



ASK TRADE AND EXHIBITIONS

Bishwadi Dey, Indian deputy high commissioner to Bangladesh; KM Akhtaruzzaman, president of Bangladesh Furniture Exporters Association; ANM Enayet Ullah, a superintending engineer of Local Government Engineering Department, and Tipu Sultan Bhuiyan, managing director of ASK Trade and Exhibitions Private, launch the fifth Bangladesh Buildcon International Expo 2019 and fifth International JAT Presents Bangladesh Wood 2019 at International Convention City Bashundhara in Dhaka yesterday.

# China tells top global CEOs it will 'further open up'

AFP, Beijing

China's Premier Li Keqiang vowed Thursday to further open up China's economy during a meeting with CEOs of top global companies amid simmering trade tensions with the United States.

Washington and other trade partners have long complained about the uneven playing field foreign companies encounter in China, theft of intellectual property and entry barriers that allow state-backed companies to dominate crucial sectors of the economy.

During the meeting in Beijing with heads of 19 multinational companies, Li pledged to make China more attractive to foreign investors.

"We welcome more and more foreign investment to come to China," Li told the group representing the Global CEO

Council.

"We will also relax (restrictions on) access to even more fields to create a market-oriented, law-based internationalised business environment."

Among the industry leaders attending the meeting at Beijing's opulent Great Hall of the People were Volkswagen head Herbert Diess, Pfizer CEO Albert Bourla, Daimler's Ola Kallenius, UPS chief executive David Abney, Honeywell CEO Darius Adamczyk and Nokia's Rajeev Suri.

Jean-Pascal Tricoire, head of Schneider Electric, told Li that foreign firms are the "best bridges" between China and the rest of the world.

"Since sometime though, the world has been going through turbulences, tensions and challenges," Tricoire said.

The meeting comes as bruising US

tariffs threaten China's status as the "factory of the world," with companies looking to move production outside the country, according to a recent survey by the American Chamber of Commerce in China.

The Chinese government also convened top tech companies and warned them of consequences if they cut off technology sales to the country, the New York Times reported earlier this month.

Last month US President Donald Trump moved to blacklist Chinese tech giant Huawei over national security concerns, curbing its access to US-made components it needs for its equipment.

China later announced plans for its own list of "unreliable" foreign companies, which it said targets companies that "undermine national security".

# China, US to resume trade talks but China says demands must be met

REUTERS, Beijing

Top Chinese and US officials will resume trade talks in accordance with the wishes of their leaders, but China hopes the United States will create the necessary conditions for dialogue, the Chinese commerce ministry said on Thursday.

Negotiations to reach a broad trade deal broke down last month after US officials accused China of backing away from previously agreed commitments.

But hopes for a revival of negotiations have been rekindled by a telephone call on Wednesday between US President Donald Trump and his Chinese counterpart, Xi Jinping, and confirmation they will meet next week in Japan at a G20 summit.

US Trade Representative Robert Lighthizer said on Wednesday he would speak by telephone to Liu He, China's vice premier and chief negotiator in the trade talks, "in the next day and a half".

"The heads of the two trade teams will communicate, according to instructions passed down from the two presidents," Chinese commerce ministry spokesman Gao Feng told reporters, without elaborating.

"We hope (the United States) will create the necessary conditions and atmosphere for solving problems through dialogue as equals."

The two countries have imposed increasingly severe tariffs on each other's imports. China has vowed to not give in on issues of principle or under US pressure.

Trump has threatened to put tariffs on another \$325 billion worth of goods, covering nearly all remaining Chinese imports into the United States, including consumer products such as cellphones, computers and clothing.

The prospect of a de-escalation in the dispute has helped cheer financial markets

weighed by threats of more tariff measures and countermeasures and strident rhetoric from both countries.

But three main differences remain, including the removal of all additional tariffs, China says. Both sides have disagreed over trade purchases and a "balanced" text for any trade deal.

Those three "matters of principle" cannot be compromised, China has said.

Asked if China's demands for a trade deal were still tied to the three issues being met, Gao said: "China's principles and basic stance on Sino-US economic and trade consultations have always been clear and consistent, and China's core concerns must be properly resolved."

The US Trade Representative's Office kicked off seven days of testimony this week from US retailers, manufacturers and other businesses about Trump's tariff plan.

China hopes the United States would listen to its industry voices, and stop threatening tariffs and waging a trade war, Gao said, adding that such behavior was "wrong" and should be "abandoned".

The upcoming trade talks between Xi and Trump are unlikely to immediately resolve major disagreements between the two sides but could start a new phase in negotiations, Chinese state media said on Thursday.

But when asked if China thought it could reach an agreement with the United States on issues such as its structural reforms, the implementation mechanism, intellectual right protection and further opening of its markets, Gao still expressed optimism.

"Both sides have immense mutual interests. I believe by taking care of each other's concerns through equal dialogue, both sides will for sure be able to find a solution to solve the problems properly," Gao said.

The official China Daily said in an editorial

both parties were "in the mood for serious dialogue" as a full-blown trade war was "lose-lose", but one single meeting was unlikely to wrap everything up. "The two parties' expectations are too divergent to allow that," it said.

"More likely than not, the one-on-one meeting will end up being the start of a new phase in the negotiations with the two leaders personally setting out their country's respective bottom lines."

Another influential Chinese newspaper, the Global Times, said China had sent a clear signal to the United States that "China can never be daunted."

China has managed to get the United States back to the table with its determination and ability to "prepare for war", Taoran Notes, a widely read and influential WeChat account run by the Economic Daily, wrote late on Wednesday.

"Only by being able to fight, daring to fight and being good at fighting can you stop a war," it wrote.

China would take the "necessary measures" if the United States imposes additional tariffs on the \$300 billion of Chinese goods, Gao said, without elaborating.

The Trump administration has accused China of failing to protect intellectual property rights, forced technology transfers and of failing to provide a level playing field for US companies.

China has repeatedly promised to open its market wider to foreign investors and provide them with better services and treatment.

Speaking to a group of 19 chief executives of foreign multinationals in Beijing on Thursday, Premier Li Keqiang reiterated those promises.

"China will maintain our long-standing commitment to reform and opening in order to continue to expand and open. We welcome more and more foreign investment to come to China," Li said, in comments in front of reporters.



UNION CAPITAL

Chowdhury Tanzim Karim, chairman of Union Capital, presides over its 21st annual general meeting at Spectra Convention Centre in Dhaka yesterday. The non-bank financial institution approved 5 percent stock dividend for 2018. Chowdhury Manzoor Liaquat, managing director (current charge), was present.



SWISSCONTACT

Md Kamal Uddin Talukder, secretary to the Rural Development and Co-operatives Division; Derek George, deputy director cooperation at the Swiss embassy in Bangladesh; Abdur Rashid, a director at the Char Development and Research Center, Rural Development Academy; and SM Mahmuduzzaman, team leader for Jamuna, Padma and Teesta Chars (M4C) at Swisscontact, attend a knowledge dissemination event titled "Market Systems Changes for Sustainable Vulnerability Reduction in Challenging Contexts" at Cirdap auditorium in Dhaka yesterday.

# Cool weather hits UK retail sales in May

REUTERS, London

Cold weather in May prompted the biggest drop in British retail sales this year as shoppers delayed buying summer clothes, adding to signs that the economy, struggling for momentum ahead of Brexit, is set for a weak second quarter.

Monthly retail sales volumes contracted 0.5 percent, the Office for National Statistics said, as expected in a Reuters poll of economists and following a 0.1 percent fall in April. Compared with May 2018, sales rose by the least since October last year, up 2.3 percent. The Reuters poll had pointed to growth of 2.7 percent.

The second consecutive monthly slide in retail sales does not bode well for overall growth in the second quarter for an economy which is struggling with Britain's Brexit crisis as well as a slowdown in growth globally.

Official data has shown the economy contracted sharply in April, adding to reasons why the Bank of England is likely to keep interest rates on hold when it announces its June policy decision at 1100 GMT. Sterling

and British government bonds showed little reaction to the retail sales data.

"Although earnings continue to outstrip inflation, a second stutter in as many months will serve as a stark reminder that the retail sector's recent growth should not be taken for granted," Philipp Gutzwiller, head of retail at Lloyds Bank Commercial Banking, said.

Until now, consumers have largely taken Brexit in their stride, helped by stable inflation and stronger growth in wages.

That has helped the world's fifth-biggest economy at a time when many companies have been cutting back on investment because of uncertainty about Brexit.

The ONS said unseasonably cold weather hit demand for clothing and footwear sales, which fell 4.5 percent on the month — the biggest drop since July 2015.

"We see quite a mixed picture across the rest of the sector as the decline in department store sales continued (in the three months to May), with no growth since September of last year," ONS statistician Rhian Murphy said.

# Mexico ratifies new trade deal with US, Canada

AFP, Mexico City

Mexico ratified the new North American trade agreement Wednesday, making the country the first to give it final approval despite recent tension with the US.

The United States-Mexico-Canada Agreement (USMCA) passed in the Mexican Senate with 114 votes in favor and just four against, sending what the government called "a clear message in favor of an open economy and deepening economic integration in the region."

"This means foreign investment in Mexico, jobs in Mexico, access to the US market for our products," said President Andres Manuel Lopez Obrador.

There was little doubt the new deal would pass easily in Mexico: the very similar agreement it aims to replace, the North American Free Trade Agreement (NAFTA), has helped turn the country into an exporting powerhouse over the past

25 years.

It now falls to Canada and the US to ratify the deal.

The three countries signed the agreement on November 30 after a year of tough negotiations triggered by US President Donald Trump's insistence on replacing NAFTA, which he called "the worst trade deal ever made." Trump congratulated his Mexican counterpart on the ratification, and called on American lawmakers to do likewise.

"Congratulations to President Lopez Obrador -- Mexico voted to ratify the USMCA today by a huge margin. Time for Congress to do the same here!" Trump tweeted.

Canadian Prime Minister Justin Trudeau is due to visit Trump and US Congressional leaders Thursday to push for ratification of USMCA, among other issues.

The deal faces a battle in the US Congress, where opposition Democrats have criticized provisions including its worker protections and dispute resolution system.

Still, US Trade Representative Robert Lighthizer said he was confident there would be progress on ratification "in the next couple of weeks." He called Mexico's ratification "a crucial step forward."

In Canada, ratification looks assured. The new deal largely resembles the original, but notably establishes new rules for the crucial auto sector, intended to boost US-made content in cars and increase wages for Mexican workers.

Tensions between the US and Mexico have been high since Trump threatened last month to impose tariffs on all Mexican exports in retaliation for the number of Central American migrants arriving at the two countries' border.

Mexico managed to negotiate a reprieve from the tariffs -- which were due to take effect June 10 -- by tightening controls at its southern border and expanding its policy of taking back migrants as their asylum requests are processed in the US.

"If they didn't do that I would've put tariffs," Trump said Wednesday night, in a television interview with Fox News host Sean Hannity.

"And I still will if they don't -- but they have been doing a really good job and people at the border will tell you that the traffic has really dropped down."

Also with respect to ratification of the new treaty, he said US Democrats "could do that in a bipartisan way."

"It means hundreds of billions of dollars to our country and thousands and thousands of jobs."

But some Mexican lawmakers accused the executive branch of caving to Trump's bullying, and put ratification of the USMCA on hold until Foreign Minister Marcelo Ebrard agreed to testify on the exact extent of the migration deal.

Ebrard assured Congress he had not agreed to Trump's demand for a "safe third country agreement," in which migrants arriving in Mexican territory would have to seek asylum there rather than the US.



RAJUK

Sultan Ahmed, chairman of Rajdhani Unnayan Karttripakkha (Rajuk), and Meguro Kimiro, a professor at Tokyo University, attend a discussion on electronic construction permitting for Rajuk organised by Rajuk and World Bank in Dhaka yesterday.



SHAHJALAL ISLAMI BANK

M Shahidul Islam, CEO of Shahjalal Islami Bank; Md Marufur Rahman Khan, head of card division, and Shih Pada Dey, deputy general manager of Transcom Electronics, attend a deal signing ceremony at the bank's head office in Dhaka yesterday. The bank's credit card holders will get privileges during purchase of Transcom Electronics' products.