



Asif Iqbal, deputy managing director for FMCG division of the Meghna Group of Industries, attends the prize giving ceremony of "Fresh Shwapno Sales Festival" in Dhaka on Wednesday.

MEGHNA GROUP OF INDUSTRIES

India's stuttering economy hits global oil demand

REUTERS, London

India's oil consumption is growing well below its long-term trend as the country struggles with a widespread economic slowdown, including a slump in new vehicle sales. The slowdown is part of a worldwide economic deceleration, which is weighing heavily on the motor industry.

But because India has been so important for growth in oil demand over the last two decades, its downturn is materially shifting oil's global production-consumption balance and weighing on prices.

India's slowdown threatens to trim at least 100,000 barrels per day (bpd) from global consumption growth in 2019, helping push world growth down to 1 million bpd or less this year. In the last two decades, India's

consumption increased at an annual average rate of around 5 percent compared with a worldwide average of 1.5 percent, making the country a major source of incremental demand.

It accounted for almost 13 percent of worldwide consumption growth between 1998 and 2018, rising to 18 percent between 2013 and 2018 ("Statistical Review of World Energy", BP, 2019).

But the country's consumption was up by just 1.45 percent in the three months from June to August compared with the same period a year earlier, down from more than 8 percent year-on-year at the start of 2018. Gasoline, used by private motorists, is now growing less than 10 percent year-on-year, down from more than 13 percent in the first quarter of last year, according to the Ministry of Petroleum and Natural Gas. Diesel, used for moving road and

rail freight, as well as on farms and in small-scale power generation, and the fuel most closely linked to economic activity, is increasing by just 1.3 percent, down from more than 9 percent in early 2018.

India's economy has slowed sharply this year owing to a broad-based slowdown in business investment and household consumption ("World economic outlook update", IMF, July 2019). Domestic passenger vehicle sales in the three months to August were down by nearly 27 percent compared with the same period last year, the sharpest fall for at least 16 years.

Falling sales have led to tens of thousands of layoffs by domestic motor manufacturers, parts makers and distributors, which are rippling through the rest of the economy and labour market.

Trump announces first stage of 'phenomenal' Japan trade deal

AFP, New York

US President Donald Trump said on Wednesday Washington and Tokyo had taken a major step towards sealing a comprehensive new trade deal, after a year of negotiations between the global economic powers.

Sitting next to Japanese Prime Minister Shinzo Abe, Trump said the leaders "formally announce the first stage of a phenomenal new trade agreement," adding "this is a big chunk, but in the fairly near future we are going to have a lot more." As Trump and Abe met on the side of the UN General Assembly in New York, the Japanese leader said a deal would be "a win-win solution" for both nations.

Under the agreement, Japan will cut tariffs for \$7 billion in US farm exports, including beef and pork, while reducing mark-ups on purchases of American wheat and barley.

In return, Washington has agreed to cut US tariffs on \$40 million in Japanese agricultural goods and to ease tariff rate quotas on the country's beef, allowing Japan to compete for a greater share of the US market.

The announcement did not resolve the thorny matter of US threats to slap tariffs on auto imports.

But Abe, speaking later at a news conference, said he and Trump agreed that a year-old understanding not to impose auto tariffs remained in force.

"It has been firmly confirmed that no further tariffs will be imposed," Abe said.

Trump, using the threat of tariffs,

has sought a comprehensive deal to scale back the US trade deficit with Japan and benefit American farmers -- whose industry helps form a key base of political support.

Trump said a trade agreement would be important to "reduce our chronic trade deficit." - "Working on phase two" - In a separate agreement, US and Japanese officials have also agreed to eliminate duties on digital products like videos, music and ebooks as well as to ensure cross-border that data transfers are barrier-free.

But Tokyo has demanded a firm commitment that Trump will not impose 25 percent duties on autos,

which are vital for the sluggish Japanese economy.

After postponing an earlier deadline, Trump has given himself until November 17 to decide whether to go ahead with the tariffs, a proposal which has alarmed Berlin and Tokyo.

US Trade Representative Robert Lighthizer said Wednesday Japanese auto tariffs were not foremost on Trump's mind.

"At this point, it is certainly not our intention, the president's intention, to do anything on autos... on Japan," he said.

The United States had been at a disadvantage since Trump's

decision in 2017 to withdraw from the Trans-Pacific Partnership negotiated by his predecessor Barack Obama, which took effect for 11 economies last year.

Meanwhile, a trade agreement between the EU and Japan took effect in February.

"If we had not done this, the United States agriculture would be at a disadvantage to TPP countries and some European countries," Lighthizer said.

"This gets us equal or better than those people," Abe, who heads Thursday to Brussels, also pointed to the EU pact and said that Japan - long seen as protectionist -- was leading the way on free trade.

"Japan is determined to take the lead in the world's rule-making process as a flagbearer of free trade," Abe said.

Last year, the total US trade deficit with Japan was \$58 billion and Japan exported \$51 billion worth of cars to the American market, according to government data.

US farmers have borne the brunt of retaliation in Trump's trade wars with China and Europe, which has badly dented exports and left the agricultural sector reeling.

Trump said Wednesday he hoped to sign a "very comprehensive deal" with Japan soon that means "really big dollars for our farmers and for our ranchers." "We are working on phase two already," he added.

Japan is the US's third largest agricultural export market, and Japanese consumers bought a quarter of American beef and pork exports last year -- \$1.6 billion in pork and more than \$2 billion worth of US beef.



US President Donald Trump and Japanese Prime Minister Shinzo Abe hold a meeting in New York on Wednesday on the sidelines of the United Nations General Assembly.

AFP

Amazon develops longer-range wireless network for IoT devices

REUTERS

Amazon.com Inc said on Wednesday it is developing a longer-range equivalent to Bluetooth and WiFi wireless protocols that the largest U.S. online retailer hopes third parties will eventually use in smart devices.

The Amazon Sidewalk, announced alongside a new range of Echo speakers and a multilingual mode for its Alexa virtual assistant, underscores the firm's growth expectations for the internet of things (IoT) - where devices and appliances are controlled over networks.

The company sees Sidewalk's use in devices as varied as garden water sensors and mailboxes that would alert the owner to new mail. Sidewalk uses the low bandwidth 900 megahertz spectrum to extend the distance at which IoT devices can be controlled, and requires less power than needed for WiFi, Amazon said.

"People don't even realize yet how important that intermediate range is going

to be, for things like lights in your yard, controlling your lights on your sidewalk in the street," Chief Executive Jeff Bezos said about Sidewalk's range at Amazon's annual Alexa devices launch in Seattle.

Amazon, which started out selling books, has a history of exploring new ventures, such as making original TV shows for subscribers to its Amazon Prime service. It has emerged as one of the Big Four technology companies along with Alphabet Inc, Apple Inc and Facebook Inc, and is a leading cloud services provider.

It plans to publish the new network protocol - rules that govern communication between connected devices - so developers can use it for new products.

Amazon said it has tested Sidewalk to connect devices across Los Angeles. It did not say when it would be available for wider use. The company said it would release a dog tracker in 2020 as a reference design for developers that will use the network to alert a pet-owner when their dog leaves a certain perimeter.



DK Son, managing director of LG Bangladesh, opens an "Information Display Solution Center" at its head office in the capital's Gulshan on Wednesday.

LG BANGLADESH

Huawei already producing 5G base stations without US parts: CEO

REUTERS, Hong Kong

Huawei Technologies Co Ltd's founder and CEO Ren Zhengfei said on Thursday the company is already producing 5G base stations that are free of US components and plans to more than double production next year.

From October, the company will be producing 5,000 of the 5G mobile communications base stations per month, and next year it plans to make about 1.5 million stations, Ren said during a forum.

Huawei, the world's largest telecoms gear maker, has been on a US trade blacklist since May over concerns that its equipment could be used by Beijing to spy. Huawei has repeatedly denied such allegations, but has taken steps to minimize the impact.

US sanctions cut off Huawei's access to essential US technologies. The latest version of its Mate 30 flagship phone, unveiled last week in Europe, will not come with Google Mobile Services.

"We carried out the testing in August and September, and from October on we will start scale production, at 5,000 units a

month," Ren said.

"So our production capacity this year will be 600,000 and we expect that figure to go up to 1.5 million next year."

Will Zhang, Huawei's president of corporate strategy, told Reuters the performance of the US-free base stations was "no worse", and the company "has had positive surprises". He declined to give details.

Ren said Huawei would still like to use US components if possible because it has "emotional ties" with long-time US suppliers.

Earlier this month, Ren said that he was open to selling the firm's 5G technology - including patents, code, blueprints and production know-how - to Western firms for a one-off fee.

On Thursday he went further, saying Huawei was willing to license its 5G mobile technology to a US company, and that he was not afraid of creating a rival by making Huawei's technology available to competitors.

The offer could also include chip design know-how, he added.



Huawei founder Ren Zhengfei attends a panel discussion at the company headquarters in Shenzhen, China.

REUTERS/FILE

Bearish bets on Asian currencies ease on trade talk hopes

REUTERS

Investors scaled back short positions on currencies of trade-reliant Asian economies over the past two weeks, a Reuters poll showed, as optimism grew that the United States and China would clinch a trade deal at some level.

They also turned bullish on the Taiwan dollar for the first time since April last year, a poll of 14 respondents showed.

US President Donald Trump said on Wednesday a deal to end the nearly 15-month trade war could happen sooner than people think. However, his comments came after the close of the poll.

Trump's comments come at a time when optimism has been growing that a deal may be reached due to ongoing trade talks and political considerations ahead of elections next year in the United States.

Short bets on the Chinese yuan, the South Korean won and the Singapore dollar declined for the second time in a month, but the unpredictable nature of the last 15 months has kept market participants slightly apprehensive.

"Knowing the history of the talks between the two giants, the market is also prudent not to get carried away with the odds of a trade deal," said Mahesh Sethuraman, deputy head of global sales trading at Saxo Capital Markets.

Just this week Trump leveled sharp criticism of China's trade practices and said he would not accept a "bad" trade deal.

Disruptions caused by the trade war have seen a growing need for supply chain diversification,

driving more business toward Taiwan, whose hi-tech factories are suppliers for global tech giants such as Apple and Qualcomm.

Last week, the island raised its 2019 growth forecast to 2.4 percent from 2.06 percent.

Investors cut their bearish bets on the Indian rupee for a second time this month, as the government unveiled a series of measures to reinvigorate the economy.

Last week, India lowered its corporate taxes in a surprise move to woo manufacturers and boost investment in Asia's third-largest economy, where unemployment has surged as growth sinks to a six-

year low.

Investors raised their long bets on the Thai baht THB=TH, the only other emerging Asian currency where they were bullish, even as the country struggles with shrinking exports and below-target inflation.

The central bank has expressed concern about the strength of the baht, which has gained nearly 6.5 percent against the US dollar - making it Asia's best performing currency so far this year.

Short positions on the Philippine pesos PHP= were marginally reduced. Later in the day, the central bank is expected to cut interest rates for a third time this year.

The Asian currency positioning poll is focused on what analysts and fund managers believe are the current market positions in nine Asian emerging market currencies: the Chinese yuan, South Korean won, Singapore dollar, Indonesian rupiah, Taiwan dollar, Indian rupee, Philippine peso, Malaysian ringgit and the Thai baht.

The poll uses estimates of net long or short positions on a scale of minus 3 to plus 3. A score of plus 3 indicates the market is significantly long US dollars.

The figures include positions held through non-deliverable forwards (NDFs).



Currency signs are seen at an exchange office as a woman exchanges money at Narita International airport in Japan.

REUTERS/FILE