

Long, strange trip: How US ethanol reaches China tariff-free

REUTERS, New York/Kuala Lumpur

In June, the High Seas tanker ship loaded up on ethanol in Texas and set off for Asia.

Two months later - after a circuitous journey that included a ship-to-ship transfer and a stop in Malaysia - its cargo arrived in China, according to shipping data analyzed by Reuters and interviews with Malaysian and Chinese port officials.

At the time, the roundabout route puzzled global ethanol traders and ship brokers, who called it a convoluted and costly way to get US fuel to China.

But the journey reflects a broader shift in global ethanol flows since US President Donald Trump ignited a trade war with China last spring.

Although China slapped retaliatory tariffs up to 70 percent on US ethanol shipments, the fuel can still legally enter China tariff-free if it arrives blended with at least 40 percent Asian-produced fuel, according to trade rules established between China and the Association of Southeast Asian Nations (Asean), the regional economic and political body.

In a striking example of how global commodity markets respond to government policies blocking free trade, some 88,000 tonnes of US ethanol landed on Malaysian shores through November of last year - all since June, shortly after China hiked its tax on US shipments. The surge follows years of negligible imports of US ethanol to Malaysia.



Clouds hover above a corn field in US.

REUTERS/FILE

In turn, Malaysia has exported 69,000 tonnes of ethanol to China, the first time the nation has been an exporter of the fuel in at least three years, according to Chinese import data.

Blending US and Asian ethanol for the Chinese market undermines the intent of Beijing's tariffs and helps struggling American ethanol producers by keeping a path open to a major export market that would otherwise be closed.

"Global commodity markets are incredibly creative in finding ways to ensure willing sellers are able to meet the demands of willing buyers," Geoff Cooper, head of the Renewable Fuels Association, said in a statement to Reuters. The group represents US ethanol producers.

In at least two cases examined by Reuters, including that of the High Seas, blending of US ethanol cargoes with other products appeared to have occurred in Malaysia before the cargoes were shipped on to China, according to a Reuters analysis of shipping records and interviews with port officials.

Chinese merchants including the state-backed oil company Uniper notified Chinese authorities about the unusual activity last summer - which represented competition they had not anticipated under the tariff scheme, according to two industry sources.

Uniper's parent company Sinopec did not respond to requests for comment. A spokesman for China's General Administration of Customs declined to comment.

Norazman Ayob, deputy secretary general of the Malaysian trade ministry, confirmed that Malaysia exported ethanol to China this year. The ministry was unable to confirm whether it had been mixed with US fuel, he said, but noted such blending would be legal under the Asean-China pact.

Malaysia has no track record of significant domestic ethanol production, so it is unclear where the ethanol blended with the US product originates.

Additional US ethanol has flowed in unusual volumes to other destinations since Trump's trade war began, including other Asean member nations the Philippines and Indonesia, according to shipping and trade data, though Reuters could not confirm its final destination.

The High Seas cargo ship was among the first to engage in the rising US-to-Malaysia ethanol trade, according to shipping data from financial information provider Refinitiv and bills of lading from the ports.

It loaded 25,000 tonnes of ethanol in Texas City on June 23 and then another 10,000 tonnes in Beaumont on June 27.

Some of the ethanol was produced by Green Plains Inc, one of America's top ethanol producers. Green Plains spokesman Jim Stark confirmed the loading of the company's product in Beaumont but said it could not confirm the cargo's ultimate destination.



A delegation of the Institute of Cost and Management Accountants of Bangladesh led by its president, Mohammed Salim, greets Nurul Majid Mahmud Humayun, industries minister, during a meeting at the latter's office in Dhaka yesterday.



Tapan Kanti Sarkar, managing director of ADN EduServices Limited, an IT education services provider and a concern of ADN Group, shares the company's plan for the year and its achievements of the previous year, at a press meet at Dhanmondi Club in Dhaka recently.

US trade deficit narrows in November as imports decline

REUTERS, Washington

The US trade deficit fell for the first time in six months in November as cheaper oil and higher domestic petroleum production helped to curb the country's import bill, leading economists to boost their economic growth estimates for the fourth quarter.

The Commerce Department's report on Wednesday also showed a drop in imports of consumer goods such as cellphones and other household goods. The decrease in imports followed five straight monthly increases, likely as businesses stocked up amid an escalating trade war between the United States and China.

"It is possible that some of the consumer goods imports were brought into the country in greater numbers to build a stockpile before the import tariffs took effect or grew even worse," said Chris Rupkey, chief economist at MUFG in New York. "The good news is this will temporarily boost real GDP in the fourth quarter."

The trade deficit dropped 11.5 percent to \$49.3 billion in November. It had increased for five straight months. Economists polled by Reuters had forecast it would fall to \$54.0 billion in November.

The release of the report was delayed by a recently ended five-week partial shutdown of the federal government.

The politically sensitive goods trade

deficit with China fell to \$37.9 billion in November from \$43.1 billion in October.

The overall trade deficit has remained elevated despite the Trump administration's "America First" policies, which have led Washington to impose tariffs on a range of imported goods from China, sparking a trade war with Beijing.

President Donald Trump has long railed against China's trade surplus with the United States, and accuses Beijing of not playing fairly on trade. The United States has also slapped duties on imported steel, aluminum, solar panels and washing machines.

The dollar rose against a basket of currencies, while stocks on Wall Street were trading lower after disappointing forecasts from videogame makers. US Treasury yields mostly fell.

When adjusted for inflation, the goods trade deficit decreased \$7.5 billion to \$80.8 billion in November.

The drop in the so-called real trade deficit led some economists to raise their fourth-quarter GDP growth forecasts by as much as six-tenths of a percentage point to as high as a 3.0 percent annualized rate.

"We had thought that trade would subtract more than half a point from GDP growth in the fourth quarter, but now it looks like trade will be close to neutral for fourth-quarter growth," said Daniel Silver, an economist at JPMorgan in New York.

Apple again the most valuable US company

REUTERS, San Francisco

Apple won back its crown as the most valuable publicly listed US company on Wednesday, ending the session with a market capitalization above recent leaders Microsoft and Amazon.com.

Apple edged up 0.03 percent, putting its market value at \$821.5 billion. Microsoft's market capitalization ended at \$813.4 billion after its stock dipped 1.11 percent, while Amazon's stock market value finished the day at \$805.7 billion, in third place, after its shares slid 1.12 percent.

Apple's stock has risen about 13 percent since its quarterly earnings report on Jan. 29, with investors betting it was oversold following months of concern about a slowdown in iPhone demand and the company's rare revenue warning on Jan. 2 related to soft demand in China.

Government of the People's Republic of Bangladesh

Local Government Engineering Department
Multipurpose Disaster Shelter Project (MDSP)

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উন্নয়নের গৃহস্থ
শেখ হাসিনার মুগ্ধমত্ত্ব

Date: 05/02/2019

Memo No-46.02.0000.747.07.056.19.544

Specific Procurement Notice (International) (Procurement of Works)

Bangladesh

Multipurpose Disaster Shelter Project (MDSP)

Credit No: 5561 BD

Contract Titles:

Construction of 25 Multipurpose Disaster Shelter Steel Frame Buildings in Chattogram District (03-B)

Reference No. (as per Procurement Plan): LGED/MDSP/CHI/14-15/NW-03-B

The People's Republic of Bangladesh has received financing from the World Bank toward the cost of the Multipurpose Disaster Shelter Project (MDSP), and intends to apply part of the proceeds toward payments under the contracts for Construction of 25 Multipurpose Disaster Shelter Steel Frame Buildings in Chattogram District (03-B).

The Local Government Engineering Department (LGED) now invites sealed bids from eligible bidders for Construction of 25 Multipurpose Disaster Shelter Steel Frame Buildings in Chattogram District in the contract as stated above located in Chandanaish, Lohagara, Satkania, Fatikchari, Hathazari, Mirsharai, Rangunia, Karnaphuli & Raojan upazilas of the district.

The disaster shelters are three storied Steel framed buildings with a plinth area in the range between 300-350 sq.m. on RCC cast-in-situ pile (diameter 0.50 meter) including other major items of deep tube wells, solar panels, supply of school furniture etc. Construction period is 16 months for each contract. Margin of preference is not applicable.

The bidder shall have following qualification requirements:

- Average annual construction turnover of US\$ 15 (fifteen) million during last 5 (five) years.
- Specific Experience of at least the total of US\$ 9 (nine) million in not more than three contracts in public or private sector between 1st January 2014 and application submission deadline.
- Experience of 1000 tons of steel fabrication in one or more contracts in any one year from 1st January 2014.

Bidding will be conducted through the International Competitive Bidding procedures as specified in the World Bank's Guidelines: *Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers January 2011 revised July 2014* ("Procurement Guidelines"), and is open to all eligible bidders as defined in the Procurement Guidelines. In addition, please refer to paragraphs 1.6 and 1.7 setting forth the World Bank's policy on conflict of interest.

A Pre-bid meeting will take place in presence of Bidders' representatives who choose to attend at 11:00am local time on 11/03/2019 in the Conference Room, Level-4, LGED Bhaban, LGED HQ, Agargaon, Dhaka-1207.

Interested eligible bidders may obtain further information and inspect the bidding documents during office hours from 09:00am to 05:00pm local time at the address given below.

A complete set of bidding documents in English may be purchased by interested eligible bidders upon the submission of a written application to the address below and upon payment of a non-refundable fee of BDT 15,000.00 (fifteen thousand) or US\$ 180 only for each contract. The method of payment will be Pay Order/Bank Draft in favour of the Project Director, MDSP. For overseas delivery, the bidder may obtain the bidding documents by instructing any international courier service to collect the same from office of the Project Director on payment of above fee.

Bids must be delivered to the address below on or before 03:00pm local time and date: 11/04/2019. Electronic bidding will not be permitted. Late bids will be rejected. Bids will be publicly opened in the presence of the bidders' designated representatives and anyone who choose to attend at the address below on 03:30pm local time and date 11/04/2019.

All bids must be accompanied by a Bid Security BDT 30.00 (thirty) million or US\$ 0.36 million.

The address referred to above is as below:

Javed Karim

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Dhaka Power Distribution Co. Ltd.

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Web site : www.dpdc.org.bd

e-Tender Notice

e-Tenders are invited through the national e-GP portal for the following procurement of works/goods.

e-Tender ID	Name of Works	Closing & Opening Date & Time	Procuring Entity/ Contact Persons
281924	Construction works for vertical extension of security boundary wall to the east and west side of Mirpur -1 DPDC staff quarters repair and maintenance of boundary wall installation of barbed wire fencing and main gate including other related works.	27-Feb-2019 15:15	Abu Hena Mostafa Kamal Superintending Engineer Civil Works, DPDC House # 47, Road # 135 Gulshan Circle-1, Dhaka. Phone # 029892660, Fax # 9892170 Email # secw@dpdc.org.bd
277508	Procurement of 11 kV DOFC with Fuse.	04 March 2018; 14:00	Abdur Rouf Khan Superintending Engineer Design Circle & Contract & Procurement Circle (Addl. Charge), DPDC Biddu Bhaban (3 rd Floor) 1 No Abdul Goni Road, Dhaka. Ph: 9567258, Fax: 9568349 E-mail: secp@dpdc.org.bd
282402	Supply of Uniforms & Liveries (2018-2019) under NOCS Banglabazar & Bangshal, DPDC	25.02.2019 15.00 pm	(Md Shahjahan Ali) Superintending Engineer NOCS Circle Banglabazar DPDC, Dhaka 1 No English Road, Dhaka-1100 Phone: 9552653, Fax: 9553898 E-Mail: sebanglabazar@dpdc.org.bd

The interested persons/firm/ may visit website (<http://www.eprocure.gov.bd>) to get the details.

DGM (HR) Public Relations, DPDC