Washington

American workers saw the biggest bump in pay in nearly a decade last month amid a surprise late-summer hiring spree that offered no sign jobs markets could be cooling, the government reported Friday.

The unexpected gains, which saw jobs sprout up in construction, transportation, wholesale trade, finance and health care, was a shot in the arm for President Donald Trump, who was beset this week by reports his staff had actively sought to undermine him.

The US economy added 201,000 new jobs in August, well above analyst expectations, while the unemployment rate held steady at an already-low 3.9 percent.

But the big story was that wages gained ground on inflation, as average worker pay grew by 2.9 percent compared to August of last year, the biggest annual increase since June 2009. That was in line with consumer inflation.

Meanwhile, a broader measure of unemployment, which includes underemployed and so-called discouraged workers who have given up looking for jobs, fell to 7.4 percent,

the lowest level in 17 years.

Ahead of crucial elections in November, the White House -- which had been at pains this week to counter reports of flagging wage growth -- welcomed the news.

Top White House economic advisor Larry Kudlow hailed the surprise result, saying, "It shows the strength of the economy."

He noted that "some people thought that the number was going to be 50,000 lower but it wasn't!"

But the strong gain in pay will also solidify expectations for the Federal Reserve to continue raising interest rates this year to keep a lid on inflation, something that has repeatedly drawn Trump's ire.

The August employment gain appeared even larger given a downward revision to July's comparatively weak numbers.

"The labor market is tight but businesses are finding ways to get the workers they need. Job growth in August was solid once again," economist Joel Naroff said in a client note.

The strong hiring report also brought average gains to 196,000 per month over the past year.

Professional and business services

added 53,000, bringing job gains for the sector to 519,000 since August of last year.

The hiring momentum was not shared by all, however, as jobs in auto manufacturing, retail and utilities fell.

The labor force participation rate and employment-to-population ratio also weakened slightly.

Naroff cautioned that with the labor force growing only moderately and the participation rate among the population stagnant, "it will be hard to replicate the above-growth gains we had recently."

The mining sector, an industry central to Trump's economic message of reviving the heavy industries of old, ticked slightly higher with 6,000 jobs added. The August result also is subject to revision in the coming months.

But the bright spot for the month was surely the bump in average hourly worker pay, which jumped 10 cents over July's rate to add 0.4 percent, about double what economists had been expecting and the largest month-to-month increase since December.

Analysts had warned that technical factors could produce a deceptively weak reading, since August had more total working days than prior months.



Md Arfan Ali, president and managing director of Bank Asia; Mahmudul Hasan Khusru and Mahamud Hosain, vice presidents of the Institute of Chartered Accountants of Bangladesh (ICAB), and Maj Gen (retd) Muhammad Imrul Quayes, secretary to the ICAB, pose with participants of a workshop on advanced excel and financial modeling organised by the ICAB at CA Bhaban in Dhaka yesterday.

Canada's Freeland sees 'very good progress' in Nafta trade talks

REUTERS, Washington

Canada's top trade negotiator said on Friday she and her US counterpart were making "very good progress" in talks to save the North American Free Trade Agreement amid increasing Canadian optimism that a deal could be reached, even if a conclusion did not appear imminent.

Canadian Foreign Minister Chrystia Freeland repeated her upbeat assessment of the negotiations, again terming them constructive, as she spoke to reporters after a meeting in Washington with US Trade Representative Robert Lighthizer.

"We are certainly making very good progress at understanding each other, understanding what each side needs," Freeland said.

But the talks on Friday were not headed toward an immediate conclusion. Freeland was due to fly out of Washington on Friday evening, a senior Canadian official said, adding that further minister-level discussions would not likely be held until sometime next week.

Lighthizer is scheduled to be in Brussels on Monday for trade talks with the European Union's trade commissioner, Cecilia Malmstrom, and is due back in Washington on Tuesday.

The main sticking point in the US-Canada Nafta talks appeared to be Canada's dairy quota regime, according to the White House's top economic adviser, Larry Kudlow, who spoke before the start of the latest talks.

Kudlow spelled out "M-I-L-K" in an interview with Fox Business Network

for emphasis.

President Donald Trump has struck a trade deal with Mexico and threatened to push ahead without Canada, a move that would kill Nafta, which covers \$1.2 trillion in trade between the three countries, and further spook financial markets.

Other sticking points include Ottawa's desire to keep the 1994 pact's Chapter 19 dispute resolution mechanism, and Canadian media laws that favor domestically produced content.

"I'm working on Canada now," Trump told reporters aboard Air Force One. "You know, people can say, 'Oh I'm too tough on Canada.' Look, Canada's been ripping us off for a long time. And now they've got to treat us fairly."

A Canadian source, who declined to be named given the sensitivity of the situation, said Canadian negotiators thought it was quite possible the talks would continue until the end of this month.

A US official told Reuters on Thursday that Canada needed to move further on dairy. In its recent trade deal with the European Union, Canada made concessions on dairy imports and it offered some increased access to that market as part of the Trans-Pacific Partnership, which the United States abandoned.

"We're down to three issues: Chapter 19, the cultural issues and dairy. We've created leverage and driven Canada to the table," the US official said. "Part of our problem is that Canada has been backsliding on its commitments (on dairy)."

Trump has targeted what he sees as

"unfair" trade as part of his "America First" agenda to boost US manufacturing and jobs, imposing tariffs on trading partners, including Canada, China, the EU and Mexico. That has prompted retaliation.

Tens of billions of dollars in Chinese imports have been slapped with US tariffs and a new round of duties is due to be triggered soon.

Both Canada and Mexico want Trump to agree to permanently exempt them from US tariffs on steel and aluminum imports. Washington has used those tariffs as leverage in the Nafta talks.

For its part, Canada has used the provisions of Nafta's dispute resolution mechanism to defend its lumber exports to the United States. Washington charges that Canadian lumber unfairly undercuts prices on US lumber.

Negotiators and their staff have held several late-night sessions in a bid to overcome disagreements this week.

"We are really in a continuous negotiation phase," Freeland said.

The Republican chairman of the US House of Representatives Ways and Means Committee, Kevin Brady, a powerful voice in Congress on trade, told reporters differences remained between the two sides over Canada's dairy quota regime, a trade dispute resolution settlement procedure and "other longstanding issues."

"My sense is that everyone is at the table with the intention of working these last, always difficult issues out," Brady told reporters after speaking with Lighthizer on Thursday.



Kyoko Yokosuka, deputy country director of UNDP Bangladesh, and N Rajashekar, country officer of Citi Bangladesh, pose with the winner of "Youth Co:Lab Accelerator Bangladesh" at Bangabandhu International Conference Centre in Dhaka on Friday. The UNDP and Citi Foundation awarded three top performing social-enterprises led by young people for their innovations as startup ecosystems on achieving Sustainable Development Goals.

MIDAS honours eight entrepreneurs

FROM PAGE B1

He asked MIDAS to encourage entrepreneurs so that they get involved in export oriented businesses as the government is now providing exporters with various incentives.

The award recipients also shared their success stories at the event.

Nayan Salina—one of the awardees—took a loan from MIDAS to do business and earn a living in 1995 when she had to take care of her two children as a single mother in Cox's Bazar.

She said the capacity development training and technical assistance provided by MIDAS have helped her become the owner of a poultry and dairy business along with a hotel worth several crores of taka now.

Another recipient, Afsana Asif Shoma, found considerable success by dint of counselling and technical support from MIDAS. She is now the managing partner of Asix, which generates some \$1.5 million by exporting a diversified range of jute goods every year.

Noor A Alam Chowdhury—one of the two male awardees—shared how MIDAS stood beside him at the inception of his bakery.

With the technical and capacity building support from MIDAS, Chowdhury

opened the bakery—Bread and Beyond—in the capital's Dhanmondi area in 2014. Now the company has 13 outlets across Dhaka. The other recipients were: Wahida Khanam and Sultana Zaman Lina from Rajshahi, Soniya Rahman from Jessore, and MA Mannan and Selina Akter from Dhaka.

Micro, small and medium enterprise (MSME) is an emerging sector in the country and MIDAS is one of the key players in this sector, Parveen Mahmud, chairman of MIDAS, said at the event.

The financial support of MIDAS is helping small and medium entrepreneurs turn into big ones, said Rokia Afzal Rahman, a director of MIDAS.

MIDAS is providing collateral free loans to the small entrepreneurs to help them grow further, Rokia said. "The board of directors of MIDAS is also very supportive in giving such loans for the development of women entrepreneurs."

MIDAS came into being as a non-profit voluntary organisation for the development of MSMEs with the financial assistance of USAID.

The organisation has developed around 32,000 women entrepreneurs since its inception.

Focus more on food security, nutrition

FROM PAGE B1

He said the use of herbicides and agro-chemicals compromises food safety. "We all are consuming that food and our bodies are going to be affected by these."

It comes to light when food exports are rejected by importing nations, he said.

He said malnutrition is a major challenge. "Malnutrition is widespread and costly. It costs lives and money," he said, adding that 2 billion people suffer from micronutrient deficiencies and 2.1 billion people, including 700 million adults, suffer from obesity.

According to Sundaram, under-nutrition and nutrient-deficiency cost 2-3 percent of the global GDP. Total output loss and healthcare cost due to non-communicable diseases would be about \$47 trillion over the next two decades. Obesity is the third largest burden on the global population, he said, adding that all these have strong implications for human development.

"Despite ostensible decline in poverty, hunger remains a critical issue," said Sundaram. The expert said hidden hunger resulting from micronutrient deficiency has been one of the major reasons behind undernourishment.

He said Bangladesh made progress in the last decade and the progress has reversed. The proportion of hungry people in Bangladesh has actually increased. As the population is increasing the number is also on the rise. "This is a matter of concern," he said.

He stressed the need for producing energy from renewable sources to mitigate the impacts of climate change.

"I think making some progress in renewable energy is relatively easy for Bangladesh. The government can work with the private sector to mobilise more investment. All it will have to do is to create incentives," he said.

Bangladesh has made strides in the expansion of renewable energy, particularly solar electricity, he said.

"There is no reason why Bangladesh cannot make solar panels." He said renewable energy has become cheaper now than ever before and subsidies that are given for petrol can be redirected towards renewable energy.

"Governments cannot rely on markets alone to solve the problem and they need new mechanisms for developing and transferring technologies," said Sundaram, advocating for more research and development and flexible intellectual property rules.

Sundaram, a former assistant secretary-general of the United Nations Department of Economic and Social Affairs, also talked about the rising inequality, particularly between the rich and poor countries, and called for attention to reduce the gap. Income inequality is rising and two-thirds of the world's inequality is due to international inequalities, he said.

Inequalities have widened between the 20 poorest countries and the 20 richest countries between 1960-62 and 2000-02, he said, adding that the incomes of the wealthy nations have risen three times. There has been a great deal of illicit financial flows mainly through trade mispricing and tax evasion through transfer pricing, he said.

Amazon, Walmart to enter Bangladesh in two years

FROM PAGE B1

The country's top 10 homegrown online ventures organised the discussion in the backdrop of the government's initiative to amend the recently approved Digital Commerce Policy.

On July 16, the cabinet had approved the Digital Commerce Policy, limiting foreign investment at no more than 49 percent in local e-commerce ventures.

But the government decided to reconsider the limit when some global players operating in Bangladesh voiced concerns about it. The government plans to allow foreign companies to own 100 percent shares in local e-commerce ventures.

The size of the local e-commerce market size is about Tk 1,000 crore and about 100 ventures account for Tk 700 crore in annual sales. Currently, the market is catering 30,000 orders a day and it is more than doubling every year.

"The market has been growing at more than 100 percent every year and has enormous opportunity to grow further," said Tomal.

Local ventures said the government needs to clear its position on whether only two or three foreign players will dominate the market and grab all the businesses after two years or there will be some local ventures alongside the foreign entities.

Global players usually enter a market and capture it within a couple of years through price dumping like they did in Pakistan, Sri Lanka and some countries in Africa, said AKM Fahim Mashroor, founder of ajkerdeal.com, one of the leading local e-commerce ventures.

The e-Cab is preparing a list of recom-

mendations about the policy which will be sent to the government. The e-Cab will propose foreign companies recruit 90 percent of their staff from locals to run operations in Bangladesh, said Tomal.

Other recommendations will include: foreign firms will have to host their websites locally and ensure warehouse's presence and customer data security.

Zeeshan Kingshuk Huq, co-founder and chief executive of kiksha.com, said foreign investment is needed to develop the local market, not to destroy it.

"The US, the UK, China and India are the most protected market. Thanks to this protection, their local firms are capturing the rest of the markets in the world."

Asikul Alam Khan, founder and CEO of PriyoShop, said new challenges have emerged at a time when the market is just getting ready to take off. "We have nurtured the market and it is moving towards maturity. Now, some global giants want to capture it."

Mahmudul Hasan Sohag, chairman of OnnoRokom Group, said foreign companies want a level-playing field through a brutal process.

"But the government should understand the level-playing field by looking at historical context and country perspective."

Syed Mohammad Kamal, country manager of MasterCard Bangladesh, said the Digital Commerce Policy was passed following a huge consultation process.

The government should follow the same before amending it, he said.

Senior officials of e-commerce firms such as bagdoom, pickaboo, othoba, nrbazaar, and HungryNaki were also present.

IDB promoting innovation, says its president

FROM PAGE B1

Yeafesh Osman, minister for science and technology, said Bangladesh could solve different challenges in the future with the IDB's cooperation.

"Bangladesh and the IDB have been maintaining a warm relationship for long. The latest initiative of the institution will help improve living standards of people as communication and technology play key roles in developing the socioeconomic situation," he said.

Hayat Sindi, senior advisor to the IDB president, said a large number of people were still deprived of the facilities science and technology offer.

namely 'Engage', to build up a digital world. The bank has an allocation of nearly \$500 million to promote the excellent ideas," she said. Anyone can use the fund to realise brilliant ideas, Sindi said.

Up to 20 teams of people was selected to take part in the competition where they got the opportunity to meet experts so that their ideas could become a reality.

Judges selected three winners who will receive awards in presence of Prime Minister Sheikh Hasina at a ceremony marking the opening of the IDB's Dhaka hub today.

Each winner will be awarded \$3,000 in prize money and the opportunity to join a high-level IDB annual service technology and innovation conference in December.

Apparel pushes up exports to US

FROM PAGE B1

Both the Accord and Alliance have already completed over 90 percent remediation of the factories in the garment sector, mainly fixing electrical, fire and structural loopholes.

Rahman said some of the US retailers who had left Bangladesh a few years ago for countries like Myanmar and those in Africa were coming back with hands full of work orders.

Moreover, a lot of work orders from China have also shifted direction towards Bangladesh as the country has become an expensive destination for higher cost of production and a shortage of skilled workforce, he said.

Currently, 67 green garment factories are in operation in Bangladesh -- some of them the best in the world.

Over 300 green garment factories, now under construction, are going to be certified by US Green Building Council, Rahman said.

However, he said, Vietnam has been performing very strong in global garment business as this Southeast Asian nation has invested a lot in the sector over the last couple of years.

Vietnam holds the second position on the list of top garment exporters to the US with \$6.94 billion worth of goods, up 6.41 percent year-on-year, data showed.

Indonesia is in the fourth position with \$2.61 billion, down by 3.70 percent, India \$2.41 billion, up 3.92 percent, and Cambodia \$1.36 billion, up 15.45 percent.