

# US, China sketch outlines of deal to end trade war

REUTERS, Washington

The United States and China have started to outline commitments in principle on the stickiest issues in their trade dispute, marking the most significant progress yet toward ending a seven-month trade war, according to sources familiar with the negotiations.

The world's two largest economies have slapped tit-for-tat tariffs on hundreds of billions of dollars of goods, slowing global economic growth, skewing supply chains and disrupting manufacturing.

As officials hold high level talks on Thursday and Friday in Washington, they remain far apart on demands made by US President Donald Trump's administration for structural changes to China's economy.

But the broad outline of what could make up a deal is beginning to emerge from the talks, the sources said, as the two sides push for an agreement by March 1. That marks the end of a 90-day truce that Trump and Chinese President Xi Jinping agreed to when they met in Argentina late last year.

Negotiators are drawing up six memorandums of understanding on structural issues: forced technology transfer and cyber theft, intellectual property rights, services, currency, agriculture and non-tariff barriers to trade, according to two sources familiar with the progress of the talks.

At meetings between US and Chinese officials last week in Beijing the two sides traded texts



REUTERS/FILE

**Top US and China officials pose for a photo before the opening session of trade negotiations in Beijing.**

and worked on outlining obligations on paper, according to one of the sources.

The process has become a real trade negotiation, the source said, so much so that at the end of the week the participants considered staying in Beijing to keep working. Instead they agreed to take a few days off and reconvene in Washington.

The sources requested anonymity to speak candidly about the talks.

Chinese Commerce Ministry spokesman Gao Feng on Thursday declined to comment on the MOUs.

The MOUs cover the most

complex issues affecting the trading relationship between the two countries and are meant, from the US perspective, to end the practices that led Trump to start levying duties on Chinese imports in the first place.

One source cautioned that the talks could still end in failure. But the work on the MOUs was a significant step in getting China to sign up both to broad principles and to specific commitments on key issues, he said.

Several Chinese government sources told Reuters that the two countries have basically reached a consensus on alleviating the trade imbalances, but there were still

some differences on each other's "core demands" that they were seeking to narrow.

"It can be said that we are now in the sprint phase, and both negotiating teams are working towards the goal of reaching an agreement within the deadline, but some problems are still quite complicated to resolve," said one Chinese official familiar with the situation. The United States has accused Beijing of forcing US companies doing business in China to share their technology with local partners and hand over intellectual property secrets. China denies it engages in such practices.

Trump administration officials also object to non-tariff barriers in China, including industrial subsidies, regulations, business licensing procedures, product standards reviews and other practices that they say keep US goods out of China or give an unfair advantage to domestic firms.

US Treasury Secretary Steven Mnuchin has pushed for China to open its financial services markets to more foreign firms, including credit card giants Visa and MasterCard, which have waited years for China to make good on promises to allow them to operate there.

On currency, US officials including Mnuchin have warned China against devaluing its yuan to gain a competitive advantage after the Chinese currency weakened significantly against the dollar last year, partly counteracting Trump's tariffs.

The two sides were discussing an enforcement mechanism for the deal, the source said. Reuters reported last month that the United States was pushing for regular reviews of China's progress on pledged trade reforms and could reinstate tariffs if it deems Beijing has violated the agreement.

The parties also were looking at a 10-item list of ways that China could reduce its trade surplus with the United States, including by buying agricultural produce, energy and goods such as semiconductors, according to two other sources familiar with the talks.

## Singer launches free AC cleaning service campaign

STAR BUSINESS DESK

Singer Bangladesh is set to launch a campaign to offer free cleaning service for all existing Singer-branded air conditioners. Customers need to visit their nearest Singer Mega or Singer Plus shop and register on February 21-28 to avail the service, the company said in a statement yesterday.

The company's service technicians will conduct the free servicing for the registered customers throughout March.

"Singer is resolute about providing improved customer service to its users," the statement said.

Last year, around 25,000 customers got registered and availed the offer. Singer hopes that it would receive similar response this year as well, the statement added.

## Google fails to disclose microphone in Nest Secure

REUTERS

Alphabet Inc's Google said on Wednesday it had made an "error" in not disclosing that its Nest Secure home security system had a built-in microphone in its devices.

Earlier this month, Google said here Nest Secure would be getting an update and users could now enable its virtual assistant technology Google Assistant on Nest Guard.

The device's published specifications did not mention a microphone, however the updated product page here now mentions one. "The on-device microphone was never intended to be a secret and should have been listed in the tech specs. That was an error on our part. The microphone has never been on and is only activated when users specifically enable the option," Google said.

## Textile stocks fail to bring cheer

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Jahangir Alamin, former president of the Bangladesh Textile Mills Association, the platform of spinning, weaving and dyeing mills owners, echoed the same. "Various problems are afflicting the primary textile sector," he added.

The exact amount of profits made by a company is not reflected due to faulty audit reports, said the managing director of a spinning mill listed on the DSE upon condition of anonymity to speak candidly on the matter.

## Bproperty gets \$10m from parent company for expansion

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This is a new kind of business that provides all legal and banking supports to buyers and marketing support to real estate and land developers from a single platform, they said.

Its parent EMPG owns top UAE property portal bayut.com and Pakistan's largest property portal zameen.com.

Officials said every property that is transacted through bproperty goes through the company's legal verification process to ensure that sellers and buyers have absolute peace of mind when executing a deal.

Launched in Bangladesh in 2016, bproperty has thoroughly surveyed and validated more than 120,000 buildings in Dhaka and has already expanded its business to Chattogram, Sylhet and Cumilla.

It currently has offices in Gulshan, Banani, Mirpur and Uttara.

## Mirsarai will be the investment capital

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Economic zones are needed to check environmental damage: it is easy to monitor factories located in one place, he said.

The BEZA chief also touched upon the much-discussed one-stop service centre, which according to businesses is vital for improving the country's business climate.

An investor needs 162 types of services and information to start a business in Bangladesh. BEZA will provide the services under one umbrella once the centre is in place.

The centre will be inaugurated by March, he said.

Now, the focal officials of the concerned ministries are being trained so that they can provide services to investors efficiently, Chowdhury said.

"But the quality of services will depend largely on the mindset of the bureaucrats."

Last but not the least, Chowdhury said Bangladesh has to go fast to develop its infrastructure if it wants to draw and facilitate foreign investment.

He went on to cite Vietnam as a case in point. "Vietnam was more backwards than us even in the 1990s."

Africa is also coming up, so the competition for attracting foreign investment will get more intense, he added.

## Japan govt leaves economy view unchanged as data weakens on China

REUTERS, Tokyo

Japan's government kept its assessment of the economy unchanged in February, but a series of weak data on corporate sentiment, capital expenditure and exports shows the US-China trade war is hurting the outlook for the world's third-largest economy.

The Cabinet Office, which helps coordinate government policy, said the economy is in a moderate recovery, according to its monthly economic report for February on Thursday. That was unchanged from the previous month.

The Cabinet Office left unchanged its assessment that exports have weakened recently, which it downgraded only last month as exports to China started to buckle due to the trade dispute between Washington and Beijing and China's slowing economy.

The report for February did not take into account government data on Wednesday showing Japan's exports fell by the most in more than two years in January as China-



REUTERS/FILE

**Smoke is emitted from a chimney as a man fishes at the Keihin industrial zone in Japan.**

bound shipments tumbled.

This means the monthly economic report in March will be the Cabinet Office's first chance to offer its official view of Japan's export performance at the start of this year. The monthly report said consumer spending in February is recovering,

unchanged from the previous month.

The government left unchanged its assessment that capital expenditure is increasing.

The government also left unchanged its assessment that industrial output is gradually rising

but showing some signs of weakness.

Recent data has shown overseas orders for machinery fell the most in more than a decade in December, and business sentiment soured to a two-year low, which could lead some analysts to question the government's optimism about the outlook.

Many economists have warned that growth this year will not be as good as last year because of increasing risks to the outlook.

Global trade has slowed as the United States and China have been locked in a tit-for-tat tariff battle for months. In addition, Japanese policymakers are wary of Britain's departure from the European Union and the risk of a sudden spike in the yen.

Another risk is the government's plan to raise the nationwide sales tax to 10 percent from 8 percent in October. The government needs the extra tax revenue to pay for rising welfare spending, but economists worry consumer spending will fall after the sales tax rises.

## Samsung's foldable phone opens new frontier

REUTERS, San Francisco/Seoul

Samsung Electronics Co Ltd has wowed the smartphone industry with the first foldable screen, burnishing its innovation credentials, banishing "fast follower" criticism and, at nearly \$2,000, setting a new standard in premium pricing.

The South Korean tech giant's Galaxy Fold resembles a conventional smartphone but opens like a book to reveal a second display the size of a small tablet at 7.3 inches (18.5 cm). It will go on sale from April 26.

At its launch event in San Francisco on Wednesday, Samsung upped the surprise factor by briefing analysts and journalists on widely anticipated aspects ahead of time, such as 5G versions of its existing top-end Galaxy S phones.

The subsequent unveiling of the foldable device came as a shock to many in the auditorium.

"I am blown away," said Patrick Moorhead of Moor Insights & Strategy, adding the phone could help Samsung rejuvenate its mobile business, whose lead is under attack from China's Huawei Technologies Co Ltd.

"I believe you can innovate your way out of a mature market," he said, noting that when Apple Inc

launched the iPhone in 2007, most industry watchers believed the market had matured for \$100 "candy bar" phones without touch screens.

Bob O'Donnell of TECHanalysis Research said the work Samsung had done with Facebook Inc, Alphabet Inc's Google and Microsoft Corp to adapt applications to the new screen was important.

He said though Samsung had teased the folding phone before,

"to see it in action, to see the software - I was like, Wow. It's hugely important that the software experience be good."

The phone, which can operate three apps simultaneously and boasts six cameras, also challenges the notion of what a phone can cost, debuting at nearly twice the price of current top-of-the-line models from Apple and Samsung itself.

"Due to price, it's likely to be sold mainly to early adopters.

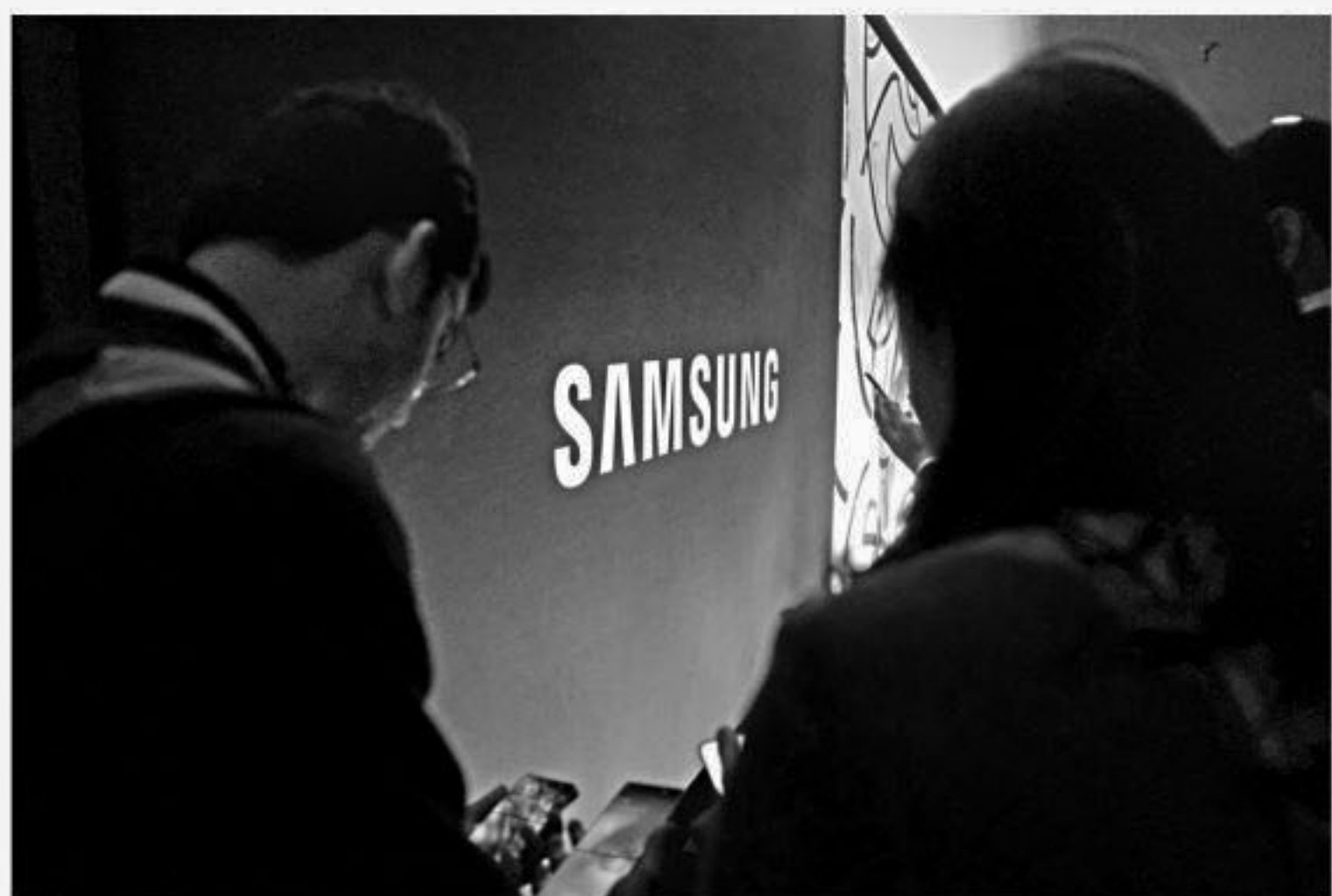
Prices are key to expanding sales," said former Samsung mobile executive Kim Yong-serk, who is now a professor at Sungkyunkwan University in Korea.

"It will help Samsung burnish its image as an innovative company, but it is unlikely to be profitable. I expect Apple to wait say for one year and come up with foldable phones with more features, as they did with the smartwatch," he said.

Brokerage Hana Investment & Securities expects Samsung to sell 2 million foldable phones this year, with the price keeping the volume relatively low, while another brokerage expects shipments to reach 1 million. That would be less than one percent of the 291 million smartphones Samsung sold last year.

"The success of a foldable phone depends on whether it can take up demand from tablet users. We believe it will be difficult to achieve meaningful sales with a 7.3-inch screen," Meritz Securities analysts said in a note to clients. "For it to succeed, it has to evolve further so that it can support 10-inch or bigger screen with multiple foldings."

Some industry watchers said such foldable phones could eat into the tablet market, which shrunk 6 percent last year even as Apple shipped more iPads.



REUTERS

**Attendees at Samsung Electronics Co Ltd's Unpacked event test out the company's new devices in California on Wednesday.**

## Wheat imports drop for higher rice harvests

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Total import by the public and private sector rose to 4.8 percent year-on-year to 58.80 lakh tonnes in fiscal 2017-18, according to food ministry data.

As of January 31, public sector imported 1.97 lakh tonnes and private sector imported 32.22 lakh tonnes, according to Fortnightly Foodgrain Outlook by the food planning and monitoring unit under the food ministry.

"We see a kind of negative growth this time. Total wheat import is likely to fall if the international prices continue to remain up and farmers harvest bumper rice in the next season," Chowdhury added.

Abdus Shukur, head of supply chain

(food and energy) of Bashundhara Group, one of the leading importers and processors of wheat, however, expects wheat imports to not fall come the end of the fiscal year.

"Imports picked up in January," he said, adding that the total imports this fiscal year would be 60 lakh tonnes.

Domestically, wheat area has contracted further to 3.29 lakh hectares during the current season as many growers have switched to maize and other crops to cash in on higher gains, according to the Department of Agricultural Extension.

Farmers grew the grain on 3.50 lakh hectares and harvested 10.98 lakh tonnes in fiscal 2017-18, according to the Bangladesh Bureau of Statistics.

## Banks' CSR spending soars despite lower profits

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For instance, Eastern Bank spent Tk 7.06 crore under its CSR programme, with 99.57 percent going towards disaster management, data from the BB showed.

Banks had spent the amount either through their own channels or through donations to the Prime Minister's Relief and Welfare Fund, said a senior BB official.

"The higher expenditure for disaster management fuelled the total CSR spend," he added.

Banks get tax rebates on spending under CSR programmes, said Faruq Mainuddin Ahmed, managing director of Trust Bank.

"Moreover, banks spend from their social responsibility," he said, adding that there is no chance of the CSR funds being misused as the central bank has set spending limits for particular sectors.

If banks spend beyond the limit, they will not enjoy the tax rebate, he added.

It is good that banks' participation in social responsibilities has increased as the money spent comes from the directors' pockets, said Khondkar Ibrahim Khaled, former deputy governor of the BB.

He went on to urge the central bank to ramp up its monitoring to ensure proper use of CSR funds.