



PH Ansarey, managing director of ACI Agribusiness, and Mizanur Rashid, chief commercial officer of bKash, exchange documents after signing a memorandum of understanding at ACI Centre in Dhaka on Tuesday facilitating bKash payments for purchase of ACI Agribusiness products.

Microsoft discovers hacking targeting democratic institutions in Europe

REUTERS

Microsoft Corp on Wednesday said it had discovered hacking targeting democratic institutions, think tanks and non-profit organizations in Europe and plans to offer a cyber security service to several countries to close security gaps.

The attacks occurred between September and December 2018, targeting employees of the German Council on Foreign Relations and European offices of The Aspen Institute and The German Marshall Fund, the company said here in a blog post.

Microsoft said the activity, which

was found through the company's Threat Intelligence Center and Digital Crimes Unit, targeted 104 employee accounts in Belgium, France, Germany, Poland, Romania, and Serbia.

Microsoft said many of the attacks originated from a group called Strontium, which the company has previously associated with the Russian government.

Strontium, one of the world's oldest cyber espionage groups, has also been called APT 28, Fancy Bear, Sofacy and Pawn Storm by a range of security firms and government officials. Security firm CrowdStrike has said the group may be associated with

the Russian military intelligence agency GRU.

Microsoft said it will expand its cyber security service AccountGuard to 12 new markets in Europe including Germany, France and Spain to help customers secure their accounts.

The AccountGuard service will also be available in Sweden, Denmark, Netherlands, Finland, Estonia, Latvia, Lithuania, Portugal and Slovakia.

Ahead of a critical European Parliament election in May, German officials are trying to bolster cyber security after a far-reaching data breach by a 20-year-old student laid bare the vulnerability of Europe's largest economy.

WTO warns of global trade slowdown as indicator hits nine-year low

REUTERS, Geneva

A quarterly leading indicator of world merchandise trade slumped to its lowest reading in nine years on Tuesday, which should put policymakers on guard for a sharper slowdown if trade tensions continue, the World Trade Organization said on Tuesday.

The WTO's quarterly outlook indicator, a composite of seven drivers of trade, showed a reading of 96.3, the weakest since March 2010 and down from 98.6 in November. A reading below 100 signals below-trend growth in trade.

"This sustained loss of momentum highlights the urgency of reducing trade tensions, which together with continued political risks and financial volatility could foreshadow a broader economic downturn," the WTO said in a statement.

The WTO forecast last September that global trade growth would slow to 3.7 percent in 2019 from an estimated 3.9 percent in 2018, but there could be a steeper slowdown or a rebound depending on policy steps, it said.

The quarterly indicator is based on merchandise trade volume in the previous quarter, export orders, international air freight, container port throughput, car production and sales, electronic components and agricultural raw materials.

"Indices for export orders (95.3), international air freight (96.8), automobile production and sales (92.5), electronic components (88.7) and agricultural raw materials (94.3) have shown the strongest deviations from trend, approaching or surpassing previous lows since the financial crisis," the WTO said.



The headquarters of the World Trade Organisation in Geneva is seen.

The index for container port throughput remained relatively buoyant at 100.3, but that may have been influenced by a front-loading of shipments before an anticipated hike in US-China tariffs, the WTO said.

International trade tensions could spike next month if the United States and China escalate their tariff war, a step that could have negative

consequences for the world trading system, according to the United Nations trade agency UNCTAD.

A new round of US-China talks will take place in Washington on Tuesday, with follow-up sessions at a higher level later in the week, the White House said on Monday, following a round in Beijing last week.

Japan trade deficit expands in January

AFP, Tokyo

Japan's trade deficit for January grew from a year earlier with exports to China tumbling in their worst decline in three years, government data showed Wednesday.

Japan logged a trade deficit for the month of 1.41 trillion yen (\$12.8 billion), 49.2 percent larger than a year before, the finance ministry said.

Exports were down for the second month in a row, with exports to China tumbling 17.4 percent, the sharpest fall since January 2016, as shipments of plastic and electronic devices dropped sharply.

The data comes amid a global economic slowdown and growing trade tensions.

Japan exports a range of goods includ-

ing electronic parts and industrial equipment to China, which has been locked in a trade standoff with Washington.

Tokyo's latest trade data "reflects a slowdown in the Chinese economy," said Takeshi Minami, chief economist at Norinchukin Research Institute.

Japan often logs a deficit in January because China's lunar New Year holiday period results in a dent in demand.

But last month, "exports of products such as microchip-making devices that are not related to China's New Year celebration fell, showing Chinese companies' spending on equipment and plants is falling," Minami told AFP.

China's slowdown will also pressure Europe as well as other neighbouring Asian countries, he argued.

Ford pulls out of S America truck business, closes Brazil plant

AFP, Sao Paulo

US automaker Ford said Tuesday it was pulling out of the commercial heavy truck business in South America, closing a plant in Brazil employing 2,800 workers that has been operating for half a century.

The decision was made "as part of a comprehensive redesign of its global business," and after it decided that other options, such as partnerships, would not be viable, Ford said in a statement.

The affected factory, in Sao Bernardo do Campo south of the megacity Sao Paulo, makes Cargo-model heavy trucks, F-4000 and F-350 pickup trucks and Ford Fiesta

small cars. Ford has been operating the plant since October 1967.

"We know this action will have a major impact on our employees in Sao Bernardo and we will be working closely with all our stakeholders on the next steps," said Ford's South America chief, Lyle Waters.

He said Ford was intent on maintaining a "profitable business" and "a leaner, more agile business model." The company said it was shifting its focus in South America to reduce payroll costs, boost its offering of popular SUVs and pickups, and extend partnerships such as one it announced last month with Volkswagen to jointly develop commercial vans and mid-sized pickups.

China to expand agriculture reforms to bolster rural economy

REUTERS, Beijing

China will deepen reforms of its agriculture sector to promote its rural economy, the government said in its first policy statement of 2019, as it seeks to bolster growth and offset trade challenges.

Beijing's statement, released late on Tuesday, comes after the world's second-largest economy saw its weakest growth in 28 years in 2018 and remains entangled in a trade war with Washington.

"Under the complicated situation of increasing downward pressure on the economy and profound changes in the external environment, it is of special importance to do a good job in agriculture and rural areas," the government said in the document issued by the State Council and published by official news agency Xinhua.

Known as the "No. 1 document", this year's policy reiterated a rural rejuvenation strategy first laid out in 2017 to improve income levels and living standards in China's countryside.

It also highlighted a plan to boost domestic soybean production but did not offer further details. Industry analysts said on Wednesday they were



A farmer plants seedlings at a field in China.

eagerly awaiting further details to assess the impact of the plan, which had already been flagged by Agriculture Minister Han Changfu earlier this month.

China has been overhauling its crop structure in recent years, reducing support for corn after stocks ballooned, and seeking to promote more planting of oilseeds that it mostly imports.

That goal has become increasingly important since a trade war with the United States, which led China to slap tariffs on soybean imports, tightening domestic supplies.

Han has previously urged authorities in China's northeast to support soybean production through subsidies and called for rotating of soybeans with other crops including corn and wheat.

In sharp U-turn, monetary policy easing back in play across Asia

REUTERS, Hong Kong

A slowing global economy and increasing strain on businesses from a year-long Sino-US trade war are tilting central banks from Japan to Australia toward monetary easing in a remarkable 180 degree turn.

Late last year, the debate in Japan was focused on the demerits of printing money and the Reserve Bank of Australia (RBA) was adamant the next likely move in rates will be up. An emerging market currency sell-off was seen forcing externally vulnerable economies such as India, Indonesia and the Philippines to keep tightening their policy rates.

But even they are now subject to rate cut bets.

A softer dollar and lower oil prices played an important role in the turnaround. But crucially for Asia, regional growth engine China is having a worse than expected start to the year and is exporting disinflation to the rest of the region.

The Federal Reserve last month adopted a more cautious approach in a shift that signaled its tightening cycle might be at an end.

"What's obviously happening is that central banks are rethinking monetary policy," said Piyush Gupta, CEO of DBS Group Holdings in Singapore.

With the exception of Philippines, which is also witnessing rapid disinflation, all major Asian economies are now facing inflation rates at the lower end or even below their central banks' target. Price growth is sub-1 percent in Malaysia, Singapore, South Korea, Taiwan and Thailand.

"Underlying price pressures are remarkably soft ... and broadly falling," Frederic Neumann, co-head of Asian economics research at HSBC, said.

"The case for further monetary easing may thus become more pressing, even if in itself this may not be enough to push up growth materially."

On Tuesday, Bank of Japan

Governor Haruhiko Kuroda said the central bank was ready to boost stimulus if sharp yen rises hurt the economy and its price goal.

Also in Tokyo on the same day, Bangko Sentral ng Pilipinas (BSP) deputy governor Diwa Guinigundo said the central bank, which hiked five times last year, will act swiftly if liquidity conditions aren't sufficient to maintain economic momentum.

Earlier this month, the RBA shifted to a neutral stance from its previous tightening bias, but an increasing

number of economists polled by Reuters are predicting a cut.

India's central bank unexpectedly lowered interest rates in February and analysts are tipping another cut. Of the three major economies running current account deficits, Indonesia is the only one where expectations for a policy reversal, after six hikes last year, are extremely low, as the central bank is more focused on exchange rate stability.

"BSP is more likely to take a surprise, earlier turn in its monetary policy bias than BI, given the central

bank's growth bias and rapidly slowing growth momentum," said Juliana Lee, Asia chief economist at Deutsche Bank.

At this stage, economists don't see chances of more than one cut in any Asian economy, but much will depend on how China performs, whether its trade dispute with the United States is resolved and how successful Beijing's stimulus efforts are.

In January, the People's Bank of China (PBOC) slashed the reserve requirement ratio (RRR) by 100 basis



Euro, Hong Kong dollar, US dollar, Japanese yen, pound and Chinese 100 Yuan banknotes are seen in this picture illustration.

points and analysts expect another 150 bps of cuts by year-end, on top of other fiscal stimulus measures expected in March.

Some economists do expect a cut in benchmark interest rates, but the consensus is that such a move would only come as a last resort given that it could hurt the yuan and reignite debt risks.

"Only if internal and external environments change drastically ... will cutting benchmark saving and lending rates become much more likely," ICBC analysts said in a note.



Md Nazmul Hassan, chairman of Islami Bank Bangladesh Limited (IBBL), speaks at the bank's business development conference for agent banking at a hotel in Dhaka yesterday.