

US, China to resume trade talks in Washington in October

AFP, Beijing

China and the United States will resume trade talks in Washington in early October, Beijing said on Thursday, allaying fears that new punitive tariffs would lead to a breakdown in the protracted negotiations.

The world's two biggest economies have been embroiled in a tense year-long tariffs row, which escalated on September 1 when both sides swapped fresh levies on goods worth hundreds of billions of dollars.

The talks were supposed to have resumed this

substantive progress".

The news will be seen as a sign of optimism in a trade war that has weighed on the global economy and stock markets while also shaking diplomatic relations between the two global powers. Equities in Asia jumped on Thursday, with Shanghai adding one percent and Tokyo up more than two percent.

Top officials last met in Shanghai in July for discussions that were described as "constructive" but ended with no announcements.

US President Donald Trump soon afterwards said he would increase tariffs on more than half-

back to the negotiating table because of the country's slowing economy.

In an editorial on Thursday, the state-run China Daily newspaper warned that the "good atmosphere" built in Shanghai had "largely evaporated as a result of the US administration flip-flopping on its promise to bring bilateral ties back on the right track".

Officials in Beijing on Wednesday discussed new measures to keep the country's economy growing in the face of an "increasingly complicated and challenging external environment", according to an official statement.

Policy tools proposed at a State Council executive meeting chaired by Premier Li Keqiang include cuts to the amount of cash banks must keep in reserve to encourage more lending, especially to smaller and medium-sized businesses. An increase in the use of local government bonds to finance infrastructure projects was also put forward.

This week economists including Bloomberg Economics cut their forecasts for China's economic growth in 2020 to below 6.0 percent as a result of increasing risks from the tariff war with the US.

But while Trump points to China's weakening economy, observers pointed out that a survey Tuesday showed the US manufacturing sector had contracted for the first time in three years.

At the recent Group of Seven meeting in France, Trump spoke of new communications between US and Chinese negotiators -- giving financial markets a brief boost -- though China's foreign ministry said it was unaware of such contacts.

This week Beijing said it had lodged a complaint against the US with the World Trade Organization (WTO), the day after the new tariffs came into force.

While the US-China negotiations began in earnest in January and seemed at first to make progress, they were abruptly called off in the spring by Trump.

They resumed in June at the highest levels on the margins of the G20 summit meeting in Osaka, Japan, when Trump met his Chinese counterpart Xi Jinping.

But in its complaint to the WTO, Beijing accused the new US tariffs of "seriously violating the consensus reached by the leaders of our two countries in Osaka".



REUTERS/FILE

US President Donald Trump and China's President Xi Jinping meet business leaders at the Great Hall of the People in Beijing, China.

month but China's commerce ministry said Vice Premier Liu He, Beijing's pointman on trade, agreed to October in a phone call with US Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin on Thursday.

Commerce ministry spokesman Gao Feng said at a regular news briefing that there would be "comprehensive preparations" for the meetings by both sides and that the next round of negotiations would "strive to achieve

a-trillion dollars' worth of imports, prompting Beijing to respond with fresh tariffs on US goods worth \$75 billion. Those were the levies that kicked in this month.

Tensions continued to mount over the summer, with Trump earlier this week accusing Chinese negotiators of holding out for a better deal in hopes he will be voted out in next year's presidential elections.

He has also claimed China is being forced

to make "comprehensive preparations" for the meetings by both sides and that the next round of negotiations would "strive to achieve



Mominul Islam, CEO of IPDC Finance, and Asif Mahmood, chairman of ADN Group, exchange the signed documents of a deal at the former's office in Dhaka recently launching financial solutions and vehicle financing schemes for the group's employees.

US sees modest growth, businesses show near-term optimism: Fed

AFP, Washington

The US economy grew at an unspectacular pace in recent weeks, while businesses still took a rosy view of the near future despite the escalating US-China trade war, the Federal Reserve said Wednesday.

But Fed still drew a spotty portrait, pointing to an array of softening or deteriorating conditions just as concrete signs emerge that the trade conflict is weighing on growth.

"Although concerns regarding tariffs and trade policy uncertainty continued, the majority of businesses remained optimistic about the near-term outlook," the central bank said in nationwide survey of economic activity.

Though disagreements remain, policymakers are widely expected to cut interest rates again in two weeks to insulate the United States from the weakening global economy and mounting fears of economic damage wrought by President Donald Trump's trade wars.

The Fed cut rates last month for similar reasons, marking the first downshift for monetary policy in a decade.

The latest "beige book" survey, which gathers anecdotal reports from business people and other contacts in the Fed's 12 districts, said growth had continued "a modest pace." - Sharp deterioration - The report may not have reflected all of last month's sharp deterioration in the trade conflict with Beijing, as research concluded on August 23, just as Beijing and Washington announced fresh increases on hundreds of billions of dollars in two-way trade.

According to the Fed, anecdotal reports say auto sales rose and tourism was "solid," while bank lending and commercial real estate leasing both increased a little.

Elsewhere, however, things were less than stellar.

Farms were beset by a trio of woes: bad weather, low prices and uncertainties from America's trade wars.

Meanwhile, consumer spending -- the sole strong point in the US economy -- was "mixed" outside the auto sector, demand for transportation softened, home sales "remained constrained" and housing construction was flat.

Across the nation, employers complained they had difficulty finding workers to fill open positions and faced "strong upward pressure" to offer higher pay to entry-level and low-skill workers.

Elsewhere, employers upped benefits and other deal sweeteners, such as more flexible work arrangements and signing bonuses, according to the report.

Morris Garages enters Bangladesh with MG ZS

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The model is also available with a choice of 1.5 and 1.00-litre turbo engine. The price is Tk 26.50 lakh.

The MG ZS will be available at MG's flagship showroom at Bir Uttam Mir Shawkat Sarak, Dhaka.

"With the launch of MG, we will deliver the esteemed customer with the right vehicle, ensuring MG's globally standard after-sales experience," said Romo Rouf Chowdhury.

The journey of MG in Bangladesh will be spearheaded by MG ZS and will be followed by some models like MG3, a hatchback, HS, a technologically advanced new crossover, and ZS EV, an electric car.

Institutional investors lift Dhaka stocks

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The stock of GP, the largest listed company in Bangladesh, however, rose 2.11 percent to Tk 295.50 on the day.

Some analysts explained that the operator's stock has already fallen significantly, enough to absorb the potential impact on its earnings per share even if it has to clear the unpaid dues to the telecom regulator in future.

Foreign investors got rid of shares of the mobile operator yesterday also.

The recent liquidation of People's Leasing and Financial Services, a non-bank financial institution, due to deterioration of its financial health and the possibility of some other financial institutions to suffer the same fate also left investors wobbly.

Turnover, another important indicator of the market, hit Tk 427.65 crore, up 13.90 percent from the previous day.

United Power Generation dominated the turnover chart, followed by IPDC, Fortune Shoes, Monno Ceramic, and Khulna Power, DSE data showed.

Tallu Spinning, one of the junk stocks, topped the gainers' list with a rise of 10 percent. First Finance was the top loser shedding 6.25 percent.

Gainers outnumbered losers 192 to 97,

while 63 stocks remained unchanged.

Among the major sectors, engineering rose 0.95 percent and textile gained 0.91 percent. The telecom sector fell 0.73 percent. Chattogram stocks also rose with the bourse's benchmark index, CSCX, increasing 30.88 points, or 0.33 percent, to finish at 9,266.46.

Gainers beat losers as 130 issues advanced, 97 finished lower and 36 remained unchanged on the Chittagong Stock Exchange.

At the meeting at the BSEC office in Agargaon, the representatives of the DSE, the CSE, merchant bankers and stock brokers were present.

BSEC Chairman M Khairul Hossain, who presided over the meeting, assured the participants that he would discuss the GP issue with the BTRC.

He hoped that banks would invest in the market in the upcoming weeks as they have been instructed to do so by the Bangladesh Bank by maintaining the exposure limit.

As the IPO subscription date for Ring Shine Textile is ending on September 8, institutional investors will not have to sell much to raise funds. As a result, they will not go for sell-offs, said a stock broker, who attended the meeting.

DPDC bills can now be paid through bKash

STAR BUSINESS DESK

Around of 1.2 million prepaid and postpaid subscribers of Dhaka Power Distributor Company (DPDC) now can pay their electricity bills through bKash from anywhere, anytime. Customers will also be able to check the bill amount from their bKash accounts.

The DPDC, bKash and Brac Bank, as the banking partner, signed an agreement at a hotel in Dhaka yesterday, the mobile financial service provider said in a statement. No service charge will be applicable in the first six months past the signing.

Md Asaduzzaman, company secretary of the DPDC, Mizanur Rashid, chief commercial officer of bKash, and Tarek Rifat Ullah Khan, head of corporate banking of Brac Bank, signed the agreement on behalf of their respective companies. Kamal Quadir, CEO of bKash, and Bikash Dewan, managing director of the DPDC, attended the signing ceremony.

Currently, around 27.5 million customers of large power distribution companies, including Palli Bidyut, Dhaka Electric Supply Company and Northern Electricity Supply Company, are able to pay their bills through bKash.



Md Mahmudul Kabir, executive director for marketing at Building Technology and Ideas (BTI), and Syed Rafiqul Haq, deputy managing director of Mutual Trust Bank, exchange the signed documents of a deal on Tuesday facilitating discounted interest rate on home loans for the BTI's customers.

Canada central bank holds key lending rate at 1.75pc

AFP, Ottawa

government spending, it noted. Commodity prices, however, have fallen.

At home, stronger energy production and robust export growth sent Canada's economy unexpectedly soaring in the second quarter.

That up tick, announced in late August after a disappointing end to 2018 and a weak first quarter, was good news for Prime Minister Justin Trudeau less than two months before elections.

Housing activity regained strength and wages picked up further, the bank said. But consumption spending has been soft and business investment contracted sharply amid heightened trade uncertainty, it warned.

Move to revoke GP, Robi's 2G-3G licences

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"BTRC has the right to what they have done, but did they consider the sustainability situation of the industry as well as foreign direct investment issue before sending out this notice? I am thinking the answer is 'no,'" said TIM Nurul Kabir, a former secretary general of the Association of Mobile Telecom Operators of Bangladesh.

He also pointed out some issues in the audit claim.

"We found a huge charge as late fees -- this claim should be considered a crime. It was the BTRC's duty to run audit from time to time but they did nothing in the first 17 years of the operators' existence. And now, they are claiming thousands of crores of taka as late fees. It is unethical."

Both the operators, which have 12.36 crore or 76 percent of total active mobile connections between them, are not getting any approval from the BTRC since July 22 for new services and packages and cannot import equipment to maintain their network.

Earlier on July 4, the BTRC had slashed Grameenphone's bandwidth by 30 percent and Robi's by 15 percent for non-payment of the dues -- enough to slow down their internet speed and raise the call drop frequency.

But the block on bandwidth was lifted on July 17 considering the inconvenience it was causing to subscribers.

German industrial orders suffer in July

AFP, Frankfurt

New orders for industrial firms in Europe's manufacturing powerhouse Germany fell back in July, official data showed Thursday, as the economy smarts from a global growth slowdown. Companies reported new contracts down 2.7 percent compared with June, federal statistics authority Destatis said, and 5.6 percent less than in July 2018 -- well below analysts' forecasts.

Leaving aside large orders for items like aircraft showed orders up slightly in July, adding 0.5 percent month-on-month. Nevertheless, "new orders for industry have overall made a weak start to the third quarter," the economy ministry in Berlin acknowledged in a statement.

"Given still-smouldering international trade conflicts and restrained business expectations, there is no sign of a fundamental improvement in the coming months." The effects of trade conflicts between the US, China and Europe were visible in the detailed breakdown of the orders data.



Jaya Prakash Nair, country manager for Bangladesh at Qatar Airways, hands over gifts to children at an event at Hotel Sarina in Dhaka recently. Qatar Airways and Qatar Airways Cargo in partnership with Qatar Red Crescent Society and charity organisation Box of Happiness have recently delivered 500 boxes of toys to underprivileged school children in Dhaka at different events.