

# Hong Kong enters recession as protests again erupt in flames

REUTERS, Hong Kong

Hong Kong has fallen into recession, hit by five months of anti-government protests that erupted in flames at the weekend, and is unlikely to achieve any growth this year, the city's Financial Secretary said.

Black-clad and masked demonstrators set fire to shops and hurled petrol bombs at police on Sunday following a now-familiar pattern, with police responding with tear gas, water cannon and rubber bullets.

TV footage showed protesters, who streamed into the Kowloon hotel and shopping artery of Nathan Road on Sunday, setting fire to street barricades and squirting petrol from plastic bottles on to fires at subway entrances amid running battles with police.

At one station, activists rolled a flaming metal barrel down a long staircase toward police below.

"The blow (from the protests) to our economy is comprehensive," Paul Chan said in a blog post, adding that a preliminary estimate for third-quarter GDP on Thursday would show two successive quarters

of contraction - the technical definition of a recession. He also said it would be "extremely difficult" to achieve the government's pre-protest forecast of 0.1 percent annual economic growth.

The rallying cry of Sunday's protests was to fight perceived police brutality and defend Muslims and journalists. Police last weekend fired water cannon at a group of people standing outside a mosque and journalists have been wounded in clashes.

The programming staff union of public broadcaster RTHK said on Monday it had called on police to identify officers who "attacked and ripped the face mask" off one of its journalists on Sunday. It said she was wearing a reflective vest clearly identifying herself as a journalist.

Pictures circulating online suggested she was wearing a gas mask, to protect against tear gas and pepper spray. Ordinary face masks were banned this month under a resurrected colonial-era emergency law.

Hong Kong Free Press, an online news service, called for the release of a freelance photographer arrested on Sunday after she had asked to

see a police officer's warrant card.

The city's Foreign Correspondents' Club condemned the arrest in a statement calling for an independent investigation into "police violence against journalists and interference with the media's right to cover the protests under Hong Kong law".

The police, who deny using excessive force, told reporters they had repeatedly asked journalists to keep their distance so police can do their job.

They said an officer had removed a journalist's mask, which had seemed an "undesirable" incident, but they said they did not know the full context. The Hong Kong Free Press reporter was arrested for failing to show ID and being uncooperative and obstructing police.

Protesters have routinely torched store fronts and businesses including banks, particularly those owned by mainland Chinese companies and vandalized the city's MTR Corp metro which has shut down services to stop protesters gathering.

The MTR has closed early for the past few weeks and said it will

again shut down two hours early on Monday to repair damage.

Protesters are angry about what they view as increasing interference by Beijing in Hong Kong, which returned to Chinese rule in 1997 under a "one country, two systems" formula intended to guarantee freedoms not seen on the mainland.

China denies meddling. It has accused foreign governments, including the United States and Britain, of stirring up trouble.

Tourists numbers have plummeted, with visitor numbers down nearly 50 percent in October, a decline Chan called an "emergency".

Retail operators, from prime shopping malls to family-run businesses, have been forced to close for multiple days over the past few months.

While authorities have announced measures to support local small and medium seized enterprises, Chan said the measures could only "slightly reduce the pressure".

"Let citizens return to normal life, let industry and commerce operate normally, and create more space for rational dialogue," he wrote.

# Greek producers despair over Trump's new tariffs

REUTERS, Naoussa, Greece

A tariff war between the European Union and the United States is threatening to buckle one of Greece's most buoyant export sectors, which survived a decade of economic crises but possibly not President Donald Trump.

The Trump's administration decision to impose an additional 25 percent tariff on a range of EU products in retaliation for EU aircraft subsidies, hits products from Scotch to Italian cheeses and French wines.

In Greece, its prized canned peach.

Greece is the world's biggest exporter of tinned peaches with about one fifth of its 250,000 tonnes annual production absorbed by the US market. Formerly subject to an import levy of 18 percent, the new tariffs - part of WTO-authorized countermeasures to Airbus subsidies - will increase the total import duty to the United States to 43 percent. The people of northern Greece are not impressed.

"Trump would do well to behave himself and let us get to work so we can have a livelihood," said peach farmer Tasos Halkidis. "We don't want this tariff business."

This fertile plain straddling the regions of Imathia and Pella in central Macedonia is one massive peach orchard. A sea of pink greets visitors in the spring, when the peaches are in bloom.

Standing in a huge warehouse piled high with millions of aluminium cans, 63-year-old Kostas Apostolou, head of the Greek Canners Association, says the dispute is threatening their livelihood and will

potentially shut them out of their biggest market. "Why are they punishing us?" Apostolou told Reuters.

The increase in tariffs came into effect on Oct. 18, just as Greeks readied to ship 50 million tins to US markets.

Many customers there - mainly catering companies that supply hospitals, schools and the military - have either canceled orders or have said they will not be prepared to pay for any tariff increase, producers said. "Suddenly there was this (trade) war... We could never imagine that this could affect our jobs here in this small area," Apostolou said.

Stuck with excess supply, producers are also uncomfortably aware how their production lines are tailored to the US market. The sector is saddled with 3-kg tins aimed at the United States, which cannot be sold in Europe, Asia or Latin America where 1-kg tins are dispatched.

The Canners Association and other industry experts say the income that will be lost from the US market is about \$50 million - a small amount in terms of international trade but vital for one of the poorer regions in Greece with unemployment at 20 percent.

They are worried that resulting excess product will lead to a collapse in prices and unemployment will jump. The heart of Greek peach country is planted with millions of trees in an area of more than 20,000 hectares (50,000 acres). About 10,000 small farms and 10,000 employees work for 17 can factories in the area, with the peach crop giving life to the wider Imathia and Pella regions.

## Exports to India may double in 3 yrs if trade potential utilised

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There is a scope to expand the trade with the eight states in Northeast India in different sectors such as garment, education, tourism and IT, he said at briefing at Pan Pacific Sonargaon in Dhaka.

North East India comprises of Arunachal Pradesh, Assam, Meghalaya, Tripura, Mizoram, Sikkim, Manipur and Nagaland. About the potential of the garment sector, Ahmad said the cost of importing garment items to India from other countries is very high. This led western retailers to source apparel items from Bangladesh in big volumes to reduce cost, he said.

In this backdrop, both Bangladesh and Assam will work jointly to strengthen trade and economic ties.

"Considering the geographical proximity, both Assam and Bangladesh will be benefited," he said. The IBCCI has given importance on boosting air, road, river, and cyber connectivity in order to remove physical barriers.

On non-tariff barriers, Ahmad said India has assured that if Bangladesh can pinpoint the hurdles, it would address them. "Now, our duty is to introduce quality products for the consumers in the Northeast India," he said, adding that the region is open for business as there is no presence of insurgents.

The government of Assam has taken a decision to form a joint task force (JTF) with Bangladesh.

A delegation from the Indian state will visit Bangladesh to finalise the JTF within the next one month, Ahmad said.

M Shoeb Chowdhury, vice president of the IBCCI; Mohammad Ali, a former president, and Jahangir Bin Alam, secretary and chief executive officer, were present at the briefing.

## Teletalk to get licence renewed without clearing Tk 6,000cr dues

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"It doesn't actually mean anything. The government will cover for Teletalk and the money will go to the exchequer again."

However, the BTRC will place the demand before the government after calculating the total amount owed by Teletalk. "The government will have the final say on the matter," he added.

Mustafa Jabbar, telecom minister, said he will write to the finance ministry to consider this amount as an investment of the government in Teletalk.

"Actually, government has injected only few hundred crores of taka into Teletalk, which is a tiny amount when compared with the other players have invested. That's why the state-owned venture can't make significant impact on the market." The top three players' total investment value easily crosses the Tk 100,000 crore-mark.

Teletalk is currently engaged in offering huge public services and acting as a medium for providing fees for different public examinations.

"We need to count Teletalk as an instrument of the government's service wing," he added.

As of August, the state-owned carrier has 43.87 lakh active customers with 2.7 percent market share.

In the middle of last year, the operator hit its peak of 49 lakh active users and 3.5 market share.

However, in its first 15 years Grameenphone had logged in 3.65 crore active users, Robi 1.61 crore and Banglalink had 2.38 crore active users.



Deepal Abeywickrema, managing director of Nestlé Bangladesh, officials and chefs cut a cake in Dhaka on October 20 marking "International Chefs Day".

## VAT cut likely for power plants' coal import

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A huge amount of coal would be required once these power plants go into operation.

The NBR said there were no customs and other duties for coal import.

Some 15 percent VAT, 5 percent advance tax, and 5 percent advance income tax are applied on the fuel's import, according to the NBR.

As coal accounts for nearly 65 percent of the electricity production cost, a reduction in the VAT rate will bring down the cost of generation, said the meeting minutes.

Considering the issue, the NBR has decided to slash the VAT on coal import to help reduce the production cost, the official said.

The NBR earlier provided duty benefit for the import of furnace oil and liquefied natural gas.

## Xi's pep talk on blockchain lifts Chinese tech shares

AFP, Shanghai

Chinese shares closed sharply higher Monday as investors piled into stocks linked to blockchain after President Xi Jinping called for China to step up investment in the technology and increase its role in the economy.

Dozens of tech shares seen as benefitting from a blockchain boom soared by the 10 percent daily limit allowed on China's main exchanges after Xi made the comments in a meeting of top Communist Party leaders focused on the sector.

Xi said blockchain technology, best known for its use in cryptocurrencies like bitcoin, will play an important role in future innovation and that China should increase research and development into expanding its use.

"It is essential for blockchain technology to play a bigger role in building China's strength in cyberspace, developing the digital economy and advancing economic and social development," Xi said, according to a report by state-run Xinhua news agency late Friday.

Companies such as Hundsun Technologies, Easysight Supply Chain Management Co, YGSOFT Inc, and dozens of others with blockchain components to their businesses rose by the daily 10 percent limit.

The feeding frenzy pushed the technology sector index of China's second exchange in Shenzhen up sharply, closing more than five percent higher.

"Most of these companies, especially those that are just beginning to state their connection with blockchain today, are trying to take advantage of the hype," Li Shiyu, a fund manager at Guangdong Xiaoyou Investment Management Co, told Bloomberg News.

"It shows how much excitement can be triggered



Chinese President Xi Jinping arrives for a welcoming ceremony at the Great Hall of the People in Beijing on October 25.

by something stressed as a priority by the top man himself." The optimism seeped into Hong Kong as well, where Chinese selfie-app leader Meitu's Hong Kong-listed shares soared nearly 25 percent at one point, before those gains were pared back.

## Roundtable on Islamic finance begins today

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Hitam, a former deputy prime minister of Malaysia, said with 1.8 billion Muslims globally, the Islamic economy continues to enjoy steady growth.

"The non-speculative nature of Shariah-compliant finance can help ensure financial stability, a reason why it is gaining traction globally."

The growing demand for Shariah-compliant finance coupled with various initiatives undertaken by a number of governments and regulatory bodies across Asia have fuelled the growth of the industry, he added.

Salahuddin Kasem Khan, executive chairman of the SEACO Foundation, said the SEACO trusts that the way to raise the socio-economy of a community is through trade, investment, tourism, and overall cooperation, where national economies become more connected regionally.

The WIEF-SEACO Foundation Dhaka Roundtable 2019 will address the challenges and prospects of Islamic finance and sukuk, insights into the future direction of the halal industry, and opportunities for infrastructure development.

The final session at the roundtable will introduce the SEACO, a regional partnership platform, which will link Bangladesh and the Maldives in the Bay of Bengal with selected ASEAN countries through various initiatives targeted to strengthen economic cooperation among these nations, the statement said.

## Stocks continue to slide as manipulation dents confidence

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Accordingly, they should dole out very strict punishment to ward off others from engaging in manipulation, he added.

"In any manipulation process, only 5 percent of people gain money and the other 95 percent loses out, theoretically, so a huge number of people lost their money for the manipulation," said a merchant banker.

He said rampant manipulation in the stock market led to the snatching of a huge amount of investors' money, so they have become inactive now.

As stocks which had performed

well remain frustrated with the prices, investors are rushing for manipulated stocks, he said, adding that there were many other reasons behind the market slide, including liquidity crunch.

In the last one month, the premier bourse lost over Tk 17,650 crore from its market capitalisation.

Turnover, another important indicator, rose by 19 percent to Tk 305.89 crore.

Of the traded issues, 57 advanced and 260 declined while 36 securities closed unchanged on the premier bourse.

National Tubes dominated the turnover chart with transactions of Tk 15.33 crore, followed by Sonat Bangla

Insurance, Standard Ceramic, Monno Ceramics and VFS Thread.

Standard Ceramic was the day's best performer with a 20.34 percent gain while Salvo Chemical was the worst loser, shedding 33.60 percent.

Chittagong stocks also went down with the bourse's benchmark index, the CSCX, decreasing 79.52 points, or 0.90 percent, to finish the day at 8,710.30.

Losers beat gainers as 175 declined and 63 advanced while 16 finished unchanged on Chittagong Stock Exchange. The port city bourse traded shares and mutual funds worth Tk 13.67 crore.



Ashim Kumar Ukil, a lawmaker; Bazal Ahmed, vice chairman of United Commercial Bank, and Mohammed Shawkat Jamil, managing director, open the bank's 189th branch at Kendua in Netrokona yesterday.