

Trudeau sets out to sell Canadians on trade pact

AFP, Ottawa

Canada's Justin Trudeau Monday hailed a new continental trade pact with the United States and Mexico as "profoundly beneficial" for Canadians -- but the prime minister must now sell the deal to skeptical dairy farmers, unions and voters.

The 11th-hour deal was reached late Sunday after more than a year of tough negotiations to replace a 24-year-old trade pact that US President Donald Trump had labeled a "disaster."

Canadian dairy farmers immediately denounced the new US-Mexico-Canada Agreement for easing market protections, while steel workers complained that US tariffs on steel and aluminum were not dealt with.

But Unifor, Canada's largest union representing auto workers, praised it for safeguarding the nation's top export -- cars.

Trudeau was quick to embrace the new deal, welcoming it in a late night call with Trump as "a new and modern trade agreement" and that would "bring the countries closer together."

Moving to patch up a relationship badly strained by the fractious trade talks, the two leaders predicted the accord would "create jobs and grow the middle class, enhance North American competitiveness, and provide stability, predictability, and prosperity to the region."

At a press conference Monday, Trudeau predicted the new pact would be "profoundly beneficial for our economy" and "the most important progressive reform for North American workers in a generation."

Flanked by Foreign Minister



AFP

Canada's Prime Minister Justin Trudeau announces the new USMCA trade pact between Canada, the United States, and Mexico in Ottawa on Monday.

Chrystia Freeland who led the Canadian negotiating team, he welcomed Mexico's concessions on auto worker wages, an exemption for Canada's cultural industries, and the keeping of binational dispute resolution panels on which he'd staked his political future.

The latter had been used on several occasions to successfully challenge US anti-dumping and countervailing duties on its lumber and other key sectors.

The United Steelworker's Canadian branch president Ken Neuman, however, called the deal a "sell-out" for failing to eliminate 25 percent steel and 10 percent aluminum tariffs imposed in June by the Trump administration.

Trudeau said those were being negotiated on a separate track, and that the talks continue.

In Quebec, meanwhile, politi-

cians lamented that its key dairy sector was paying the biggest price in order to get a deal.

"The worst-case scenario has been realized," said Parti Quebecois leader Jean-Francois Lisee.

Canada's supply-managed system controls the production and price of milk and poultry and ensures stable incomes for Canadian farmers.

Preserving the protections for dairy was politically important to Trudeau, whose Liberal party faces elections next year.

But Trump had threatened to leave Canada out of the trade deal altogether if an agreement could not be reached by midnight Sunday, confronting Trudeau with the prospect of broader disruptions to the Canadian economy.

The Dairy Farmers of Canada

warned that giving US farmers an additional 3.59 percent slice of the \$16 billion Canadian milk and cheese market would have a "dramatic impact" on the sector.

"This has happened, despite assurances that our government would not sign a bad deal for Canadians," it said. "We fail to see how this deal can be good for the 220,000 Canadian families that depend on dairy for their livelihood."

But pundits noted that this access is similar to what was offered in a free trade deal with Europe and in the Trans Pacific Partnership.

Opposition Conservative leader Andrew Scheer was quick to swipe at Trudeau's government over the deal.

"Today the United States is measuring their success in terms of what they got and Canada is measuring their success by measuring what they didn't have to give up, so it's pretty clear which end of the stick we are on," Scheer told reporters.

But on the Canadian street, many bystanders interviewed by local media breathed a sigh of relief at the prospect of stability returning to Canada-US relations.

Despite the Canadian concessions, Professor Louis Belanger of the University of Laval in Quebec told AFP the alternative -- no deal at all -- would have been a much darker outcome.

"Since Prime Minister Trudeau did not give in on key issues, I don't think he'll pay a political price at the polls next year," Belanger said.

"Most Canadians blame the American administration for the mess we're in, and I think Justin Trudeau will be recognized for saving the furniture," he added.

Samsung Electronics to post record Q3 profit

REUTERS, Seoul

Samsung Electronics Co Ltd is set to post a hefty jump in third-quarter profit to record levels after its chip unit put in a sterling performance on demand from data centers and improved production yields.

The July-September quarter is, however, expected to mark a peak in earnings as a two-year super cycle of tight supply and soaring demand comes to an end, with prices of some types of chips already sliding sharply.

The world's top memory chipmaker, due to report preliminary results on Oct. 5, is forecast to book an 18 percent surge in operating profit to 17.2 trillion won (\$15.5 billion), a Refinitiv poll of 15 analysts showed. Revenue is seen climbing 3.7 percent.

That handily beats operating profit growth of 6 percent in the previous quarter when its Galaxy S9 device missed sales targets and competition from cheaper Chinese-made phones ate into margins for its mobile business.

The big boon for Samsung has been a spike in prices for DRAM chips, which help devices perform multiple tasks at once and are its main memory product. DRAMeXchange estimates the average price

of server DRAM rose 14 percent in the third quarter from a year earlier, as companies build data centers for cloud computing.

But prices for NAND chips, used for longer-term data storage, more than halved in the same period as supply swamped demand. Those drops are expected to accelerate, while most analysts also predict DRAM prices will begin to decline.

"Starting in the fourth quarter, I expect DRAM prices to fall by around 10 percent. That will hurt Samsung's operating margin," said Eo Kyu-jin, an analyst at eBS Investment & Securities.

While Samsung is forecast to still book decent operating profit growth of 12 percent in the fourth quarter, analysts predict minimal profit growth in the first half of 2019 followed by profit declines, albeit small ones, in the second half, Refinitiv data showed.

Even so, Samsung is expected to weather drops in DRAM chip prices better than rivals due to gains in production technology that allow it make smaller and faster chips per silicon wafer.

"Even though the average selling price will decline next year, Samsung's memory chip business will still have solid profits due to cost-saving measures," said Avril Wu, senior research director at DRAMeXchange.

Amazon to raise minimum wage to \$15 for US employees

REUTERS

Amazon.com Inc said on Tuesday it is raising its minimum wage to \$15 per hour for all US employees including full-time, part-time, temporary and seasonal employees, starting Nov. 1.

The increased raise comes at a time when the "Fight for Fifteen" movement -- a union-led push for a \$15 minimum wage -- has been gaining traction in cities across the country.

The new minimum wage will benefit more than 250,000 employees in the US, as well as over 100,000 seasonal employees

who will be hired at Amazon sites across the country this holiday, the company said in a statement.

"We will be working to gain Congressional support for an increase in the federal minimum wage. The current rate of \$7.25 was set nearly a decade ago," said Jay Carney, senior vice president of Amazon global corporate affairs.

Retailer Target Corp raised its minimum hourly wage last year to \$11 and promised to raise it to \$15 an hour by the end of 2020 while the world's largest retailer and private employer Walmart raised its minimum wage to \$11 an hour earlier this year.

Solar firm secures \$1.66m from global investors

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The platform interconnects users with and without solar home systems (SHS) to a smart direct-current grid, while empowering communities to be solar entrepreneurs by selling their excess energy.

In the statement, Robert Kraybill, managing director of IIX, said access to modern, clean energy is essential not only for reducing poverty, but also for building more inclusive, resilient communities. "With the majority of the world's energy poor living in Asia, we're thrilled to have SOLshare as the IIX Growth Fund's first investment in Bangladesh."

"Through my 30 years of experience in the country, I now see great

opportunity to invest in innovative enterprises such as SOLshare that meet rising energy demands, maximise scarce resources, and ensure a sustainable future for everyone."

Kraybill said SOLshare's tech-driven platform has already received global recognition. "And we are happy to be able to fund their rollout in Bangladesh and expansion into neighbouring countries." Sebastian Groh, managing director of SOLshare, said, "We are extremely honoured and grateful that partners from innogy, EDP, and IIX have put their trust in us in shaping this new energy future."

The aim is to create efficient and dynamic local energy markets that empower households and encourage

solar entrepreneurship -- starting in Bangladesh, followed by India before the end of this year, and eventually on a global scale, Groh said.

Bangladesh has five million solar home systems installed -- more than any other country in the world.

However, more than half of Bangladesh's population has no or only poor access to electricity, and demand has reached nearly double the country's generating capacity, said the statement. The country also faces significant unmet energy needs as its power generation is dependent on limited energy sources--imported fossil fuel and natural gas. Furthermore, grid extension is not always feasible and in some cases technically challenging.



EBL

Azeeza Aziz Khan, director of Summit Corporation Ltd; Lt General (retd) Abdul Wadud, managing director of Summit Power Ltd, and Ali Reza Iftekhar, CEO of Eastern Bank, attend a programme at the bank's head office in Dhaka on Monday when the bank signed an interest rate swap deal with Summit Group.

Australia central bank holds rates with inflation soft

AFP, Sydney

Australia's central bank held interest rates at a record low on Tuesday even as the economy grows strongly, with officials taking into account soft inflation figures and weak wages growth.

The cash rate has been unchanged at 1.50 percent since the Reserve Bank of Australia last cut it in August 2016, to support non-mining industries as an unprecedented investment in resources waned.

"The low level of interest rates is continuing to support the Australian economy," RBA governor Philip Lowe said in a statement after the monthly board meeting.

"The board judged that holding the stance of monetary policy unchanged at this meeting would be consistent with sustainable growth in the economy and achieving the inflation target over time."

The economy expanded 0.9 percent in the March-June quarter, following 0.7 percent growth in the previous three months, supported by increasing exports, and consumer and government spending.

It took the annual rate of growth to 3.4 percent -- the fastest since September 2012.

The RBA acknowledged the strong figures but said the outlook for household spending remained a "continuing source of uncertainty", while the growth in wages -- which would help to lift inflation -- remained slow.

"Growth in household income remains low and debt levels are high," Lowe said.

"Wages growth remains low, although it has picked up a little. The improvement in the economy should see some further lift in wages growth over time, although this is likely to be a gradual process."

JP Morgan economist Tom Kennedy said the bank was unlikely to lift interest rates until the jobless rate, which is at 5.3 percent, fell below five percent.

"If it moves below five percent, that would give the RBA some confidence that the economy is moving in the right direction and wages would pick up, and along with that, inflation," Kennedy told AFP.

"Our view is that the jobless rate would stabilise at current levels and ... consumers will remain relatively hamstrung by quite weak income growth."

Pepsi tops quarterly revenue estimates on LatAm strength

REUTERS

PepsiCo Inc reported quarterly revenue above Wall Street estimates on Tuesday, as investments in marketing and developing new products for Latin America paid off.

However, the company missed sales estimates for North America beverages, as well as for its Frito-Lay branded snacks.

Sales in its North America beverages unit, which houses Gatorade,

Mountain Dew and its trademark cola brand, rose 2 percent to \$5.46 billion in the third quarter, but fell short of analysts' average estimate of \$5.6 billion, according to Thomson Reuters.

"We continued to see very strong operating performance from our international divisions, propelled by developing and emerging markets," Indra Nooyi said on her last day as Pepsi's chief executive officer. Nooyi will remain chairman until early

2019.

Net income attributable to the company rose to \$2.50 billion, or \$1.75 per share, in the third quarter ended Sept. 8, from \$2.14 billion, or \$1.49 per share, a year earlier.

Net revenue rose 1.5 percent to \$16.49 billion.

Analysts on average had expected revenue of \$16.36 billion, according to Thomson Reuters.

Shares were down marginally in low volumes in early trading on Tuesday.



ACI MOTORS

FH Ansarey, managing director of ACI Motors, distributor of Yamaha motorcycles, attends the opening of a three-day "Yamaha Riding Fiesta" at International Convention City Bashundhara in Dhaka on Monday.

Brexit uncertainty weighs on Jaguar's electric car investment decision

REUTERS, Paris

Britain's biggest carmaker Jaguar Land Rover has yet to make an imminent decision on whether to build electric cars in its home market partly due to uncertainty over the final Brexit terms, its boss told Reuters on Tuesday.

The automaker, which builds nearly a third of Britain's roughly 1.67 million cars, is also talking to warehousing companies and has plans to stockpile parts in the event unfettered trade with the bloc is lost.

The firm could also move its annual summer-time shutdowns to the spring to handle any disruption from a disorderly Brexit after Britain leaves the bloc at the end of March 2019 although no decision has been taken.

Carmakers are triggering contingency plans to protect the just-in-time mechanisms which see tens of thousands of cars, parts and engines move between Britain and the continent every day.

Jaguar Land Rover (JLR) is building its first electric car, the I-PACE, in Austria. Asked whether the firm had settled on whether to build electric cars in Britain, Chief Executive Ralf Speth told Reuters:

"We haven't made the decision because we don't know at the end of the day the final conditions and we also see uncertainty resulting out of the Brexit discussions so we don't know where we can do the investment best."

"At the very last moment, you can decide about the location so there is a certain flexibility but we have used a lot of this kind of time already so the discussions about this kind of technologies and future locations are imminent."

The automaker has also cited the need for support from government and academia to make sure the right infrastructure is in place in Britain.

London and Brussels are racing to reach a Brexit agreement by the end of the year but Prime Minister Theresa May's proposals face opposition from both the EU and many of her own lawmakers, who want a cleaner break from the bloc.