







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.

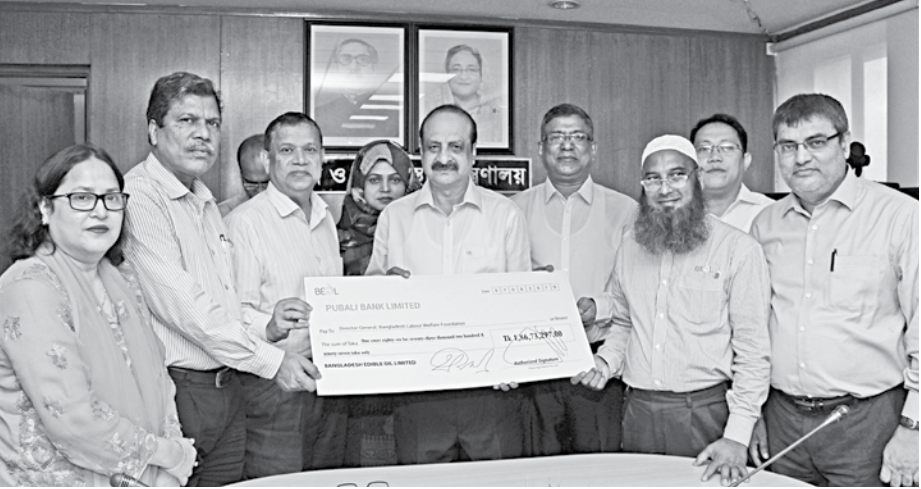
The move was widely seen as hitting out at South Korea amid a long-running dispute between the two countries -- both democracies and market economies -- over the use of forced labour during World War II.

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 just 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.



# Investors seek safety in bonds on fears over economic outlook

AFP, New York

Plunging bond yields jolted global markets Wednesday as interest rate cuts by three central banks and grim German economic data underscored worries about a weakening global economy amid the protracted US-China trade war.

Wall Street opened the day in sell-off mode, a familiar theme in August as the US and China have announced new measures targeting each other.

But after a bruising start, US stocks gradually pushed higher throughout the day while Treasury yields recovered from their lows. Two of the three major Wall Street indices finished in positive territory.

Decisions by more central banks to cut interest rates and weak German industrial data “reminded investors that economic growth in several other regions of the world remain at risk as the US and China trade dispute drags on,” said CFRA strategist Lindsey Bell in a note.

“While uncertainty is driving upside in defensive asset classes, we don’t think stocks should be abandoned at this time. A near-term recession is unlikely.” Still, most banks were under pressure, with Italy’s UniCredit and Germany’s Comemrzbank both sharply lower following warnings on the hit from lower interest rates. Large US banks such as JPMorgan Chase and Wells Fargo also lost more than two percent.

Bond prices rise as more investors seek safe investments, and that pushes their yield or return lower. The benchmark US government 10-year note dropped to multi-year lows, while French

and German bond yields, already in negative territory, set new record lows.

“Nobody wants to be vulnerable, everybody is in risk aversion mode, and all ingredients are in place to push yields lower,” Aurelien Buffault, bond manager at Meeschaert, told AFP.

Markets now believe that the world’s key central banks will cut interest rates further to stave off, or at least alleviate, any coming recession, analysts said.

“Rates falling everywhere,” analysts at Moneycorp said.

“They may not exactly be competing but the world’s central banks all seem to be pointing in the same direction towards lower rates. In every case there is concern, to a greater or lesser degree, about the global economy.”

Commodity markets also followed the logic of economic worry, with safe-haven investment gold surging and oil, the fuel of economic growth, falling.

Gold went above \$1,500 per ounce for the first time since 2013.

Oil extended already steep weakness after the US Department of Energy reported a surprise increase in inventories -- a sign of flagging demand.

European stocks had a rollercoaster session which started on an upbeat note but then turned sour when US stocks fell sharply at the New York opening bell as “escalated US-China trade concerns continuing to weigh on sentiment,” Charles Schwab analysts said.

But as Wall Street came off its morning lows, European equities regained their poise to close mostly higher.

# Lotto offers 600 plus designs

STAR BUSINESS DESK

Sports and lifestyle brand Lotto has assembled over 600 new designs at its 150 outlets across the country marking Eid-ul-Azha.

Customer can buy imported lifestyle, leather and moccasin shoes, sleepers, leather sandals, polo and t-shirts, four-way flex jeans and gabardine at attractive prices, the company said in a statement.

Backpacks, luggage, travel bags and accessories and a variety of products will also be available.

# Galaxy Note 10+ offered on pre-orders

STAR BUSINESS DESK

Samsung Mobile Bangladesh yesterday started accepting pre-orders for its latest flagship device Galaxy Note 10+.

The device comes with a 12GB RAM, a 256GB ROM and a 4300 mAh battery which can be fully charged within an hour, the South Korean mobile maker said in a statement yesterday.

The smartphone will be available in Aura Black and Aura Glow. Pre-order customers will get the device at Tk 1,34,500 after a discount of Tk 10,000. The pre-order period ends on August 31.

Muyeedur Rahman, head of mobile at Samsung Bangladesh, said, “The Note 10+ is for the generation which seeks work-fun balance in their life.”

“It’s also for the generation which looks for meaning and purpose in everything they do. For those who demand the best, we present our best smartphone,” he added.



BANK ASIA

**SM Moniruzzaman, deputy governor of Bangladesh Bank; Md Abdul Mannan, a general manager, and Md Sazzad Hossain, deputy managing director of Bank Asia, attend an agreement signing ceremony recently. Bank Asia will finance completion of compliance initiatives of RMG exporters at a concessional interest rate under the central bank’s “Program to Support Safety Retrofits and Environmental Upgrades in the Bangladeshi Ready-Made Garments Sector Project”.**

# Prolonged uncertainty weighs on euro zone growth outlook: ECB

REUTERS, Frankfurt

Prolonged uncertainty is dampening the euro zone’s growth outlook, particularly for manufactured goods, the European Central Bank said in a regular Economic Bulletin on Thursday.

Trade tensions are high and the risk of a no-deal Brexit remains, pointing to weaker euro zone growth in the second and third quarters, the ECB said, which is largely consistent with its policy statement after the July interest rate

meeting.

Last month the ECB all but promised more stimulus in the coming months, putting a rate cut and more bond buys firmly on the table as the growth outlook deteriorates amid spreading uncertainty and a manufacturing recession.

Still, recent data and survey indicators continue to point to positive employment growth, which is likely to support household income and consumer spending, cushioning the blow to the bloc from weak trade, the ECB added.



BANGLALINK

**Rubaiyat A Tanzeen, enterprise business director at Banglalink, and Md Adil Islam, managing director at Meghna Bank, attend a deal signing ceremony at the latter’s head office in Dhaka recently. The bank’s officials will use the mobile operator’s SIMs, bundle offers, internet packs and other digital services.**

# PNG backtracks on China debt refinancing statement

AFP, Sydney

Papua New Guinea Prime Minister James Marape has backtracked on an announcement saying he had asked China to refinance the country’s \$8 billion debt, insisting the statement was released without his knowledge.

A statement from his office on Tuesday said the recently appointed PNG leader had asked China’s ambassador for help in refinancing the country’s 27-billion-kina public debt during a meeting in Port Moresby.

But on Wednesday afternoon, Marape’s office released a new

statement saying it was “false” that he was “going one way to China” to tackle the country’s debt.

He said PNG was primarily discussing trade with China while examining debt options with undisclosed “non-traditional partners.”

“We are in discussion with many of our bilateral partners to access very low cost concession finance to give us some breathing space,” Marape said in the statement.

“This includes our discussions with (the) World Bank, ADB (Asian Development Bank) and some other possible non-traditional partners.”

Cash-strapped PNG’s public debt stands at about 33 percent of GDP, with interest repayments at 15 percent of the government’s annual expenditure.

Marape, who took office less than three months ago, said he intended “to refinance bad and expensive loans secured by the previous government” but would not add any “reckless” burden to the country’s economy.

“I have put (a) stop to more borrowings and loans until we are satisfied that the project cost-benefit analysis establishes (a) return on the loans we might secure,” he said.

# Beijing calls US ban on Chinese firms ‘abuse of state power’

AFP, Beijing

Beijing on Thursday said US rules banning technology giant Huawei and other Chinese firms from government contracts amounted to “abuse of state power” amid an escalating China-US trade war.

The interim rule, which will preclude any US federal agency from purchasing telecom or technology equipment from the firms, is part of a sweeping effort by Washington to restrict Huawei, which officials claim is linked to Chinese intelligence.

“The abuse of state power by the United States to unscrupulously and deliberately throw mud at and suppress specific Chinese enterprises seriously undermines the image of the United States and its own interests,” said Chinese foreign ministry spokeswoman Hua Chunying.

# Bangladesh second in export growth: WTO

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With the high achievement of export receipts last fiscal year, the government on Wednesday set a new export target for the current fiscal year at \$54 billion, of which \$45.50 billion is expected from merchandise export and \$8.50 billion from services export.

The overall export growth has been fixed 15.20 percent higher than the achievements last fiscal year.

In merchandise export, the growth rate has been fixed at 12.25 percent higher than that attained last fiscal year while in services 34.10 percent.

Md Mofizul Islam, senior secretary to the commerce ministry, announced the targets after a meeting with businesspeople and leaders of trade bodies and business chambers at his secretariat office in Dhaka.

The target for the new fiscal year has been fixed on the achievements of the immediate past fiscal year.

World economic outlooks, government policy supports, changes in the dollar exchange rate, market and product diversification, supply side capacity, improvement of safety standards in garment factories and effects of the US-China trade war have been taken into consideration during fixing of the target, Islam said. Last fiscal year receipts from merchandise shipment amounted to \$40.53 billion and services sector \$6.33 billion.

Overall exports had registered a 14.30 percent growth, 10.55 percent in goods shipments and 46.06 percent in services sector. As usual, the highest export target has been fixed for the garment sector in the current fiscal year at \$38.20 billion, which is 11.91 percent higher than the achievement of last fiscal year.

Of the amount, \$18.85 billion has been targeted from knitwear and \$19.35 billion from the woven sector. Last year Bangladesh exported garment items worth \$34.13 billion, registering a 11.49 percent year-on-year growth.

# UAE pulls WTO trade complaint against Qatar

AFP, Abu Dhabi

The United Arab Emirates withdrew on Thursday a complaint it made to the World Trade Organization accusing Qatar of imposing discriminatory trade restrictions on its goods.

“Qatar withdrew the measures in question, in order to address the claims” which led Abu Dhabi to discontinue its action against Doha, the UAE foreign ministry said in a statement.

The UAE, whose complaint was referred to a WTO dispute resolution panel in May, has enforced a complete economic

embargo of Qatar along with Saudi Arabia and other regional allies since June 2017.

The Saudi-led bloc, which also includes Bahrain and Egypt, accuses Doha of supporting Islamist movements and backing Iran, a claim Qatar rejects.

The UAE previously said the measures it challenged “appear to be inconsistent” with WTO agreements.

“Qatar’s discriminatory measures against goods... originating from the United Arab Emirates, imposed in May and June 2018, violated Qatar’s obligations and commitments as a member of the WTO,” added the Emirati statement.

# US FDA tells four firms to stop selling flavoured e-cigarette, hookah products

REUTERS

The US Food and Drug Administration has told four companies to remove 44 of their flavored e-liquid and hookah tobacco products that do not have the required approval for sale in the US, the agency said on Thursday.

The move comes against the backdrop of the FDA’s efforts to curb the usage of the addictive substances among young adults.

The agency said it has issued warning letters to Mighty Vapors LLC, Liquid Labs

USA LLC, V8P Juice International LLC and Hookah Imports Inc and has sought their response within 15 days.

The FDA said the products had been introduced into the market after the effective date of a rule that extended FDA’s authority to all tobacco products, thereby making them adulterated or misbranded.

E-cigarettes have existed in a regulatory gray area for years and a US federal judge in July ordered the FDA to implement a 10-month deadline for submitting a formal application by e-cigarette makers to keep their products on the market.

# Mohammad Sayduzzaman DMD of Phoenix Finance



STAR BUSINESS DESK

Mohammad Sayduzzaman has recently been promoted to deputy managing director of Phoenix Finance and Investments Ltd.

Prior to the promotion, he was the senior executive vice president of the company, according to a statement.

Sayduzzaman joined the company as assistant vice president in 2005. He obtained a master’s degree in accounting from Jagannath University and is a fellow member of the Institute of Chartered Accountants of Bangladesh and the Institute of Chartered Secretaries of Bangladesh.

# Vessel congestion to worsen during Eid vacation

FROM PAGE B1

At least 8 to 10 days out of the total time required for production are being wasted due to delays in receiving accessories from the port, Chowdhury said.

Chowdhury, also the managing director of Chattogram-based Eastern Apparels, himself suffered a lot recently after failing to timely ship an export consignment of 1 lakh pieces of trousers to a New York-based buyer.

Production at his factory was partly halted for 12 days due to the delay in receiving accessories he imported from Hong Kong, he said.

He said he incurred a loss of around Tk 2 lakh as operating cost for each day during the halt.

However, Chowdhury somehow managed to convince the buyer and sent the export cargo on August 7 -- 12 days after the scheduled date.

Vessel operators are counting an additional maintenance cost of around \$10,000 for each day of idle stay of a ship and they may also miss a trip in a month due to this delay.

Abdullah Jahir, general manager of a vessel operating firm PIL (Bangladesh) Ltd, said currently 10 out of total 18 jetties of the port can be allocated for container vessels.

He underscored the need for building more jetties in near future to avert such congestion.

In a meeting on August 6, port users urged Chattogram Port Authority (CPA) Director (traffic) Enamul Karim to request the government not to stop cargo carrying vehicles on Dhaka-Chattogram highway during Eid vacation.

CPA Secretary Md Omar Faruq said they decided to keep vessel operation and loading unloading activities normal since the afternoon on Eid day.

He said they would extend all-out support in transport of import and export cargoes to and from the private inland container depots during the vacation.

“But we alone cannot ease the congestion. All the stakeholders should come forward to prevent the congestion from getting worse.”



**MHM Fairoz, managing director and CEO of Singer Bangladesh, opens Singer Pro dealer outlet “Rean Trade International” at Razmoni Ishakha Shopping Complex in the capital’s Kakrail.**

SINGER