EBL

Zunaid Ahmed Palak, state minister for ICT, opens an ATM and dropbox services of Eastern Bank Ltd (EBL) on the premises of the ICT ministry in the capital's Agargaon yesterday. Ali Reza Iftekhar, CEO of the bank, was present.

Alibaba welcomes US small businesses to sell globally on its platform

REUTERS, *New York*

Chinese e-commerce giant Alibaba Group Holdings Ltd will now allow small businesses in the United States to sell on Alibaba.com, the company said on Tuesday, an effort to tap into the business-to-business e-commerce market and fend off fierce competition from rivals like Amazon.com Inc.

Previously, US-based businesses were only able to buy items on Alibaba.com.

Roughly one-third of buyers on Alibaba.com are US-based. More than 95% of sellers come from China. This plan will open up markets to US merchants in countries including India, Brazil and Canada. US merchants will also be able to sell to other US-based businesses.

Alibaba's pitch to US small businesses comes as the company faces lean e-commerce revenue growth, which has been further threatened by the US-China trade spat and increased competition from rivals such as recently listed Pinduoduo Inc.

Alibaba, which does not sell inventory of its own, hopes to win over local US businesses as their marketplace platform of choice by offering small- and medium-sized businesses global selling power. Alibaba highlighted its interest in winning over manufacturers, wholesalers and distributors.

Last month, the company launched an English-language website for its Tmall Global marketplace aimed at merchants, in an attempt to double the number of international brands on the platform to 40,000 in the next three years.

Rival Amazon, in addition to selling its own inventory, allows third-party vendors to list products for sale on its website. Those vendors may store their products in Amazon's warehouses or ship directly to customers.

Trump demands rate cut, seizing on Fed official's own words

US President Donald Trump

AFP, *Washington*

US President Donald Trump on Monday used a Federal Reserve official's own words to amplify his continual demands for lower interest rates.

The latest in Trump's daily attacks on the Fed turns up the temperature for the central bank a week before its latest policy meeting, when it is expected to cut rates for the first time in a decade.

"It is far more costly for the Federal Reserve to cut deeper if the economy actually does, in the future, turn down!" Trump said on Twitter. "Very inexpensive, in fact productive, to move now."

Without naming him, Trump's tweet repeated a central claim made last week by New York Federal Reserve President John Williams.

In a speech to economic researchers on Thursday, Williams said decades of research suggested that when interest rates are already low, policymakers should cut them at the first signs of "economic distress" rather than waiting for more input.

Markets welcomed the news, which some investors took to mean the Fed could cut benchmark lending rates by as much as 50 basis points (bps), something it has not done since the worst moments of the 2008 global financial crisis.

A large move would be unusual for the central bank which prefers to move in 25 bps increments, since a bigger rate cut would signal real concern about the economy, which policymakers continue to expect to grow.

A New York Fed spokesperson last week told reporters that Williams' remarks were a comment on years of research, not a forecast of what the Fed will do later this month.

As president of the New York Fed's branch, Williams serves as the influential vice chair of the Fed's rate-setting Federal Open Market Committee, and frequently echoes a message sent by Fed Chairman Jerome Powell.

Powell has steadfastly insisted policymakers ignore political pressure, but Trump's attacks threaten to cause markets to second guess any move the Fed makes.

Trump has questioned the Fed's expertise, accused it of being the biggest threat to the US economy, and considered removing or demoting Powell.

Powell in recent weeks has said the Fed will do whatever it can to keep the economic expansion going, amid a slowing world economy and as Trump's trade wars enter their second year

Eurozone banks tightening credit taps: ECB

AFP, *Frankfurt*

Eurozone banks are tightening the criteria firms and households must meet to be granted loans, the European Central Bank said Tuesday, as policymakers weigh their response to stuttering growth.

Lenders upped their requirements of business borrowers and households seeking consumer credit between April and June, the quarterly poll of 144 banks showed.

Among the bloc's largest economies, Germany, France and Italy saw tighter standards for business loans, while Spain's remained flat and Netherlands-based banks reported easing.

Meanwhile standards for issuing mortgages remained on par with the first quarter in the eurozone average.

"Lower risk tolerance and, for loans to enterprises, higher risk perceptions, accompanied by higher cost of funds and balance sheet constraints, contributed to the tightening of credit standards across loan categories," the ECB commented in a statement.

BUFT

Muzaffar U Siddique, founder chairman for the board of trustees at the BGMEA University of Fashion and Technology (BUFT); Md Shafiul Islam (Mohiuddin) and Md Faruque Hassan, founder members; Ayub Nabi Khan, vice chancellor (acting), and Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue, attend a seminar on "Implementation status of Bangladesh labour laws in RMG industry: a study on general factories in Gazipur area" organised by the university's business administration and social science departments on its campus in Dhaka.

PLUMMY FASHIONS

Dutch Ambassador to Bangladesh Harry Verweij visits Plummy Fashions in Narayanganj on Monday. Fazlul Hoque, managing director of Plummy Fashions, was present.

ISLAMI BANK BANGLADESH

Md Mahbub ul Alam, CEO of Islami Bank Bangladesh, speaks at a business development conference for the bank's Noakhali zone at a convention centre in Feni recently.

China says it needs 'arduous efforts' to meet 2019 industrial output goal

REUTERS, *Beijing*

China's industry ministry said on Tuesday that "arduous efforts" will be needed to achieve this year's industrial output growth target, as trade protectionism weighs on exports and clouds the outlook for the world's second-largest economy.

Ongoing reforms and restructuring of the country's industrial sectors pose additional challenges, vice industry and information technology minister Xin Guobin told reporters at a news conference in Beijing.

China's economic growth slowed to 6.2 percent in the second quarter, its weakest pace in at least 27 years, as demand at home and abroad faltered in the face of mounting U.S. trade pressure.

Beijing has said it can still meet its 2019 growth target of between 6 percent and 6.5 percent and continues to roll out stimulus measures to prop up activity. China set a 2019 industrial output growth target of 5.5 percent-6.0 percent.

Output growth fell to a 17-year low of 5.0 percent in May from a year earlier, but rebounded to 6.3 percent in June. Still, analysts are unsure if the gains are sustainable, with the Sino-U.S. trade war still raging and factory surveys showing new orders are continuing to shrink.

Output grew 6 percent in the first half of the year, Xin said, adding that the country still faces significant challenges in stabilising production given a big drop in growth of industrial product exports.

Trade pressures have intensified since Washington sharply raised tariffs on Chinese goods in May. While the two sides have since agreed to resume trade talks and hold off on further punitive action, they remain at odds over significant issues needed for an agreement.

The prolonged trade war is pushing some Chinese and foreign manufacturers to move capacity to neighbouring countries and rebuild supply chains outside of China.

Britain delays decision on Huawei's role in 5G networks

REUTERS, *London*

Britain on Monday postponed a decision on whether Huawei could participate in building next-generation 5G mobile networks until it had a clearer picture of the impact of US measures taken against the Chinese company.

"These measures could have a potential impact on the future availability and reliability of Huawei's products, together with other market impacts, and so are relevant considerations in determining Huawei's involvement in the network," Digital Minister Jeremy Wright told parliament.

Until the US position was clearer, Britain had concluded it was wrong to make specific decisions in relation to Huawei, but would do so as soon as possible, he said.

Huawei, the world's biggest telecoms equipment maker, is at the centre of a geopolitical tug-of-war between China and the United States.

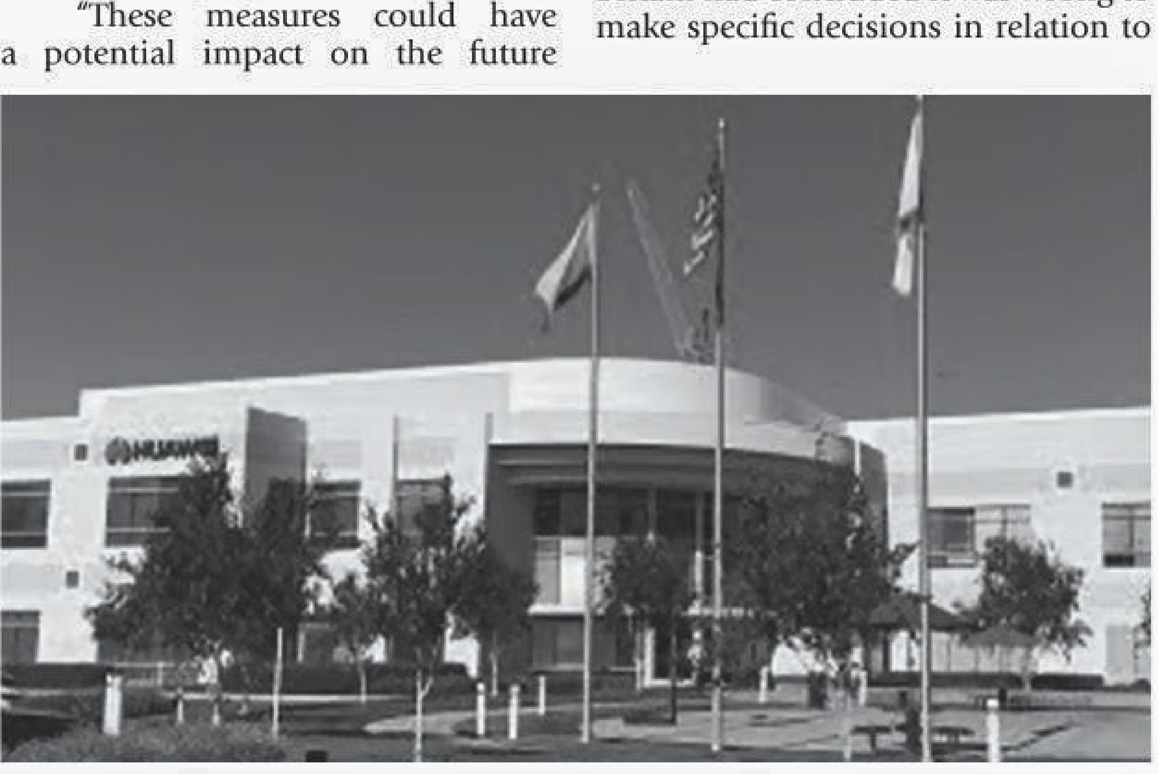
The United States has threatened to cut off intelligence sharing with allies who use Huawei equipment, which it says China could exploit for spying.

The Trump administration put Huawei on a blacklist in May, citing national security concerns, barring US chipmakers and software companies from supplying the Chinese firm.

China, in turn, has warned Britain that excluding Huawei could hurt investment and trade.

Britain's National Security Council, chaired by outgoing Prime Minister Theresa May, discussed the issue in April and decided in principle to block Huawei from critical parts of the 5G network but give it limited access to less sensitive parts.

A final decision was supposed to have been included in a telecoms supply chain review published by Wright on Monday, but May's resignation has stalled the process. She is due to hand over to her successor on Wednesday.



REUTERS/FILE

The Silicon Valley office of Huawei and its subsidiary Futurewei Technologies in Santa Clara, California.

IMF downgrades world growth, warns of 'precarious' 2020

AFP, *Washington*

Global trade tensions and continued uncertainty are sapping the strength of the world economy, which faces a "precarious" 2020, the International Monetary Fund warned on Tuesday.

Trade conflicts are undercutting investment, and the IMF urged countries not to use tariffs in place of negotiations.

In its quarterly update of its World Economic Outlook the IMF trimmed the global forecast issued in April by 0.1 this year and next, with growth expected to hit 3.2 percent in 2019 and 3.5 percent in 2020.

But the report sounded the alarm, saying things could easily go wrong.

"The projected growth pickup in 2020 is precarious" and presumes there will be "stabilization in currently stressed emerging market and developing economies and progress toward resolving trade policy differences," the IMF said.

However, the United States, which is at the center of most of the trade tensions, saw one of the rare upgrades in the report, as it got a short-term boost from growth in the early part of the year.

The IMF raised the US GDP forecast by three-tenths to 2.6 percent for 2019, but weakening demand, in part due to the trade conflicts and tariffs, points to "slowing momentum over the rest of the year."

The US economy is then expected to slow to 1.9 percent in 2020.

China, which is the main target of US trade actions, was already experiencing a slowdown. But "the negative effects of escalating tariffs and weakening external demand have added pressure," the report said.

The report downgraded Chinese growth by a tenth this year and next, to 6.2 percent and 6.0 percent.

The IMF cautioned that there are an abundance of "potential triggers" for the situation to turn negative quickly, including the possibility of more US tariffs on China or on European autos, as well as a no-deal Brexit and the high debt levels in many countries.

"While the tensions abated in June, durable agreements to resolve differences remain subject to possibly protracted and difficult negotiations," the report said.

The latest forecast was once again full of downgrades, with small downward revisions for Germany and Japan, but much larger cuts for Brazil, Mexico, Russia, India and South Africa -- countries that were the engine for global growth in the wake of the 2008 financial crisis.

The IMF again stressed that resolving uncertainty remains the most pressing issue for the global economy and said governments should avoid "policy missteps" which could have "a severely debilitating effect on sentiment, growth and job creation."

And "countries should not use tariffs to target bilateral trade balances," the report said, while recognizing that "trade disputes may be symptoms of deeper frustration with gaps in the rules-based multilateral trading system."

President Donald Trump and Chinese leader Xi Jinping in June agreed to a truce in their trade hostilities. Senior officials from Washington and Beijing have held two phone calls in recent weeks but no face-to-face meetings have yet been scheduled.