



Md Nurun Newaz Salim, chairman of NCC Bank, presides over the bank's 34th annual general meeting at Senamalancha in Dhaka on Tuesday. The bank approved 5 percent cash and 5 percent stock dividends for 2018. Mosleh Uddin Ahmed, CEO, was present.

US exports fall amid escalating trade war with China

AFP, Washington

US exports weakened across the board in June amid a global economic slowdown, as President Donald Trump's trade war with China intensifies, according to government data released Friday.

America's mammoth trade deficit held steady in June as imports also declined along with foreign demand for US goods and services.

The falling exports and deteriorating trade picture comes as Trump escalated its aggressive tariffs plan against Beijing, threatening to impose new 10 percent duties on \$300 billion in Chinese goods on September 1, on top of previous similar measures.

Beijing has pledged to retaliate

with "countermeasures." Economists say the tit-for-tat battle is helping to weaken global growth and international commerce.

The US trade gap dipped a token 0.3 percent to \$55.2 billion in June, but exports are falling faster than imports, according to the Commerce Department report.

Despite Trump's tough tactics, which he says will protect US jobs and reduce the trade gap, the deficit in the first half of 2019 is 7.9 percent higher than in the same period last year -- and could weigh on GDP growth in the second quarter.

The US Federal Reserve this week cut the benchmark lending rate, citing the uncertainty caused by trade policy. Trump's new tariffs threat would

add to the 25 percent tariffs already levied on \$250 billion in imports.

"Until such time as there is a deal, we will be taxing the hell out of China," Trump said during a campaign rally in Cincinnati on Thursday.

But the deficit with China, Trump's greatest source of ire, was largely unchanged at \$30.2 billion in June, leaving it down 10.3 percent in the first half of 2019.

Beijing already has responded with tariffs on all \$110 billion in products imported from US companies, but has previously hinted it could restrict exports of rare earths that are vital to the US technology industry, and it is also drawing up a blacklist of "unreliable" foreign companies.

China vows fight against Trump's latest tariffs as stocks sink

REUTERS, Beijing/Washington

China on Friday vowed to fight back against US President Donald Trump's abrupt decision to slap 10 percent tariffs on the remaining \$300 billion in Chinese imports, a move that ended a month-long trade truce.

China's new ambassador to the United Nations, Zhang Jun, said Beijing would take "necessary countermeasures" to protect its rights and bluntly described Trump's move as "an irrational, irresponsible act."

"China's position is very clear that if US wishes to talk, then we will talk, if they want to fight, then we will fight," Zhang told reporters in New York, also signalling that trade tensions could hurt cooperation between the countries on dealing with North Korea.

Trump said China had to do a lot in order to turn things around in the trade talks and repeated an earlier threat to substantially increase tariffs if they failed to do so.

"We can't just go and make an even deal with China. We have to go and make a better deal with China," Trump told reporters at the White House.

The US president stunned financial markets on Thursday by saying he plans to levy the additional duties starting Sept. 1, marking a sudden end to a truce in a year-long trade war between the world's two biggest economies that has slowed



REUTERS/FILE

Aides set up platforms before a group photo with members of US and Chinese trade negotiation delegations at the Diaoyutai State Guesthouse in Beijing.

global growth and disrupted supply chains.

US stocks extended their sell-off Friday on Trump's tariff announcement. Yields on US and German debt plummeted multi-year lows amid a rush for safe-haven assets.

Earlier on Friday, Chinese Foreign Ministry spokeswoman Hua Chunying said China was holding firm to its position in the 13-month tariff brawl with the United States.

"We won't accept any maximum pressure, intimidation or blackmail," Hua told a news briefing in Beijing.

"On the major issues of principle we won't give an inch," she said,

adding that China hoped the United States would "give up its illusions" and return to negotiations based on mutual respect and equality.

Retaliatory measures by China could include tariffs, a ban on the export of rare earths that are used in everything from military equipment to consumer electronics, and penalties against US companies in China, according to analysts.

Trump also threatened to further raise tariffs if Chinese President Xi Jinping fails to move more quickly to strike a trade deal.

The 10 percent duties, which Trump announced in a series of Twitter posts after his top trade negotiators briefed him on a lack

of progress in talks in Shanghai this week, would extend tariffs to nearly all Chinese goods that the United States imports.

White House economic adviser Larry Kudlow told reporters on Friday that the impact on consumers from the latest duties would be minimal, despite the fact that the \$300 billion target list is nearly all consumer goods, from cellphones and laptop computers to toys and footwear.

"The president's not satisfied with the progress on the trade deal," Kudlow told Fox Business Network.

Apple Inc fell more than 2 percent after a similar fall on Thursday on concerns about tariffs on its core products. Bank of America Merrill Lynch analysts said on Friday that the tariffs could reduce the tech giant's earnings by 50 to 75 cents a share, with the bulk of that from iPhone duties.

So far, Beijing has refrained from slapping tariffs on US crude oil and big aircraft, after cumulatively imposing additional retaliatory tariffs of up to 25 percent on about \$110 billion of US goods since the trade war broke out last year.

China is also drafting a list of "unreliable entities" - foreign firms that have harmed Chinese interests. US delivery giant FedEx is under investigation by China.

"China will deliver each retaliation methodically, and deliberately, one by one," ING economist Iris Pang wrote in a note.



ASTHA

Superstore Astha being opened at SKS Tower on VIP Road in the capital's Mohakhali on Wednesday.



SBAC BANK

SM Amzad Hossain, chairman of SBAC Bank, and Md Golam Faruque, CEO, attend the bank's "Half-yearly business conference" at the Fars hotel in Dhaka yesterday.



MASTERCARD

Mezbaul Hoque, a general manager at Bangladesh Bank, and Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, hand over a prize to the winner of "The Swiss Delight" campaign in Dhaka recently. The global payments company handed away 50 prizes to Mastercard holders for shopping during Ramadan.

Divided EU taps Bulgaria's Georgieva as IMF candidate

AFP, Paris

EU ministers on Friday chose the Bulgarian number two of the World Bank Kristalina Georgieva as the bloc's candidate to become IMF chief, in a fractious vote that failed to heal bitter divisions between member states.

Georgieva, if appointed, would become the second female managing director of the International Monetary Fund after Christine Lagarde who has stepped down to head the European Central Bank.

The Bulgarian economist is "now the European candidate for the new managing director of the IMF. She has all the required skills to successfully lead the IMF," French Finance Minister Bruno Le Maire, who led the process, wrote on Twitter.

After the announcement, Georgieva said she was honoured to

be the EU's nominee.

"It is an honour to be nominated as a candidate for the role," she said on Twitter, adding that she "requested administrative leave" from her post as World Bank CEO.

But officials warned that Friday's vote, an unprecedented step called by France in a bid to bridge divisions between Paris and Berlin and north and south, may not represent the end of the issue due to a series of possible snags.

Georgieva will theoretically be over the maximum age for an IMF chief and while she won the vote she did not get the full majority under the EU's complex qualified majority rules.

After three candidates fell by the wayside during the day, former Dutch finance minister Jeroen Dijsselbloem, backed by Germany, and Georgieva,

who was backed by France, were the last two hopefuls.

The post of managing director of the IMF goes to a European by convention but not rule. The EU fears too much division or hesitation may encourage support for candidates outside Europe.

"The story has not ended tonight," a source close to the discussions told AFP, asking not to be named.

Another source added: "Her (Georgieva's) candidacy does not have the support of everyone and the consensus was extracted with a forceps. This could encourage other pretenders to jump in." Under the qualified majority system used in the vote of EU ministers, Georgieva won the support of 56 percent of EU countries representing 57 percent of the EU's population, added the source, who asked not to be named.

Pricy truck sales boost GM earnings despite lower volumes

AFP, New York

Strong demand for pricey, high-end trucks in North America boosted General Motors' earnings, offsetting lower car sales, especially in China, the company announced Thursday.

The biggest US carmaker reported slightly higher second-quarter profits, and highlighted the launch of upgraded pickup truck models aimed at the American market, where the economy is strong and demand has held up.

The result was a record average price of \$37,126 in North America in the quarter, boosting operating income in the region even as the number of vehicles sold in the quarter fell there and in other markets.

GM has also cited lower costs following a reorganization announced in late 2018 that cut thousands of jobs and closed factories, drawing criticism from politicians from across the political spectrum.

"We're really starting to see the earnings potential of the truck enterprise," said GM Chief Financial Officer Dhivya Suryadevara.

The results came as Moody's lowered its outlook to "negative" on the global automotive market, projecting lower sales in 2019 and 2020 and citing "further weakening in demand in Western Europe and in China, which was affected by the ongoing US-Chinese trade talks." - Will higher prices hold? - Net income rose to \$2.4 billion, up 1.2 percent from the year-ago period.

But revenues fell 1.9 percent to \$36.1 billion, as global vehicle sales dropped 6.1 percent, a decline of more than 125,000 cars.

In North America, GM vehicle sales fell four percent, clipped in part by lower inventories of some trucks as the company rolls out the updated models.

Suryadevara described the launches as "cadenced," aimed first at the light-duty pickup market where vehicles endowed

with state-of-the-art connectivity and other features command prices of \$45,000 and higher. GM's market share in this segment rose during the quarter.

The carmaker plans to unveil heavier pickup truck models through the rest of 2019 and into 2020, as well as make available more light pickups at lower prices.

Suryadevara shrugged off analyst concerns that truck launches by Fiat Chrysler and other automakers will dent these profits, pointing to the strong US economy and the age of the fleet being replaced. "We think the fundamentals remain strong, especially in the truck market," Suryadevara told reporters on a conference call.

The company suffered a 12.2 percent drop in vehicle sales in China, where demand was dampened by the slowing economy and pricing pressure. GM, which had previously projected flat auto sales this year in China, now projects a decline.



LANKABANGLA FINANCE

Khwaja Shahriar, CEO of LankaBangla Finance, attends an event in Dinajpur recently when the company provided wheelchairs to 100 physically challenged persons as part of its corporate social responsibility.