

‘Phase 1’ China trade pact on track for Nov: Trump

AFP, Washington

US President Donald Trump on Monday said progress in developing the text of a partial trade pact with China means he will likely be able to sign it next month.

Trump remains upbeat on the chances Beijing and Washington will seal the mini-deal he announced earlier this month -- marking a cooling-off period in the two nations’ damaging trade war. “We’ll be able to, we think, sign a completed document with China on phase one,” Trump said at the White House.

US Trade Representative Robert Lighthizer said efforts to commit the agreement to paper before the Asia-Pacific Economic Cooperation summit in Chile next month are “on track” though some work remains to be done.

“Our target is to have the phase one deal by the time you go to Chile,” Lighthizer told Trump.

Trump has said he expects to sign the partial deal on the sidelines of the summit when he meets with Chinese President Xi Jinping.

While details are scant, the new mini-deal includes a surge in Chinese purchases of American farm exports and also covers intellectual property, financial services and currency exchange, according to the White House.

Trump said Monday the Chinese “have started the buying.” China sounded a positive note at a defence forum being held in Beijing, with the vice minister of foreign affairs saying they wanted “China-US relations based on coordination, cooperation



REUTERS/FILE

US President Donald Trump speaks to the press before a cabinet meeting at the White House in Washington on October 21.

and stability.” With hundreds of billions of dollars in two-way trade now subject to additional tariffs, there are mounting signs the trade war -- now in its second year -- has damaged the world economy, adding to pressure on both sides to strike a deal.

“We don’t approve the tactic of brandishing the baton of tariffs at every turn and exerting maximum pressure on China,” said China’s Vice Minister of Foreign Affairs Le Yucheng. “This practice is old thinking and will not work.” However, US Commerce Secretary Wilbur Ross said earlier Monday that the US side is not

rushing to sign on the dotted line next month.

“We would like to make a deal,” Ross told Fox Business on Monday.

“But from our point of view, it has to be the right deal and it doesn’t have to be in November.” While the White House has said the “phase one” deal touches on major issues, Ross said the heaviest lifting remained to be done.

“The real question is, do we get to an early signing of phase one?” said Ross, who is not a member of the US delegation to the trade talks.

“Second, how far do we get toward phase two or two and three? Two and three are really where the meat is.”

EU demands clarifications from Italy, France on budgets

REUTERS, Brussels

The European Commission on Tuesday demanded urgent clarifications from Italy and France on their budget plans for next year, worried they veer widely from spending cut commitments made to Brussels.

The letters from the EU’s executive arm requested a response by Wednesday and could be the first step before the commission rejects a budget outright and demands a new draft.

Spain, Belgium and Finland were also contacted with concerns.

“Italy’s plan does not comply with the debt reduction benchmark in 2020,” said a letter signed by EU economics affairs commissioner Pierre Moscovici and commission vice president Valdis Dombrovskis.

Rome sent its budget on Wednesday hoping to get Brussels to agree to a deficit of 2.2 percent of GDP, which the EU said risked delaying the reduction of Rome’s massive debt mountain.

The spending plans were the product of fraught negotiations between the new coalition in Italy, an unlikely partnership between the anti-establishment Five Star Movement and the centre-left Democratic Party.

“We will provide all clarifications to the EU, we are not concerned,” said Italian Prime Minister Giuseppe Conte.



GUARDIAN LIFE INSURANCE

MM Monirul Alam, managing director of Guardian Life Insurance, receives “Bangladesh Business Innovation Award 2019” in “honorable mention” in financial sector from Nihad Kabir, president of the Metropolitan Chamber of Commerce and Industry, Dhaka, in the capital’s Le Meridien hotel recently. Bangladesh Innovation Conclave presented the award for app-based life insurance platform EasyLife.

Eurozone firms keep borrowing as growth fears mount

AFP, Frankfurt

Companies’ demand for bank loans held up in the eurozone in the third quarter, the European Central Bank found in a survey published Tuesday, in a mildly positive sign amid fears of a slowdown.

“Net demand for loans to enterprises remained broadly unchanged in the third quarter,” the ECB said in its quarterly survey of 144 banks across the single currency area.

But the steady interest in loans disappointed financial firms’ hopes earlier this year that the third quarter would bring growth in demand. “Demand slightly increased for loans to small- and medium-sized enterprises, but decreased for loans to large firms,” the ECB added.

Many of the central bank’s measures to stimulate the economy in recent years have

aimed at increasing bank lending, a more significant factor for growth in Europe than other advanced economies like the US.

But the Frankfurt institution and organisations like the International Monetary Fund were forced to slash eurozone growth forecasts in recent weeks, as external factors such as trade wars and Brexit weigh on the bloc.

ECB economists now expect expansion of 1.1 percent this year and 1.2 percent in 2020. It was unclear Tuesday whether British MPs would vote through a last-minute divorce deal with the European Union.

And a truce in the US’ damaging trade conflict with China remains elusive, while Washington last week slapped new tariffs on \$7.5 billion of EU imports. The ECB in September responded to slowing growth and mounting risks with a fresh and controversial big-bang package of measures.



BANK ASIA

Md Arfan Ali, president and managing director of Bank Asia, and Jon Thiele, chief of party at the Feed the Future Bangladesh Aquaculture and Nutrition Activity, exchange the signed documents of a deal at the latter’s office in Dhaka last week. Micro loans will be provided to fish and aquaculture farmers at low interest rate and flexible repayment terms.



PRAAVA HEALTH

Officials of Praava Health pose with a trophy as one of the winners at the Bangladesh round of MIT Solve Tiger Challenge, a competition for tech entrepreneurs, at Radisson Blu Dhaka Water Garden recently.

Influential quarter, workers’ ignorance hamper trade unionism

FROM PAGE B1

Meanwhile, hundreds of applications submitted to the labour ministry by labour leaders for obtaining permissions for unionism were rejected for being faulty or incomplete, said Chunnu.

The workers do not know how to seek permission for unionism properly, he said, adding that sometimes union leaders of factories, abusing power facilitated by unions, enjoy different benefits from factory owners.

Sometimes, the union leaders lobby with the labour department to obtain permissions for forming unions only to take benefit of their leadership instead of taking up a regular job, he said.

In his speech, Chunnu also said a former union leader who had turned into a parliament member had requested him not to allow trade unionism in a factory owned by that lawmaker’s son-in-law.

However, the same person had requested for permission for unions while serving as a leader, he said. Chunnu told all these while replying to a comment of Babul Akter, president of Bangladesh Garment

Industrial Workers Federation.

Akter said he had applied to the government for forming 12 unions but got approval for only one in one year. While he blamed bribes and other corrupt practices for the hampering of the process of obtaining the registration, Chunnu said influence of a quarter of factory owners and ignorance of workers about unionism are responsible.

Kamran T Rahman, Bangladesh Employers’ Federation (BEF), suggested the union leaders and workers not to address employers as owners as such relationship does not help resolve disputes.

Actually, it should be a relationship between employers and employees, he said.

The BEF also wants trade unions to be allowed in factories but misuse of unionism sometimes hamper a lot of progress, leading to misunderstanding and a lack of trust between employers and employees, he said.

Prof Monirul I Khan of Dhaka University’s sociology department presented a keynote paper on the issue.

Land phone connection free from next week

FROM PAGE B1

“Land phone connection is gradually declining in the country and the waiving of new connection and re-connection charge will encourage users to come back to landlines again,” he said.

Currently, the connection and re-connection fees are Tk 1,000 in Dhaka, Tk 500 in Chattogram, and Tk 300 in other parts of the country.

Earlier, BTCL withdrew the monthly line rent for using land phone.

Using land phone is cheaper than mobile phone and with it users also can get broadband internet connection, Jabbar added.

Currently, there are less than 6 lakh active land phone connections in the country, whereas the total capacity is more than 13 lakh, according to BTCL.

Jabbar said through BTCL’s mobile app, users can pay landline bills and place complaints about connection.

Telecom Secretary Ashoke Kumar Biswas and senior officials of the different state-run telecom companies were also present.

After the meeting, Fakhru Haider Chowdhury, managing director of TSS, said high-quality laptops will be assembled at the plant.

The smartphone assembled at the plant will sell at Tk 12,000.

Meeting sources said BTCL also placed a project ‘Digital Hub’ involving about Tk 9,000 crore and Joy turned down the idea as it seems “outdated”.

Panicked investors send stocks to a three-year low

FROM PAGE B1

All the investors are thinking the index may fall further so they do not want to buy, he said, adding institutional investors should provide market support to boost the general investors’ confidence.

Institutional investors also have a serious confidence crisis, as junk stocks are soaring more than the fundamentally sound ones, said Ahmed, also a former chairman of the economics department of Dhaka University.

Many low-performing stocks got listed on the bourses in the last one decade and they raised more than Tk 5,000 crore from the market in return for scanty dividends.

“So the market is now suffering,” he added.

A merchant banker said all the general and institutional investors were suffering from liquidity crunch, so Bangladesh Bank came forward to solve the crunch and expanded the room for institutional investors to invest more.

Earlier in May, the BB allowed banks to remove investment of non-listed securities from their market exposure to create room for investment.

In the same month, the central bank provided a revolving fund of Tk 856 crore in order to boost the market.

The central bank also announced a

liquidity support for banks last month in the form of Repurchase Agreement (repo) to invest in stocks.

Despite all the steps, DSEX, the benchmark index of the Dhaka Stock Exchange, fell 693.32 points, or 12.83 percent since June.

Since June 1, the market lost Tk 40,572 crore, which is 10.22 percent of its value.

Turnover, another important indicators of the market, dropped 17.7 percent to Tk 288.36 crore yesterday.

Of the traded issues, 30 advanced, 292 declined and 30 remained the same.

National Tubes dominated the turnover chart with transaction of Tk 14.35 crore worth of shares, followed by United Power Generation, Monno Jute Stafflers, Silco Pharmaceuticals and Eastern Insurance.

Emerald Oil, one of the junk stocks, was the day’s best performer with a 9.92 percent gain, while Anlima Yarn Dyeing was the worst loser, shedding 9.80 percent.

Chattogram stocks also declined with the bourse’s benchmark index, CSCX, decreasing 97.05 points, or 1.10 percent, to finish the day at 8,708.31.

Losers beat gainers as 193 declined, 26 advanced while 21 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded shares and mutual fund worth Tk 10.66 crore.

Tk 560cr hospital nears completion

FROM PAGE B1

The new hospital will have 173 cabins and will dedicate 10 percent of the beds to the poor free of cost, said Hossain.

It will appoint 194 doctors, including 112 specialised ones, 376 nurses and other healthcare personnel.

It will create 1,200 jobs. The hospital will have a specialised cardiac centre, kidney centre, trauma centre, and mother and child care centre, and infertility centre.

Japanese doctors, nurses and hospital managers will work in the hospital as trainers to put in place high quality of

service, Hossain said.

SHIP Aichi Medical Services Ltd has agreements with international organisations and institutions such as Mahidol University Thailand, Nagoya University Japan, Osaka International Hospital for Cancer and Heart Disease Japan, and Bangkok Medical Group Bangkok to upgrade services and carry out exchange programmes.

The hospital is planning to introduce artificial intelligence technologies for diagnostic purposes in the near future, Ito of the new joint venture healthcare facility said.



STANDARD BANK

Kazi Akram Uddin Ahmed, chairman of Standard Bank, opens the bank’s 136th branch at Pallabi in the capital’s Mirpur yesterday. Md Tariqul Azam, managing director (acting), was present.