



Mostafa Jalal Uddin Ahmed, additional managing director of SBAC Bank; Tariqul Islam Chowdhury, deputy managing director, and Md Razibul Hasan, head of sales and marketing at Seagull Hotels, attend a deal signing ceremony in Dhaka recently. The bank's debit, credit and privilege cardholders and employees will get discounts of up to 45 percent on the hotel's services.

China says US report on its WTO compliance lacks factual basis

REUTERS, Beijing

China opposes a report by the US Trade Representative's office on its World Trade Organization (WTO) compliance, the commerce ministry said, saying it is inconsistent with the facts.

The report was based on US domestic law rather than WTO agreements and multilateral rules, the ministry said in a statement late on Tuesday.

A considerable part of the accusations against China in the report exceeded its commitments to the WTO, lacking legal and factual basis, it added.

China firmly supports the multilateral trading system and participates in the reform of the WTO, and clearly opposes unilateralism and protectionism, it added.

Negotiating new World Trade Organization rules to try to rein in China's "mercantilist" trade practices would be largely a futile exercise, the Trump administration's trade office said on Monday, vowing to pursue its unilateral approach to protect US workers, farmers and businesses.

The US Trade Representative's office used its annual report to Congress on China's WTO compliance in part to justify its actions in a six-month trade war with Beijing aimed at forcing changes in China's economic model.

President Donald Trump said last week he would meet with Chinese President Xi Jinping in coming weeks to try to seal a comprehensive trade deal with Beijing, but acknowledged it was not yet clear whether a deal could be reached.

France to tighten 5G security: minister

AFP, Paris

France will soon make proposals to reinforce the security of mobile telephone networks, Economy Minister Bruno Le Maire said Wednesday after the US stepped up pressure on Europe to block China's Huawei from building 5G networks.

"The role of the nation is to protect the economic interests of the country, 5G could lead us to taking strong decisions in this area," Le Maire said on the France 2 television network.

Several Western nations have already barred China's Huawei from participating in contracts to deploy fifth-generation, or 5G, networks, citing fears Beijing could gain access to sensitive communications and critical infrastructure.

The United States, which considers the matter urgent as European Union countries prepare to roll out 5G networks that will bring near-instantaneous connectiv-

ity, vast data capacity and futuristic technologies, said Tuesday it would meet with its European partners this week to warn against Chinese suppliers.

"Going with an untrusted supplier like Huawei or ZTE will have all sorts of ramifications for your national security," a US official speaking on condition of anonymity said Tuesday.

Huawei strenuously denies its equipment could be used for espionage.

Network operators seeking to quickly deploy the new networks are in a bind as Huawei's 5G equipment is seen as being considerably more advanced than that of competitors such as Sweden's Ericsson or Finland's Nokia.

A government proposal to require regulatory approval for telecommunication network gear didn't find favour among French senators, but Le Maire said the new proposal could be done when the legislation is considered by the entire chamber later this week.

Tesla cuts Model 3 price for second time this year

REUTERS

Tesla Inc said on Wednesday it was lowering the price of its Model 3 sedan for the second time this year, moves that come in the wake of Tesla losing a tax credit that made its cars more affordable for US buyers.

The company is ramping up production of the Model 3 and trying to make it more accessible for mainstream car buyers. Tesla has also been cutting costs as it looks to turn in profits this year.

A US federal tax credit began phasing out for Tesla in January, effectively raising the price of cars by \$3,750. Tesla said on Tuesday it had cut the Model 3 price by \$1,100, following a cut of as much as \$2,000 in January.

That leaves the starting price of a Model 3 at \$42,900, still substantially above the \$35,000 price Tesla Chief Executive Officer Elon Musk originally promised.

Musk told a Twitter user that the company is "doing everything we can" to drop the Model 3 base price to \$35,000, without credits. "It's a super hard grind," he wrote.

The billionaire in the past few months has been pushing for cost-cutting initiatives, like cutting jobs and ending a customer referral program.

EU derails train-maker merger, reaping France's fury



European Competition Commissioner Margrethe Vestager talks to the media at the European Council headquarters in Brussels.

AFP, Brussels

The EU's powerful anti-trust sheriff, Margrethe Vestager, vetoed the merger of the Siemens-Alstom rail businesses on Wednesday, in defiance of Germany and France.

The tie-up, announced to great fanfare in 2017, had been hailed as the birth of a much-needed European industrial champion, an Airbus for the railways to face down a formidable Chinese rival.

But, after months of investigation and a rejected offer of concessions from the companies, the European Commission in a rare move blocked the hook-up of Germany's Siemens and France's Alstom.

"The Commission prohibited the merger because the companies were not willing to address our serious competition concerns," Vestager told a news briefing.

"Without sufficient remedies, this merger would have resulted in higher prices for the signalling systems that

keep passengers safe and for the next generations of very high-speed trains," she added.

The heavily expected veto has infuriated Paris, where ministers lobbied hard for the tie-up, seeing it as a necessary defence to compete against China's state-backed CRRC.

French Finance Minister Bruno Le Maire termed the refusal "an economic mistake".

Such a decision "will serve the interests of China," he told France 2 television, while junior minister Agnès Pannier-Runacher said Brussels had "lost the plot".

Siemens chief executive Joe Kaeser blasted Brussels saying the veto shows the bloc "urgently" needs reform.

Alstom saw "a clear set-back for industry in Europe" and said the quest to merge the companies was now over.

The red light from Brussels will leave a political scar on Vestager in the eyes of France and Germany after years of her being seen as an EU rising star.

Vestager was hailed as a European hero after taking on US tech giants Google, Facebook and Apple, which she ordered in 2016 to pay 13 billion euros in back taxes.

Vestager defended her choice saying that not only were the "very vocal" being heard.

"Of course the interest has been very high for France and Germany but there are still another 26 other member states which have interest in the market," she said.

Brussels believes the alliance would crush smaller groups and hike prices for railways, with the merged firm in a commanding position for selling signalling equipment and high-speed trains.

Competition authorities in Britain, the Netherlands, Belgium and Spain have all firmly backed Vestager, afraid of increased costs for their national railways.

But backers of the tie-up wanted Vestager to look beyond Europe to the rise of CRRC, itself born of a merger of Chinese companies, before it is too late.

"Aren't there areas such as aviation, railways, banks where you have to take the global market as a reference rather than the European one?" pleaded German Economy Minister Peter Altmaier on Tuesday.

On Wednesday, Altmaier said Paris and Berlin will jointly propose changes to EU competition rules to respond to growing rivalry from global giants.

Caught in a political firestorm, commission head Jean-Claude Juncker has defended the EU's competition policy, pointing a finger on Tuesday at those "who are saying that the commission is composed of blind, stupid, stubborn technocrats."

German industrial orders slip in December

AFP, Frankfurt

Industrial orders in Germany fell back in December, official data showed Wednesday, in the latest sign of slowdown in Europe's largest economy.

Orders were down 1.6 percent month-on-month, federal statistics authority Destatis said in seasonally- and calendar-adjusted figures.

But there was some brighter news in the data as well. Excluding volatile large orders for items like aircraft there was a 3.5 percent increase in new business.

Looking to different industrial sectors, both producer goods and capital goods makers reported falling contracts, dropping by 1.2 and 2.5 percent respectively.

But consumer goods firms booked a rebound after two successive monthly falls, gaining 4.2 percent.

Demand from abroad fell 2.3 percent, although eurozone orders partially rebounded from a sharp fall in November while new contracts from the rest of the world shrank.

And domestic orders fell back only slightly, by 0.6 percent.

In a statement, the economy ministry in Berlin noted that orders increased 0.3 percent over the whole final quarter of 2018.

All the growth came from capital goods makers as the car industry overcame bottlenecks in the EU-wide WLTP emissions testing cycle, which came into force in September.

Gold steady as Trump speech stokes fears of govt shutdown

REUTERS

Gold prices held firm on Wednesday after US President Donald Trump, in his State of the Union speech, vowed to build a border wall and gave little clarity over the ongoing trade discussions with China, but a firmer dollar capped bullion's gains.

Spot gold was steady at \$1,314.30 per ounce, as of 0546 GMT. US gold futures were also steady at \$1,318.20 an ounce.

Trump spoke in the chamber of the House of Representatives facing political discord over his demands that Democrats end their opposition to funding for a border wall he says is needed to stem illegal immigration and smuggled drugs.

"There is a likely risk of another government shutdown with

President Trump still sticking to the rhetoric of erecting a border wall," said Hitesh Jain, vice president, Yes Securities, adding that a firmer dollar was capping gold's gains.

"Market participants remain cognizant of the fact that global macro numbers are slowing. Gold as an investment avenue remains very much in the reckoning."

Trump's demand for \$5.7 billion in funding for a US-Mexico border wall triggered a historic 35-day partial government shutdown, which ended on Jan. 25. Trump has threatened to resume the shutdown if he is dissatisfied with the negotiations.

The dollar index stood near a two-week high.

Meanwhile, Dallas Federal Reserve President Robert Kaplan

said on Tuesday that the Fed should leave interest rates where they are until the US economic outlook is clearer, a process that in his view could take several more months.

The US central bank last week promised to be "patient" in rate moves due to impending slowdown and uncertain trade backdrop.

While Trump's address did not have anything significant on U.S.-China trade front, senior US and Chinese officials are poised to start another round of trade talks in Beijing next week, according to sources.

Trump has vowed to increase tariffs on \$200 billion worth of Chinese imports to 25 percent from 10 percent currently if the two sides cannot reach a deal by 12:01 a.m. (0501 GMT) on March 2.

"For a very short term, the narrowing of trading range (in gold) is possible because the better-than-expected US non-farm payroll makes it less likely for the Fed to be accommodative," Wing Fung said in a research note.

Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, dropped 0.18 percent on Tuesday. Holdings have dropped for three straight sessions.

Liquidity remained low as China and several other markets in Asia still closed for the Lunar New Year holiday.

Among other precious metals, palladium dipped 0.2 percent to \$1,379 per ounce.

Silver was down 0.3 percent to \$15.79, and platinum edged 0.1 percent lower to \$815.



Md Khurshed Alam, deputy managing director of NRB Bank, opens a bill collection booth for customers of Dhaka Electric Supply Company Ltd at Mirpur in Dhaka yesterday.

NRB BANK



S Renganathan, CEO of the Commercial Bank of Ceylon PLC, attends the bank's annual staff conference at Le Méridien Dhaka recently. Varuna Kolamunna, country manager, and Najith Meewanage, chief operating officer, were present.

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