

China says US has agreed to keep talking over trade war

REUTERS, Beijing/Washington

China and the United States have agreed to keep talking about their trade dispute, the Chinese government said on Tuesday, as US President Donald Trump said he thought recent discussions in Beijing would be successful.

The slightly more optimistic comments came after both sides ramped up their trade war, with China announcing details of new tariffs against US imports on Monday, following a US

move last week to target Chinese imports.

The US Trade Representative's office said it planned to hold a public hearing next month on the possibility of imposing duties of up to 25% on a further \$300 billion worth of imports from China. Cellphones and laptops would be included in that list but pharmaceuticals would be excluded, the office said.

The prospect of the global economy being derailed by the

United States and China sliding into a fiercer, more protracted dispute has rattled investors and sparked a sharp selloff on equities markets in the past week.

"My understanding is that China and the United States have agreed to continue pursuing relevant discussions. As for how they are pursued, I think that hinges upon further consultations between the two sides," Chinese Foreign Ministry spokesman Geng Shuang told a daily news briefing, without giving details.

But China will not be bullied, he added: "We hope that the US side does not misjudge the situation and not underestimate China's determination and will to safeguard its interests."

Sources have said talks stalled after China tried to delete commitments from a draft agreement that its laws would be changed to enact new policies on issues from intellectual property protection to forced technology transfers.

Geng said China had shown sincerity by still sending a high level delegation to the United States for talks last week and that China has remained calm in the face of pressure.

He put the blame on Washington for going back on its word in some previous rounds of talks, including

last May, when the two reached an agreement in Washington but then the United States backed out a few days later.

"So you absolutely can't put the hat on China of reversing positions and going back on one's promises," Geng said, adding China had shown goodwill in the talks and kept its promises.

The Shanghai Composite Index lost 0.7% and the blue chip CSI 300 was 0.6% lower on Tuesday. But both indexes rebounded from opening down 1%, supported by suspected state-backed purchases.

However, the onshore yuan weakened 0.1% to its lowest level since Dec. 27, 2018, trading at 6.8874 per dollar, after the foreign ministry said it hoped the United States would not underestimate China's determination to defend its interests.

The ruling Communist Party's official People's Daily said in a commentary that the United States needed to "give it a rest" with the complaints that it was losing out to China in the trade relationship.

China is not to blame for the huge trade deficit the United States runs, and China was a hugely profitable market for US companies, the paper said, in a commentary published under the pen name "Zhong Sheng", meaning "voice of China".



US President Donald Trump takes part in a welcoming ceremony with China's President Xi Jinping at the Great Hall of the People in Beijing.



Atiur Rahman, a former Bangladesh Bank governor, presents a keynote paper at a symposium on economic growth, development and economic sustainability at Swansea University, UK on Monday.

Euro zone industry output dragged down by France, Italy

REUTERS, Brussels

Euro zone industrial production fell in March for a second straight month as output declined in France and Italy but recovered in the bloc's largest economy, Germany, data from the European Union's statistics agency showed on Tuesday.

Eurostat said output in the 19 countries sharing the euro dropped by 0.3% on the month, in line with market expectations, and by 0.6% year-on-year.

The monthly fall in March followed a 0.1% decrease of the industrial production

in February, which Eurostat revised upward from its previously estimate of a 0.2% drop.

The first quarter of the year, however, remained positive thanks to the 2.0% hike posted in January.

Output was driven down mostly by a 1.0% drop in non-durable consumer goods, such as food or toothpaste, as retail sales came to a halt in the bloc in March.

In a positive sign, production of durable consumer goods, such as cars or fridges, went up by 0.7% on the month, signaling managers' expectations of a rebound in sales of more expensive items.

Goldman Sachs bought Commerzbank's claim in Saudi's biggest debt saga

REUTERS, Dubai

Goldman Sachs has bought a claim against The International Bank Corporation (TIBC), a Bahraini bank whose default 10 years ago triggered the biggest financial crisis in Saudi Arabia, three sources familiar with the matter said.

The US investment bank bought \$100 million of TIBC debt from Germany's Commerzbank at the end of last year, two of the sources said, reflecting Goldman's increased interest in Saudi Arabia.

Although it snubbed a Saudi investment conference last year following the disappearance of journalist Jamal Khashoggi, Goldman

Sachs has since won a slew of mandates in the kingdom, including a lead role in Saudi Aramco's debut international bond.

TIBC raised money in international markets, transferring the funds to now defaulted Saudi conglomerate Ahmad Hamad Algoasibi and Brothers (AHAB), in what a Cayman Islands court last year called one of the largest Ponzi schemes in history.

After TIBC defaulted on a foreign exchange deal with Deutsche Bank in 2009, AHAB - which denies knowledge of the scheme - collapsed, along with another Saudi conglomerate Saad, leaving an estimated \$22 billion in unpaid debts.

TIBC, administered by Bahrain's

Central Bank, has a claim of around \$3 billion against AHAB, a TIBC spokesman said, while more than 60 banks that have lent money to TIBC remain unpaid.

The sources said Goldman bought TIBC's debt after rulings in various jurisdictions appeared to strengthen the position of the Bahraini bank against AHAB.

However, if AHAB's application for a financial restructuring under the kingdom's bankruptcy law is successful next week, Goldman's claim may turn out to be worth less than it anticipated.

Goldman Sachs and Commerzbank declined to comment on the transaction.



Md Ahsanul Hoque Bashar, head of the Association of Chartered Certified Accountants (ACCA) Bangladesh, and Md Mofidul Alam, general manager for training at bdjobs.com, attend a deal signing ceremony in Dhaka on Sunday on providing ACCA certificates to people with relevant trainings.

Jet Airways loses CEO, a day after CFO quits

REUTERS, Bengaluru

Indian carrier Jet Airways said on Tuesday its Chief Executive Officer Vinay Dube had resigned with immediate effect.

Dube's exit comes shortly after the resignation of its Chief Financial Officer Amit Agarwal, that was announced earlier in the day. Agarwal's resignation was effective May 13, the company said. The debt-strapped company said Dube and Agarwal resigned due to personal reasons, without providing further details.

The airline, once the biggest private carrier in the country, owes vast sums to its lessors, pilots, fuel suppliers and other parties. It stopped all flights from April 17 after its lenders refused to extend more funds to keep the carrier flying.

Nissan flags weakest profit in 11 yrs

REUTERS, Yokohama

Nissan Motor Co forecast a 28% plunge in its annual operating profit, setting it up for the weakest earnings in 11 years and underscoring its struggle to turn the page after the ouster of former Chairman Carlos Ghosn.

The lackluster outlook from Japan's No.2 automaker - hit by Ghosn's arrest last year and troubles at its North American business - is likely to add to the pressure on CEO Hiroto Saikawa as he tries to overhaul corporate governance and put Nissan on a more equal footing with alliance partner Renault.

Nissan's weakening profit has raised concerns at Renault, which holds a 43% stake in the Japanese firm and has pushed for closer ties. But some Nissan executives have opposed a full merger and what they see as an unequal partnership that gives smaller Renault more sway over Nissan.

"Today we have hit rock bottom," Saikawa told a news conference at the company's headquarters in Yokohama on Tuesday. "We would like to recover to our original performance level in two to three years," he added.

Nissan expects operating profit of

230 billion yen (\$2 billion) for the year to March 2020, missing the 457.7 billion yen average of 23 analyst estimates compiled by Refinitiv.

The automaker reported an operating profit of 318 billion yen in the year just ended, down 45% from a year earlier. It also booked 4.4 billion yen in expenses to reflect previous misstatements involving Ghosn's compensation.

Sluggish profitability would likely result in a 30% cut to full-year dividend to 40 yen per share, Nissan said.

The biggest blow to Nissan's bottom line has come from the costly sales incentives in the United States, where its sales fell 9.3% to 1.44 million units in the year ended March 31.

For years it has relied on heavy discounting in its biggest market to sell its Rogue compact SUVs and Altima sedans, under aggressive targets Ghosn set during his time as CEO.

Ghosn, out on bail and awaiting trial in Japan, has been charged on several counts of financial misconduct and of allegedly enriching himself at Nissan's expense. He has denied all charges and said he is the victim of a boardroom coup.

Earlier in the day, Tokyo prosecutors

filed a request to revise their indictment against Ghosn, providing more details on alleged cash transfers involving the former executive and a Saudi friend.

The scandal has rocked the global auto industry and raised concerns about Nissan's ability to regain its footing following the departure of the charismatic leader and the architect of its alliance with Renault.

After Ghosn's ouster as head of the Renault-Nissan alliance this year, the French automaker is set to discuss forming a joint holding company to give both companies equal footing, people with knowledge of the matter have said.

Saikawa, who took over as Nissan's CEO in 2017, has pledged to focus on improving US profit margins, but it has been a slow process as Nissan continues to resort to discounting.

The automaker also cut its mid-term revenue target to 14.5 trillion yen by 2022, from 16.5 trillion yen. It sees its annual operating margin at 6% by then, versus an earlier target for 8%.

Nissan shares are down around 2% this year, after losing a fifth of their value last year.

UK unemployment rate hits 45-year low

AFP, London

British unemployment has fallen to a 45-year low, official data showed Tuesday, with the economy holding up despite prolonged Brexit uncertainty.

The unemployment rate eased to 3.8 percent in the three months to March -- the lowest level since the final quarter of 1974, the Office for National Statistics (ONS) said in a statement.

That compared with a 44-year low of 3.9 percent in the quarter to February.

"The UK labour market has been remarkably resilient in the face of Brexit-related uncertainty," Hargreaves Lansdown senior economist Ben Brettell said in reaction to the latest data.

"These are really strong numbers given the headwinds the economy is currently facing."

The ONS added that the UK employment rate was estimated at 76.1 percent, which was the joint-highest figure on record. "There are valid concerns that UK firms are hoarding labour instead of much-needed capital expenditure," said Brettell.

"Why would you invest large sums in new plant or machinery in such uncertain times, when you could hire an extra worker and get broadly the same result?"

Growth in average weekly earnings, including bonuses, meanwhile slowed to 3.2 percent in the three months to March, the ONS added.

And they increased by only 1.3 percent when adjusted for inflation, down from 1.6 percent in the three months to February.



Ruhul Amin Molla, CEO of Orion Footwear, and KM Mostafizur Rahman, managing director of Theme Real Estate, open the footwear maker's new outlet at Theme Omar Plaza in Rajshahi on Monday.



Shafiqul Alam, CEO of Jamuna Bank, attends the bank's "BAMLCO Conference for 2019" on "Effective Compliance of Money Laundering and Terrorist Financing Risk" in Dhaka recently.