China aims to expand FTAs

ANN/CHINA DAILY

China is poised to expand its high-standard free trade zone network, with a focus on accelerating its accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and advancing negotiations with multiple countries, the Ministry of Commerce said on Friday.

Building on the foundation of previous exchanges with all CPTPP members, China will continue to engage in bilateral consultations to drive forward the accession process, said Li Yongjie, the ministry's deputy International Trade Representative, at a news conference held by the State Council Information Office.

The country is also committed to expeditiously concluding the Version 3.0 China-ASEAN Free Trade Area and negotiating or upgrading FTAs with countries such as Honduras, El Salvador and New Zealand, Li said.

Furthermore, China will intensify efforts to promote the China-Japan-Korea FTA, as well as free trade cooperation with the Eurasian Economic Union, Norway, Switzerland and Bangladesh, among others, Li added.

The goal is to conclude FTAs with more willing countries and regions, aiming to increase the trade volume with FTA partners to around 40 percent of China's total foreign trade by 2030, Li said.

Prime Bank, Affix Universe strike deal on payroll banking

Md Mokaddasur Rahman Sarkar Masum, managing director of Affix Universe Limited, and Md Nazeem A Choudhury, deputy managing director of Prime Bank, pose for photographs after signing an agreement on payroll banking at the bank's corporate office in the capital's Gulshan recently. PHOTO: PRIME BANK

STAR BUSINESS DESK

Prime Bank recently signed a payroll banking agreement with Affix Universe Limited, a Narayanganj-based leather goods manufacturer.

Md Nazeem A Choudhury, deputy managing director of the bank, and Md Mokaddasur Rahman Sarkar Masum, managing director of the leather goods manufacturing company, penned the deal at the bank's corporate office in the capital's Gulshan, according to a press release.

Under the agreement, the bank will extend exclusive benefits to Affix's employees, including preferential offers in accounts, credit cards, loans, and digital banking solutions.

These offerings empower employees with enhanced financial flexibility and seamless banking experiences.

Md Wasiul Alam, head of branches distribution network of the bank, Anup Kanti Das, head of payroll banking, Md Enamul Kabir, regional head of branches distribution network, and Md Nesar Uddin Rony, executive director of the leather goods manufacturing company, along with other senior officials from both organisations were also present.

Dhaka Bank's interest income grows 46% in first half of 2024

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Dhaka Bank registered 46 percent growth in net interest income (NII) in the first half (HI) of 2024 compared to the same period of 2023.

In the first half of 2023, the bank's NII stood at Tk 253.08 crore compared to Tk 369.390 crore in H1 of 2024. The rise in NII also impacted operating profit, which displayed 62 percent growth over the period to hit Tk 197.65 crore.

Total operating income grew 39 percent to Tk 240.12 crore. The bank's net profit has grown by 15 percent year-on-year.

Its earnings per share hit Tk 1.52 in H1 2024 compared to Tk 1.33 in the same period of 2023, representing 15 percent growth.

The bank also declared a 10 percent cash dividend for the year that ended on December 31, 2023.

Three percent growth was also reported in the net asset value per share (Tk 21.98 in the first half of 2024 and Tk 21.33 in the same period of 2023), as per a price sensitive information disclosure.

According to the unaudited financial statements for H1 2024, the bank's overall balance sheet grew 10 percent.

With regards to compliance of regulatory capital, the bank's eligible total capital was Tk 3,658 crore as of June 30, 2024, whereas it was Tk 3,500 crore as of December 31, 2023. It shows a 5 percent growth in total eligible capital.

Capital to risk weighted assets ratio as per BASEL III was 14.92 percent against requirement of 12.50 percent, including 2.5 percent capital conversion buffer.

Concord Architects & Interior Decor, Este Aesthetic Hospital sign MoU

STAR BUSINESS DESK

Concord Architects and Interior Decor Limited recently signed a memorandum of understanding (MoU) with Este Aesthetic Hospital Limited, aiming to enhance the hospital's environment to ensure an aesthetically pleasing and patient-friendly space.

Mohammed Faisal, managing director of the hospital, and Anup Kumar Sarkar, chief marketing officer of Concord Group, penned the MoU at the latter's corporate head office in the capital's Gulshan, the company said in a press release.

Concord Architects & Interior Decor is one of the leading names in the architectural and interior designing sector while Este Aesthetic Hospital is a healthcare provider specialising in aesthetic and cosmetic treatments.

The signing ceremony marks the beginning of a strategic partnership between the two organisations.

Other senior officials from both organisations attended the signing ceremony.

Mohammed Faisal, managing director of Este Aesthetic Hospital, and Anup Kumar Sarkar, chief marketing officer of Concord Group, pose for photographs after signing a memorandum of understanding at the latter's corporate head office in the capital's Gulshan recently. PHOTO: CONCORD GROUP

Mohon Miah becomes AMD of Standard Bank

STAR BUSINESS DESK

Mohammad Mohon Miah has recently been appointed as additional managing director of Standard Bank.

Currently, Mohon is serving as the managing director and chief executive officer (acting) of the bank, according to a press release.

He was appointed as the head of the bank's Islamic banking conversion project in 2020. Under his leadership, Standard Bank successfully transformed itself into a full-fledged Shariah-based Islami Bank on January 1, 2021. He previously worked at Islami Bank Bangladesh as deputy managing director and head of corporate investments.

He has more than three decades of experience in the banking sector, working in different capacities, including head of branch and zone, head of business development and chief risk officer.

Mohon started his career as a probationary officer in 1985.

US hiring slows

Unemployment highest since 2021

AFP, *Washington*

The US jobs market cooled much more than expected in July with unemployment reaching its highest rate since 2021, government data showed Friday, fueling calls for interest rate cuts as high levels bite.

The world's biggest economy added 114,000 jobs last month, down from June's revised 179,000 figure, said the Department of Labor.

The jobless rate rose to 4.3 percent, the highest since October 2021, according to government data.

"Today's report shows employment is growing more gradually at a time when inflation has declined significantly," said President Joe Biden in a statement.

But former president Donald Trump's campaign took aim at elevated costs of living and the rise in unemployment as he seeks another White House term, saying "America's working families are hurting."

The report brings the Federal Reserve closer to its first rate cut after the pandemic -- with the economy cooling and inflation moving towards officials' two percent target.

But some economists caution the central bank may have to take stronger policy action in the coming months.

Wall Street stocks slid further into the red on Friday with the tech-heavy Nasdaq index dropping as much as three percent after the employment report.

While analysts have raised concern of the US economy triggering an early recession indicator, Oxford Economics chief US economist Ryan Sweet cautioned that "this cycle is unique."

In recent times, unemployment edged up as more people entered the labor force. This marks less of a risk that a vicious cycle of rising jobless rates leads to income loss -- and further employment cuts, he told AFP.

In July, average hourly earnings rose less than analysts expected by 0.2 percent to $35.07, the Labor Department said.

On a year-on-year basis, wage growth slowed to a rate last seen in 2020.

"Job growth was weak across the board, with small gains or losses across the economy," said Mortgage Bankers Association chief economist Mike Fratantoni.

He added that the slowing in the market was consistent with trends elsewhere such as increases in initial claims for unemployment insurance and signs of contraction in manufacturing.

"Employment continued to trend up in health care, in construction, and in transportation and warehousing, while information lost jobs," said the Labor Department.

Government employment, which slowed in recent months, was little changed in July.

"There are signs that momentum is waning," said KPMG chief economist Diane Swonk about public sector hiring in a recent note.

Senator Elizabeth Warren, a leading progressive, said Fed Chair Jerome Powell "made a serious mistake not cutting interest rates" in the central bank's most recent meeting.

"The jobs data is flashing red," she added in a social media post.

Nationwide chief economist Kathy Bostjancic warned the July report's "across-the-board weakness" feeds the view that the Fed is late to easing monetary policy.

"The bond market is pricing in much more aggressive rate cuts" of at least 100 basis points by year-end, she added in a note.

Sweet told AFP that a 25 basis points cut in September "is essentially a done deal," with chances shifting toward three instead of two cuts this year.

Recruiters speak to jobseekers during a job fair in Florida, US. The world's biggest economy added 114,000 jobs last month, down from June's revised 179,000 figure. PHOTO: AFP/FILE

US keeps Vietnam

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Department of Commerce still has not recognized Vietnam as a market economy country," it said in a statement.

Vietnam has long argued it should be freed of the non-market label because of recent economic reforms, and it has said that retaining the moniker is bad for increasingly close two-way ties that Washington sees as a counterbalance to China.

Opponents of an upgrade have countered that Hanoi's policy commitments have not been matched by concrete actions and it operates as a planned economy governed by the ruling Communist Party. They say Vietnam is increasingly being used as a manufacturing hub by Chinese firms to circumvent US curbs on imports from China.

A 284-page Commerce memo explaining the decision said it was taken despite Vietnam's "impressive reforms and economic growth."

Washington has worked hard to foster closer ties with Vietnam in the face of growing strategic competition with China and the issue of whether to upgrade Vietnam has been awkward given the approaching US election in November and claims by each side that they stand for worker rights.

Some analysts said before the announcement a failure to upgrade Vietnam could be negative for US-Vietnam relations.

"Vietnamese leaders have seen this decision as an important benchmark in their improving relationship with the U.S. and the achievement of normalization between the two countries," said Edmund Malesky, a professor of political economy and director of the Duke Center for International Development.

Murray Hiebert, a senior associate of the Southeast Asia Program at Washington's Center for Strategic and International Studies, called the decision "ridiculous."

"Vietnam's market is as free as many others not on the NME list," he said, adding that the decision seemed "out of whack" with US President Joe Biden's visit to Hanoi last year, when the two sides elevated ties to a comprehensive strategic partnership.

US Treasury Secretary Janet Yellen has also promoted Vietnam as a "friend-shoring" destination to shift US supply chains away from China.

Hosuk Lee-Makiyama, director of the Brussels-based European Centre for International Political Economy, said that even if the Biden administration were to have taken the politically risky step of upgrading Vietnam, it would have been a pyrrhic victory given that any future Trump administration was certain to reverse it.

Nazak Nikakhtar, a former Commerce Department official in the Trump administration now with the Wiley Rein law firm, said the decision reflected "ample" evidence from industry groups "that Vietnam's economy has not transformed to the extent that would warrant treatment as a market economy."

"Ignoring distortions in the economies of trading partners is unfair and prejudicial against American interests," she said.

China's stuttering recovery

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The sluggish growth was also evident in underwhelming results from luxury goods makers LVMH and Gucci-owner Kering and profit warnings from Burberry and Hugo Boss.

"The world was surprised at how weak China was economically as this year unfolded," said Marc Casper, CEO of medical equipment maker Thermo Fisher.

Meanwhile, foreign automakers from Tesla to BMW, Audi and Mercedes, are locked in an intense price war in China after ceding market share to domestic EV makers, led by BYD, who offer high-tech, low-cost models.

To be sure, the MSCI World with China Exposure Index , which tracks 52 companies with high revenue exposure to China, is up 11.6 percent this year, not far off a 12 percent rise in MSCI's broad gauge of global stocks.

However, most of the China-focused index's performance is thanks to a surge in semiconductor stocks, including Broadcom and Qualcomm, which have benefited from AI-driven demand.

Mounting Sino-US trade tensions and certain domestic policies have added to multinational companies' woes.

Beijing's anti-corruption campaign that began last year has caused disruptions that partly prompted GE HealthCare to lower its revenue growth forecast and sparked concerns over sales of Merck's Gardasil vaccine.

Meanwhile, tighter US export curbs on sharing high-end chip technology with China are impeding chipmakers from serving one of the largest markets for semiconductors.

Qualcomm said it took a revenue hit from the US curbs on exports to China, overshadowing its otherwise upbeat forecast on Wednesday.

Analysts said the pressures are unlikely to ease soon.

"It has been a surprise that (the slowdown) has lasted so long," said Stuart Cole, chief macroeconomist at Equiti Capital.

"Once the Covid restrictions were lifted the general expectation was that China would bounce back. But the Chinese pace of expansion we saw previously will not be seen any time soon."