After 'Howdy Modi,' Trump and India's PM could sign trade deal

REUTERS, Washington/New Delhi

The United States and India are racing to negotiate a limited trade deal that US President Donald Trump and Indian Prime Minister Narendra Modi can sign at the United Nations General Assembly in New York at the end of September, people familiar with the talks said

A deal between the world's most populous democracies would be a welcome victory for Trump, whose administration has made little headway negotiating an end to its prolonged trade war with China. Trump is also expected to sign a deal

FRANCE

Abe next week that lowers Japanese

India would lower some tariffs on

US produce and restore preferential

treatment for some Indian exports to

this Sunday in Houston at an

"Howdy Modi!" in a 50,000-seat

stadium — a sign of their warming

relations, which are contributing to

expectations for a "mini-deal."

the United States, the sources said.

Indian-American rally

The deal under discussion with

done with India, with an eye for UNGA," said a Washington-based source familiar with the discussions.

terms of trade from most of the top commercial partners of the United States, and blames previous deals for the loss of millions of US manufacturing jobs.

been fraught. Trump has repeatedly complained about India's high tariff rates, including a 50 percent tariff on Harley-Davidson motorcycles.

The United States has also taken issue with India's new investment rules on

like Amazon.com Inc and Walmart-

backed Flipkart can do business in a

rapidly growing online market set to

Americans, we have engaged them for

many months now," Indian Foreign

said at a news conference this week.

"My expectation is that some of

the sharper edges, they would be

addressed in some forms in the not

touch \$200 billion by 2027.

too distant future."

"There's a push to get something did not respond to a request for comment on the US-India talks. Modi, like Trump, has used tariffs to try to boost investment in manufacturing, Trump has demanded better a key part of his "Make-In-India" campaign to attract foreign cash and create factory jobs for millions of youth entering the workforce.

Apple Inc supplier Foxconn recently expanded production of US-India trade relations have iPhones in India to avoid a 20 percent import tariff and diversify its supply chain from China.

Bilateral US trade with India, at \$142 billion (£113.80 billion) last year, is just a fraction of the \$737 billion in US-China trade.

The United States in June ended duty-free access for about \$5.7 billion worth of Indian exports under its Generalized System of Preferences (GSP) program, including chemicals, plastics, leather and rubber goods, and auto parts. India was the largest beneficiary of the GSP, which was designed to help developing countries that dates from the 1970s.

India responded with higher retaliatory tariffs on 28 US products, including almonds, apples and walnuts. India is the largest buyer of US almonds, paying \$543 million for more than half of US almond exports in 2018, according to the US Department of Agriculture. It is the second largest buyer of US apples.

The talks are focused on US demands that India reduce agricultural tariffs, including those for almonds, pork, dairy products, cherries, apples and other commodities, people familiar with the talks in both Washington and New Delhi said. India is likely to allow some US dairy imports, the official said. Another Indian official said the United States was pushing India to remove high pricing barriers "We've been talking to the on imported US medical devices including cardiac stents.

In return, India wants the GSP restored for a few more years, as Modi struggles to boost exports dampened by sluggish global demand made worse by the US-China trade war. New Delhi also wants market access for some of its farm products such as A US trade representative spokesman grapes to export to the United States.



M Fakhrul Alam, managing director of One Bank, opens a banking and ATM booth at the international passenger terminal of the Benapole land port on September 19.

STAR BUSINESS DESK

Emirates is offering complimentary one or two nights' hotel stay, depending on class of travel, in Dubai for passengers flying from Dhaka to Europe, the Americas or Africa.

The offer is applicable for all adult fares on economy and business classes, provided the transi time in Dubai is 10 hours or more, says a statement.

Tickets must be purchased in Bangladesh between September 24 and October 3 while the hotel stays must be between October 1 and November 14 and between November 23 and December 10.

"...our valued customers should not miss the opportunity of experiencing Dubai during pleasant autumn and the start of the social season with its range of exciting events," said Saeed Abdulla Miran, Emirates' area manager for Bangladesh.

Emirates offers free Dubai hotel stay for transits under threat: Lagarde

The former head of the International Monetary Fund, Christine Lagarde, warned Thursday that global growth is "fragile" and "under threat" and policymakers should work to reduce man-made vulnerabilities.

Policymakers should work together to "try to reduce the fragility and ... resolve the uncertainty," facing the global economy, she told AFP in an interview.

Lagarde, who officially stepped down as IMF managing director last week, decried certain self-inflicted wounds, saying that issues like Brexit and trade frictions "are man-made and can be man-fixed."

But Lagarde, who was the first woman to lead the crisis-lender and is set to become the first woman to take over the leadership of the European Central Bank later this year, said, "a bit of woman wouldn't hurt." Her comments came on the day the OECD said trade tensions are eroding world growth, prompting it to cut its forecast for this year to the slowest rate since the start of the global financial crisis in 2008, just 2.9 percent down from the 3.2 percent expansion previously forecast.

President Donald Trump's trade war with Beijing has undermined business investment and exports at a time when China's economy already is shifting to slower growth. "What we have at the moment is a rather mediocre growth" which is "fragile and it is under

threat," Lagarde said.

She said central banks have done much of the heavy lifting, preventing the financial crisis from becoming a depression, but officials handling government policies and purse strings now must step up.

"I think central bankers have done an awful lot and were for many years regarded as the only game in town," she said. In her new post leading the ECB, she

said she would focus on job creation and stability, but stability alone may not be enough in the lives of real people. If confirmed, she will step into her new post in an environment where Trump has

maintained a relentless campaign against the US Federal Reserve for not cutting interest rates aggressively to stimulate growth. Trump has also accused outgoing ECB President Mario Draghi of deliberately

seeking to weaken the euro to gain unfair trade advantages, something Draghi has refuted.

Others in Europe have criticized Draghi for cutting rates further into negative territory to juice a sluggish EU economy. But Lagarde said that experience shows

that, in cases where politicians meddle with central bank independence, it "doesn't pan out very well." But she also said central bankers should strive to be "predictable." "There is enough uncertainty around the world, not to add the uncertainty of what a central banker is going to do."

Bruised

investors

brace for

FROM PAGE B1

structures,

new week

On Monday, AHM Mustafa

Kamal said all kinds of

buildings and flats, must

be brought under insurance

including

US trade regulators approve some Apple tariff exemptions

US President Donald Trump speaks as he meets Indian Prime Minister

Narendra Modi for bilateral talks during the G7 summit in Biarritz, France.

with Japanese Prime Minister Shinzo e-commerce that limit how companies

Trump and Modi will meet Minister Subrahmanyam Jaishankar

dubbed

farm tariffs.

US trade regulators on Friday approved 10 out of 15 requests for tariff exemptions filed by Apple Inc amid a broader reprieve on levies on computer parts, according to a public docket published by the US Trade Representative and a Federal Register notice.

The move by US officials could make it easier for both Apple and small makers of gaming computers to assemble devices in the United States by lowering the costs of importing parts.

Apple did not say why it requested the exemptions, but the requests were for components such as partially completed circuit boards. Apple manufactures its Mac Pro computers in Texas,

making the machine immune from tariffs, but such intermediate parts were subject to the levies.

Apple did not immediately return a request for comment. The Mac Pro computer starts at \$6,000 and is intended for users such as music and motion picture studios. Due to its specialized design, the device has never sold in large numbers. But it became a political flashpoint earlier this year when The Wall Street Journal reported that Apple was moving production to China.

StanChart unveils guidebook for Japanese investors

He said the legal guarantee for foreign investors at least in paper is better in Bangladesh compared to many other countries. Bijoy said Japan and Bangladesh enjoy special

relationship which has stood the test of time. However, some key administrative and regulatory simplifications are urgently needed to realise its full potential. Md Sirazul Islam, executive chairman of the Bangladesh

Investment Development Authority; Muhammad Alkama Siddiqui, CEO of the Public Private Partnership Authority, and Yuji Ando, country representative of the Japan External Trade Organisation, also spoke.

As of August this year, 300 Japanese companies were doing business in Bangladesh, a huge leap from only 82 a decade ago.





LABIB GROUP

Munshi at an event jointly organised by the ministry and the Export Promotion Bureau in InterContinental Dhaka recently.

Govt firm to buy NPLs by next year FROM PAGE B1

Meanwhile, earlier in August, in a meeting with the finance ministry the Asian Development Bank showed interest in providing technical and of the PAMC, he said.

The Manila-based multilateral lender has extended similar support to a number of countries, which eventually helped them arrest their default

The bid to form an AMC got momentum after the central bank report titled "Feasibility Assessment of Establishing of a Public AMC in Bangladesh".

Prior to that the central bank formed a sixmember committee in February with a view to tackling the rising default loans in the banking

The committee found the AMC formula after conducting an extensive analysis of seven Southeast Asian countries on how they had brought down their large amounts of default secondary bond market would be needed.

loans after facing a major recession -- widely known as the Asian financial crisis -- between 1997 and 1999.

Each of the seven countries -- Vietnam, South financial support to the government for creation Korea, Indonesia, Malaysia, Thailand, Taiwan and the Philippines -- successfully brought down their classified loans by way of setting up PAMC.

> For instance, default loans in Indonesia had gone as high as 50 percent of its outstanding loans during the financial crisis, but it came down to less than 3 percent in 2017. The total amount of default loans in the banking sector stood at Tk 112,425 crore at the end of June, up 20 percent from six months earlier.

> "The government has recently taken a decision to not recapitalise state lenders further as it is now eyeing to perk up their financial health by way of decreasing their default loans. And the PAMC will play a great role," he added.

For the PAMC to function effectively, a vibrant

Furniture sales to rise in winter

FROM PAGE B1

According to him, the growing middle class preferred quality alongside credit card-based equated monthly installment facilities of commercial banks, which was in turn helping the sector grow.

Nowadays, the satisfaction evoked through bringing over carpenters to make furniture at home was being replicated by brands and their readymade products, said Aziz. The optimism was not all Khasruzzaman, encompassing. ATM general manager (sales) of Nadia Furniture Ltd, thinks the fair would do little to bring pace to market sales.

He said visitor numbers were good on weekends but it was still a far cry from their expectations, something he attributes to low media exposure for the organisers not putting out newspaper ads.

coverage as the government looks to develop the insurance sector. "Such a comment of the minister created hope

among investors as these steps would give a boost to the insurance sector," added the merchant banker, preferring anonymity.

This led to the top gainers' list being full of insurers. Provati Insurance topped the list with 35.64 percent gain followed by Global Insurance, Federal Insurance, Paramount Insurance Janata and Insurance.

broker

UCB

Capital Management in its market analysis said positive developments, such as the central bank relaxing the advance deposit ratio and the BTRC moving towards settling the issue with GP, could not halt the sell-offs.

Stock

Moreover, the news regarding the stock market regulator directing the DSE to investigate trading of some stocks over alleged price manipulation contributed to the fall.

BASF offers tech to fight waterlogging

Launched in the global market in 2016, Elastopave does not use sand and cement, BASF Bangladesh's Chairman and Managing Director Md Sazzadul Hassan told The Daily Star.

With Elastopave, each square-feet costs Tk 90 to Tk 95, higher than what it takes for conventional pavements, but the end product lasts over 20 years without repairs, he said. Hassan said Elastopave is an ideal choice for parks, car

parking spaces, cycle lanes, driveways and pavements and is widely used in transport infrastructure and bridges. He said they were keen to help city corporations solve waterlogging problems while alongside helping the water

supplying authority ensure that groundwater levels never go down. Elastopave is easy to process and can be flexibly varied to blend into immediate surroundings and has already

been used in two parks in the capital -- one at Tajmahal

Road in Mohamamdpur and the other in Gulshan, he said.



GUARDIAN LIFE INSURANCE

Mohammad Shazzadul Karim, deputy managing director at Guardian Life Insurance Ltd; Md Azimul Haque, head of group business, and Mozibur Rahman, executive director at Shariatpur Development Society, pose at a recent contract signing on insurance coverage for the latter's members.

50 small RMG units shut in six months

Like me, many other SMEs may face the same fate as they are also confronting difficulties."

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, echoed the same as Selim and Islam. SME garment units are facing multiple challenges. Primarily, they have capital shortage and low

Islam is running two units now.

negotiation skills. The restriction on sub-contracting is a major threat for the units as most of them were dependent on the bigger units overloaded with work orders, he said.

"Now they can't do the same job because of poor compliance." The units have spent a big amount from their own pockets for remediation of factories as per recommendations of the Accord and the Alliance.

"The SMEs are a strength to any economy. They should improve the compliance so that the bigger ones and retailers can place work orders with them."