IBCCI

Abdul Matlub Ahmad, president of the India-Bangladesh Chamber of Commerce & Industry (IBCCI), speaks at "MCCI Logistic Forum 2018" organised by the Merchants' Chamber of Commerce & Industry (MCCI) in Kolkata recently. Jahangir Bin Alam, secretary and CEO of the IBCCI, was present.

Major cities can fight climate change and make billions: researchers

REUTERS, *Kuala Lumpur*

Implementing green strategies like bike lanes and better building codes could bring 94 world cities a collective $583 billion worth of benefits, while fighting climate change, according to research by a global network of cities.

C40 Cities pinpointed transport, buildings and industry as priorities to be incorporated into climate change policies. Doing so would encourage large investments and avert 223,000 premature deaths, as people live and work longer.

"This research quantifies and provides the business case for what mayors have long known to be true: taking bold climate action also improves public health," C40 executive director Mark Watts said in a statement.

"There is no longer any trade-off for cities between delivering policies that benefit the environment, drive economic growth and improve the health of citizens."

Cities are key in the fight against climate change, according to the World Bank Group's International Finance Corporation (IFC).

More than half the global population lives in cities, which consume over two-thirds of the world's energy, and account for more than 70 percent of all carbon dioxide emissions, the IFC says.

C40 researchers said cities should implement walking, cycling and mass transit policies, introduce stringent emission standards, promote zero-emissions vehicles and establish zero emission areas.

Cities should also adopt strict regulations for new buildings and retrofit older buildings to improving heating, ventilation, air conditioning, water heating and lighting systems, researchers added.

Industry and businesses should use energy efficient technologies. Emissions capturing and maintenance and monitoring are all important if climate goals are to be achieved, they said.

By focusing on green approaches to transport, buildings and industry, cities could reduce greenhouse gas emissions by 87 percent and hazardous airborne pollutants known as PM2.5 by 49 percent, according to the researchers.

China confident it can clinch US trade pact, Trump demands 'real deal'

REUTERS, *Shanghai*

China expressed confidence on Wednesday that it can reach a trade deal with the United States, despite fresh warnings from President Donald Trump that he would revert to more tariffs if the two sides cannot resolve their differences.

The remarks by the Chinese Commerce Ministry follow a period of relative quiet from Beijing after Trump and Chinese leader Xi Jinping reached a temporary truce in their trade war at a meeting over dinner in Argentina on Saturday.

In a brief statement on its website, the ministry said China would try to work quickly to implement specific issues already agreed upon, as both sides "actively promote the work of negotiations within 90 days in accordance with a clear timetable and road map".

"We are confident in implementation," it said, calling the latest bilateral talks "very successful".

Trump, via Twitter, held out the possibility of an extension of the ceasefire but warned tariffs would be back on the table if the talks failed to bear fruit.

"The negotiations with China have already started. Unless extended, they will end 90 days from the date of our wonderful and very warm dinner with President Xi in Argentina," Trump tweeted.

He said he would place "major tariffs" on Chinese goods imported into the United States if his administration is unable to reach an effective trade deal with Beijing.

"We are either going to have a REAL DEAL with China, or no deal at all - at which point we will be charging major tariffs against Chinese product being shipped into the United States. Ultimately, I believe, we will be making a deal - either now or into the future," Trump wrote in a post within minutes of the Commerce Ministry statement.

China's Foreign Ministry referred specific questions to the Commerce Ministry, which is due to hold its weekly news briefing on Thursday in Beijing. "We hope the two working teams from both sides can, based on the consensus reached between the two countries' leaders, strengthen consultations, and reach a mutually beneficial agreement soon," Foreign Ministry spokesman Geng Shuang told reporters.

The threat of further escalation in the trade war between the world's two largest economies has loomed large over financial markets and the global economy for much of the year, and investors initially greeted the ceasefire with relief.

But the mood has quickly soured on scepticism that the two sides will be able to reach a substantive deal on a host of highly divisive issues within the short negotiating period agreed.

Failure would raise the specter of a major escalation in the trade battle, with fresh US tariff action and Chinese retaliation possibly as early as March. The White House says China had committed to start buying more American products and lifting tariff and non-tariff barriers immediately, while beginning talks on structural changes with respect to forced technology transfers and intellectual property protection.

Sources told Reuters that Chinese oil trader Unipec plans to resume buying US crude by March after the Xi-Trump deal reduced the risk of tariffs on those imports. China's crude oil imports from the US had ground to a halt. Global financial markets tumbled on Tuesday as doubts over what could realistically be accomplished in the tight negotiating window added to concerns about fading global growth.

The benchmark Shanghai stock index .SSEC closed down 0.6 percent on Wednesday. "Despite a temporary de-escalation of hostilities following the G-20 summit, the relationship between the US and China will remain contentious," Moody's Investors Service in a report.

"Narrow agreements and modest concessions in the ongoing trade dispute will not bridge the wide gulf in their respective economic, political and strategic interests."

Officials from the US and a number of other major economies have often criticized China for its slow approach to negotiations and not following through on commitments.

China has said comparatively little about the Trump-Xi agreement after senior Chinese officials briefed the media following the meeting, and there have been some differences between US and Chinese accounts of what the deal entails.

"Officials now face the difficult task of fleshing out a deal that is acceptable to the Chinese but also involves significant enough concessions not to be torpedoed by the China hawks in the Trump administration," Capital Economics said in a note this week.

"We wouldn't be surprised if no agreement can be reached within 90 days, with the higher tariff rate coming into force only a few months later than originally planned." A Chinese official told Reuters officials were "waiting for the leaders to return" before publicizing details.

REUTERS/FILE

US President Donald Trump and China's President Xi Jinping make joint statements at the Great Hall of the People in Beijing.

Australian economy stalls as consumers spend less

AFP, *Sydney*

Australia's economic growth stalled in the third-quarter of the year with consumer spending running out of steam as house prices fell further, official data showed Wednesday.

The G20 economy grew a meagre 0.3 percent between July and September, the slowest rate in two years and far below market expectations. The Australian dollar -- buoyed by 27-years straight growth -- slid against the US dollar on the news.

JP Morgan economist Tom Kennedy said the data came with "ominous" signs from Australian consumers.

"The consumer has outperformed relative to fundamentals for the past almost two years," he said. "Now a combination of weak wages, slowing housing, limited wealth effect and high debt are really starting to culminate in a pretty ominous backdrop for household spending."

Australians spent less on big ticket items like cars and clothing, while spending on essentials like food increased very slightly.

Over the last year the Australian economy has expanded around 2.8 percent, trailing forecasts.

Australia's solid economic performance in the last few years had been a pillar of the ruling Liberal Party's appeal to voters ahead of elections expected next May.

Although the figures do not shatter that argument, it will raise doubts that make life more difficult for embattled Prime Minister Scott Morrison.

The latest figures -- much weaker than the central bank's year-end forecast of 3.5 percent -- came a day after the Reserve Bank of Australia kept the interest rates on hold at a record-low of 1.50 percent.

Interest rates have remained unchanged since August 2016 as the central bank monitors the economy's rocky transition away from a massive mining investment boom.

Key risks that the Reserve Bank has been monitoring include soft wages growth and inflation, even as the labour market strengthens. Market analysts expect the RBA to remain on hold until late 2019 or early 2020.

IBBL

Md Mahbub ul Alam, CEO of Islami Bank Bangladesh Ltd (IBBL), receives the "Best Emerging CEO in Islamic Banking 2018" award from UK-based Cambridge IF Analytica at JW Marriott Marquis Hotel Dubai recently.

More trouble ahead for bruised rupee

REUTERS, *Bengaluru*

The rupee will weaken over the six next months as uncertainty builds heading into national elections due in May, a Reuters poll showed.

While a sharp drop in oil prices should help the slowing economy and the rupee, concerns will also persist over sluggish domestic demand which weighed more heavily on July-September growth than expected.

Most major Asian currencies have had a bruising year amid a strong US dollar, though many have made some gains this week after the United States and China agreed at the weekend to a 90-day truce in their trade war.

But the rupee - which is the worst performing major Asian currency this year with a fall of more than 10 percent - was an exception, weakening more than 1 percent on Monday.

This week's surge in oil prices, alongside official figures on Friday showing weaker economic growth in India during the July-September quarter, is offsetting hopes for an easing in the trade war.

Despite a few recent advances, the rupee is on track for its worst yearly performance in five years in 2018 and is forecast to weaken further.

"Politics is likely to decide the course for the Indian rupee in 2019. The political heat is already rising as the elections being held in five states currently will set the tone for the national elections in May 2019," noted Prakash Sakpal, Asia economist at ING.

Sakpal said it will be tough for Prime Minister Narendra Modi government to retain power for another term, noting lingering public anger followed a chaotic demonetisation in late 2016 and the implementation of a Goods and Services Tax in mid-2017. "We expect it to be a too-close-to-call poll."

The Nov. 28-Dec. 4 survey of around 40 strategists forecast the rupee would weaken over 2 percent by the end of May 2019, just after the general election, to 72.00 against the dollar. It was trading around 70.49 on Tuesday.

But the currency is expected to have regained some of that lost ground a year from now, when it is seen at 71.62.

Those results are in line with a separate poll of equity strategists who for the first time this year downgraded their outlook for Indian equities in 2019. Any gains were predicted to come only after next year's elections.

PRAGATI LIFE INSURANCE

Md Jalalul Azim, CEO of Pragati Life Insurance Ltd, and Hamidul Haque Khan, treasurer of Daffodil International University, exchange documents after signing a deal in Dhaka on providing life insurance coverage to parents of the university's students.

Businesses hitting the brakes, show scant sign of accelerating

REUTERS, *London*

Businesses across Europe hit the brakes last month as a manufacturing slowdown in the euro zone spread to its dominant service industry, while Brexit uncertainty hammered British companies, surveys showed.

The downbeat surveys will make disappointing reading for policymakers at the European Central Bank and Bank of England, as well as for the British government as it tries to get Prime Minister Theresa May's Brexit plan through parliament.

Euro zone business growth was at its weakest pace in over two years last month, according to IHS Markit's Purchasing Managers' Index. Britain's PMI showed the economy was at risk of contracting.

"It is worth remembering we are coming from a position of strength in both economies, but very clearly 2019 is not going to be as good as 2018. The question now is whether we are looking at a moderate slowdown or something more sinister," said Jennifer McKeown at Capital Economics.

IHS Markit's Euro Zone Composite Final Purchasing Managers' Index (PMI), considered a good guide to economic health, fell to 52.7 in November from October's 53.1, its lowest since September 2016.

That was still above both a 52.4 preliminary estimate and the 50 mark that separates growth from contraction.

Wednesday's survey comes less than a month before the ECB is due to end its 2.6 trillion-euro quantitative easing program, which was designed to stimulate inflation and growth.

November's PMIs suggest the euro zone economy will expand 0.3 percent, survey compiler IHS Markit said. That contradicted a Reuters poll last month, which predicted GDP growth would recover somewhat to expand 0.4 percent this quarter.

So purchasing managers in the currency union were at their least optimistic for almost four years, suggesting little chance of improvement as 2018 draws to a close.

Adding to the gloomier outlook and concerns economic growth is past its peak, other forward-looking indicators were also more downbeat.

Growth in Germany's private sector slowed to a near four-year low last month and French service sector growth also slowed, indicating the outlook for the euro zone's second-biggest economy remained weak.

France has been rocked in recent weeks by protests that began as a demonstration over fuel tax hikes but have evolved into a wider anti-government uprising, hitting the economy.

Italy's services did manage a return to growth in November and Spain's grew at the same rate registered in October, a four-month high.

The euro was unresponsive to the euro zone PMI and sterling had little reaction after the British figures as investors instead focused on how the Brexit debate would affect the pound.

The UK Services PMI fell to 50.4 from 52.2 in October, the weakest reading since just after the 2016 Brexit vote and below all forecasts in a Reuters poll of economists.

"This latest survey demonstrates fairly clearly that the elevated risk of a 'no-deal' Brexit is beginning to have a tangible impact on growth," said James Smith at ING

Prime Minister May faces deep opposition in parliament, which will vote on Dec. 11 on her withdrawal agreement, raising the threat of a no-deal Brexit shock to the economy in less than four months.

May suffered embarrassing defeats on Tuesday at the start of five days of debate on her plan to leave the EU that could determine the future of Brexit and the fate of her government.

A no-deal Brexit would be the most damaging outcome for the British economy, Reuters polls have consistently said.

So fears Britain will leave the EU without a deal meant optimism among services companies, which account for the bulk of Britain's economic output, fell to its second-lowest level since the depths of the financial crisis, the PMI showed.

Overall the figures chimed with other surveys showing sliding confidence among both consumers and businesses.

BoE officials are keeping a close eye on business and consumer confidence for signs uncertainty over Brexit is aggravating the slowdown in the economy since the 2016 referendum.

Companies managed scant growth in November by working through backlogs at the joint-fastest pace since 2009 rather than through new orders, which grew at one of the weakest rates since the financial crisis.