



Abu Hena Mohd Razee Hassan, head of Bangladesh Financial Intelligence Unit; Syed Mahbubur Rahman, chairman of the Association of Bankers, Bangladesh Ltd; Shah Alam Sarwar, managing director of IFIC Bank, and Chowdhury MAQ Sarwar, chairman of the Association of Anti-Money Laundering Compliance Officers of Banks in Bangladesh (AACOB), attend a daylong training on anti-bribery, sanctions compliance and vessels tracking conducted by the Dow Jones Risk and Compliance and organised by the association in Dhaka recently.

Trump says China is ‘killing us with unfair trade deals’

REUTERS, Washington

US President Donald Trump on Wednesday said his tough stance on China's economic and trade policies would ultimately benefit the American economy, even as Beijing signaled it could strike back by curbing sales of chemicals known as rare earths that are used in everything from iPhones to military equipment.

The US-China trade war escalated sharply in recent days after Washington on Monday branded Beijing a currency manipulator for the first time since 1994, and said it would impose 10pc tariffs on the remaining \$300 billion in Chinese imports, starting on Sept. 1.

The moves have jolted financial markets and fueled concerns about a global recession.

US Treasury yields slumped on Wednesday, with 30-year yields nearing record lows, on growing fears of a global downturn and bets the Federal Reserve would have to cut interest rates further to counter growing recession risks.

Trump told reporters at the White House that the market reaction had been anticipated, but he remained confident in the strength of the US economy.

"Ultimately, it's going to go much higher than it ever would

have gone, because China was like an anchor on us. China was killing us with unfair trade deals," he said.

White House officials say they still expect Chinese negotiators to come to Washington in September for talks, and that the latest tariffs could still be averted if the world's

United States and China to reach agreement before the November 2020 presidential election given the "harder line" being pursued by both sides.

Gary Locke, who served as US ambassador to China from 2011 to 2014, said it was in Washington's



US President Donald Trump and China's President Xi Jinping pose for a photo ahead of their bilateral meeting during the G20 leaders summit in Osaka, Japan.

two largest economies make progress on a trade agreement.

But hopes for a deal are dimming and domestic pressure is growing for Trump to cut a deal with Beijing.

Goldman Sachs on Tuesday said it no longer expects the

own interest to dial back tensions and work toward some kind of modest deal with Beijing.

"The Federal Reserve and others have estimated the tariffs already in place will cost the average American household a \$1,000 increase in

prices," he said. "And increased prices will make U.S. companies less competitive here and abroad."

Fred Bergsten, a former senior U.S. Treasury official, said bearish financial markets and weakening US economic indicators could prompt Trump to delay the Sept. 1 tariffs.

"The economy is a big part of his reelection strategy, so he has to hesitate before he does things that could weaken it," Bergsten, now a senior fellow at the Peterson Institute for International Economics, told Reuters.

"If even he is acknowledging that it's only 'ultimately' that we gain, then I think there's a chance that he'll dial it back." US businesses and consumers paid \$6 billion in tariffs in June, a 74 percent rise from the same period a year ago, a coalition of U.S. trade groups said Wednesday, warning a new round of tariffs would exacerbate job losses and dent demand.

Jo-Ann Stores, an Ohio-based arts and craft retailer, said tariffs introduced in September 2018 were already cutting into profit margins and raising the risk of layoffs.

"It's an enormous financial burden," said Wade Miquelon, CEO of Jo-Ann Stores, who previously served as chief financial officer of Walgreens.

Japan OKs key exports to S Korea for first time under new rules

AFP, Tokyo

Japan has approved the export to South Korea of some key products for the first time since introducing stricter trading rules amid an ongoing row between the two US allies.

Economy, Trade and Industry Minister Hiroshige Seko said Thursday that Tokyo had given the green light to export to South Korea chemicals used in chipmaking and smartphone manufacturing.

"We don't usually announce individual cases of export permits but I'm making this public exceptionally

because South Korea's government has made the unfair criticism that our move is something like an export embargo," he told reporters.

On July 4, Japan tightened the rules on awarding official permits, meaning that screening applications could take up to 90 days.

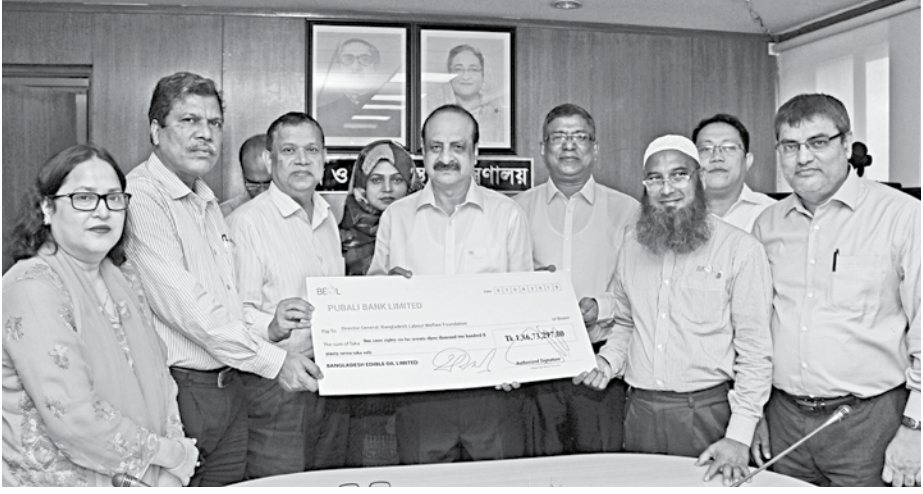
The move was widely seen as hitting out at South Korea amid a long-running dispute between the two countries -- both democracies and market economies -- over the use of forced labour during World War II.

But Seko said some applications made after July 4 had already cleared

"strict" screening and officials had ruled out "security concerns".

"We want South Korea to understand this is not an export embargo but an export management measure," said Seko. Japan has argued the measure was necessary on national security grounds.

Last week, Japan announced it would remove South Korea from a list of favoured export partners from August 28. South Korea quickly fired back, rescinding Japan's favoured export partner status and saying it would also review a military information agreement.



Md Ainul Haque Sardar, head for human resources and admin at Bangladesh Edible Oil Ltd, hands over a cheque to KM Ali Azam, secretary to the labour and employment ministry, in Dhaka on Wednesday. The company paid dividend to Bangladesh Labour Welfare Foundation.

Adidas fears ‘everybody will lose’ in US-China currency war

AFP, Frankfurt

German sportswear maker Adidas warned Thursday that "everybody will lose" if a currency war ignites between China, the United States and other countries, while reporting continued strong earnings in its second quarter.

American tariffs on Chinese goods -- with another \$300 billion in imports targeted by President Donald Trump last week -- are less harmful to the brand with the three stripes than a potential exchange rate battle, chief

executive Kasper Rorsted said.

"What is much more severe is that we start to have a currency war between China, the US and the rest of the world, that's going to be a situation where everybody will lose," he told journalists in a telephone conference.

Since the tariffs announcement, Beijing has allowed the yuan to sink below a seven-to-the-dollar lower bound its central bank had previously defended, prompting the US Treasury Department to cry currency manipulation.



Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services (BASIS), and Mominul Islam, CEO of IPDC Finance, pose at a deal signing ceremony in Dhaka yesterday. The non-bank financial institution will sponsor the third edition of BASIS National ICT Awards 2019.

China's exports unexpectedly rise in July

AFP, Beijing

China's exports beat expectations to rise in July while its purchases continued to shrink, official data showed Thursday, despite simmering US trade tensions.

The trade war with the United States and weakening global demand had weighed on China's manufacturing sector during the first six months of the year, with its global exports roughly flat from a year earlier.

But in July China's exports rose 3.3 percent on-year, the customs administration's figures showed, ahead of the one percent drop forecast by a Bloomberg News poll.

China's economy slowed to 6.2

percent growth in the second quarter, the slowest quarterly pace in nearly 30 years.

But it does not look to be out of the woods yet, with shrinking imports pointing to weak demand at home.

Imports fell 5.6 percent on-year in July, contracting for the third consecutive month -- though by less than the forecast 9 percent drop.

China's trade surplus fell to \$45.1 billion for the month, from \$51.0 billion in June.

The trade war with the US has escalated in recent weeks, with President Donald Trump vowing to add 10 percent tariffs on another \$300 billion worth of Chinese imports starting on September 1, extending

punitive tariffs to nearly every product.

Beijing fired back by allowing its currency, the yuan or renminbi, to weaken and by suspending purchases of American farm goods.

Exports to the US in July fell 6.5 percent on-year while imports dropped 19.1 percent, bringing China's surplus with the US down slightly from June to \$28 billion in July.

"Exports still look set to remain subdued in the coming quarters as any prop from a weaker renminbi should be overshadowed by further US tariffs and broader external weakness," said Julian Evans-Pritchard of Capital Economics.

"August exports may benefit from some front-loading before the new tariffs go into effect on September 1st, this bump will probably be smaller than it was ahead of earlier rounds of tariffs as US port storage facilities have little spare capacity," he said in a note.

China's retaliatory tariffs on soybeans and other US agricultural goods have bruised American farmers, who have been bailed out with subsidies from the Trump administration. China's customs data showed the value of its soybean imports down 17.1 percent in the first seven months of the year.

"As they have learned in the last two years, our great American Farmers know that China will not be able to hurt them in that their President has stood with them and done what no other president would do - And I'll do it again next year if necessary!" Trump tweeted on Tuesday.

More Hong Kong companies say business impacted by mass protests

REUTERS, Hong Kong

Conglomerate Swire Pacific became the latest major Hong Kong company to voice concern about the impact of protests in the city on business activity, saying they are having direct and indirect impact on demand on a number of its businesses.

The comments by Swire, whose business spans retail to property to airlines, come after similar concerns raised by Cathay Pacific Airways Ltd and Hongkong and Shanghai Hotels's on Wednesday. Swire owns 45 percent of Cathay Pacific, Refinitiv data shows.

"The protests in Hong Kong have had some effect on retail sales at our malls, particularly at Pacific Place. If the protests continue, sales are likely to continue to be affected," Michelle Low, Swire Pacific finance director said in the interim results statement on Thursday, referring to its high-end shopping mall in Admiralty, a financial district where many of the mass protests took place.

"Trading conditions for our hotels are expected to be stable in the second half of 2019, except that occupancy in Hong Kong has been affected somewhat by the protests and this is likely to continue if the situation persists." Swire said the global trade tensions were also causing uncertainty.



Lawyers and workers in Hong Kong's legal sector walk during a silent protest march to the Department of Justice in Hong Kong, China.

Millions have taken to Hong Kong streets in anti-government protests that have intensified since mid-June, at times forcing banks, stores, shopping malls, restaurants and even government buildings to close as the demonstrations degenerated into violent clashes between police and activists.

Hong Kong's Secretary for Commerce and Economic Development Edward Yau said on Thursday the drop in inbound tourists accelerated in the past few weeks, with the first week of August declining 31 percent from a year ago, compared to single digit percentage drop in mid-July.

He said the logistics and retail sectors together employ over 1 million people in Hong Kong, and it could hurt the city's employment if the sectors continue to be under pressure.

Travel Industry Council chairman Jason Wong told Reuters the number of tours from mainland China has fallen 40 percent to about 140 tours per day in the first week of August, from about 230 tours a day in the same period last year.



A truck transports a container at a port in Qingdao, Shandong province, China.



Mehidy Hasan Miraz, national cricketer and brand ambassador of Walton, hands over a cheque worth Tk 10 lakh to a customer, who had bought a refrigerator and gone on to become a winner of the company's ongoing digital campaign centring Eid-ul-Azha, in Khulna on Wednesday.