China meets automakers to discuss import tariffs

REUTERS, *Beijing*

China's Commerce Ministry met with automakers and industry associations on Friday to discuss raising import tariffs on large-engined gasoline vehicles, sounding a warning as the European Union nears a tariff decision on Chinese electric cars.

The 27-strong bloc is due to vote in October on whether to adopt additional duties of up to 36.3 percent on Chinese-made electric vehicles on top of its standard 10 percent import tariff.

The EU on Tuesday revised down the proposed duties from the 37.6 percent rate set in July, but stopped short of abandoning them to Beijing's dismay.

On Wednesday, China hit back by announcing it had widened its investigations into imported EU products by adding an anti-subsidy probe of various cheese, milk and cream goods to anti-dumping checks on pork and brandy.

In a statement on Friday, the Commerce Ministry said officials had "listened to the opinions and suggestions of industry, experts, and scholars on raising the import tariffs on fuel-powered cars with large displacement engines."

Representatives of relevant industry associations, research associations, and automakers joined the meeting, it added.

State-owned tabloid Global Times, which first reported the investigations into European pork and dairy, in June also raised the prospect of China raising its import tariff on large-engined gasoline cars.

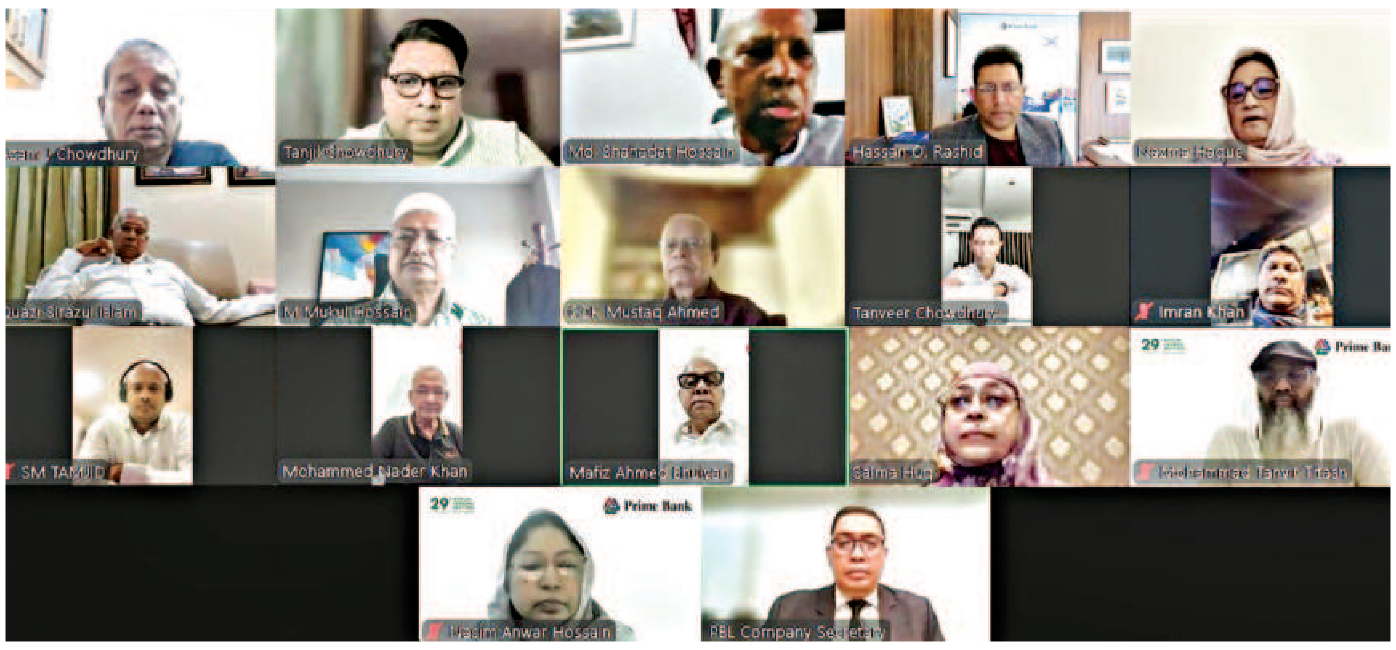
Doing so would hit Germany hardest. Its exports of vehicles with engines of 2.5 litres or larger to China were worth $1.2 billion last year, Chinese customs data shows.

China has been canvassing member-states to counter the EV tariffs, as the European Commission, which oversees the bloc's trade policy, cannot implement the duties if a qualified majority of 15 EU members representing 65 percent of the EU population vote against them.

Germany, along with Finland and Sweden, abstained from a July advisory vote on whether to back the tariffs' permanent adoption, sources have said.

France, Italy and Spain backed the proposed tariffs, and are among those that would be most affected by any punitive duties resulting from China's growing number of trade investigations.

Prime Bank declares Tk 2cr relief package for flood-affected people



Tanjil Chowdhury, chairman of Prime Bank, attends an emergency meeting of the board of directors of the bank in response to the severe flood situation currently affecting various districts of the country. The bank declared a financial relief package worth Tk 2 crore for the flood-affected people in the meeting, which was held virtually yesterday. PHOTO: PRIME BANK

STAR BUSINESS DESK

Prime Bank announced a financial relief package worth Tk 2 crore for the flood-affected people of different districts.

The bank held an emergency board meeting yesterday in response to the severe flood situation currently affecting various districts of the country, the bank said in a press release.

The aid will be directed to the chief adviser's relief and welfare fund to ensure that the relief reaches those most in need.

The board of directors of the bank expressed their deep concern and heartfelt sympathy for those affected by the devastating floods.

During the meeting held virtually, the bank reaffirmed its commitment to support and stand beside the people of Bangladesh in times of national crisis.

As part of its ongoing efforts to support the community, the board approved a relief package worth Tk 2 crore.

"We are deeply saddened by the loss of lives and the impact of the floods on our citizens," said Tanjil Chowdhury, chairman of Prime Bank.

"As a responsible corporate entity, it is our duty to extend our support to the affected families. We believe that our contribution will help reinforce the ongoing efforts to provide immediate relief and ensure the safety and well-being of those affected."

Prime Bank remains committed to partnering with the government and relevant stakeholders to ensure effective assistance and will continue to closely monitor the situation, the press release said.

India business activities extend robust growth streak

REUTERS, *Bengaluru*

India's business activity extended its robust growth streak in August as a stronger services industry offset a slight slowing in manufacturing expansion, according to a survey that indicated price pressures also were easing.

Those findings suggest India will hold on to its title of fastest-growing major economy over coming quarters despite expectations of a slowdown in the global economy.

HSBC's flash India Composite Purchasing Managers' Index, compiled by S&P Global, dipped slightly to 60.5 in July from last month's final reading of 60.7, in line with a Reuters poll forecast.

August marked over three years of expansion, the longest such run since June 2013. The 50-level separates growth from contraction.

"India's flash composite PMI slipped slightly in August, though it remained significantly higher than the historical average," noted Pranjul Bhandari, chief India economist at HSBC.

"Although new order growth for the manufacturing sector slowed to the weakest since February, the pace of expansion remained sharp, indicating continued strong demand and favourable market conditions."

The flash services PMI index rose to 60.4 this month from 60.3 in July, while a preliminary manufacturing PMI showed strong growth, albeit slightly weaker than last month. It declined to 57.9 from 58.1.

Although growth in overall demand slowed to a three-month low in August, it remained robust. However, exports expanded at the slowest rate since April, indicating weak global demand.

Overall input costs increased at their weakest pace since February and output prices rose at a slower rate compared to last month.

Even so, prices charged on manufactured goods surged at the fastest in nearly 11 years.

India's retail inflation fell in July to a near five-year low, largely due to a high-base effect, suggesting the slower pace of price rises was temporary and the Reserve Bank of India needs to be cautious.

Gold gains over 1%

REUTERS

Gold prices gained more than 1 percent on Friday as the dollar and Treasury yields retreated following comments from Federal Reserve Chair Jerome Powell that signalled an interest rate cut in September.

Spot gold rose 1.2 percent to $2,512.63 per ounce by 01:44 p.m. ET (1744 GMT), but was off a record high of $2,531.60 hit on Tuesday. US gold futures settled 1.2 percent higher at $2,546.30.

Powell said "the time has come" for the US central bank to cut interest rates and that inflation was nearing the Fed's 2 percent target, offering an explicit endorsement of an imminent policy easing.

The dollar index fell 0.8 percent against its rivals, while benchmark US 10-year yields also declined following Powell's speech, making gold more attractive for other currency holders.

Lower US interest rates also generally increase the relative appeal of zero-yield bullion

"Asset markets are reacting well, at least initially, to Powell's general, but somewhat open-ended comment that it's time for policy to adjust," said Tai Wong, a New York-based independent metals trader.

"Gold will continue to grind higher ahead of the September Fed meeting and the updated dot plot which will indicate how many likely cuts this year."

Lower US interest rates also generally increase the relative appeal of zero-yield bullion.

Gold might be over-positioned to the long end and we could see sell offs and some profit-taking, said Bart Melek, head of commodity strategies at TD Securities.

"But longer term, gold should do well since the Fed is very much picking their game and trying to make sure employment doesn't weaken anymore and is not worried about inflation."

Traders are expecting a 59.5 percent chance of a 25-basis point cut in September, while 40.5 percent expect a deeper 50-bps reduction.

PRICES OF KEY ESSENTIALS IN DHAKA CITY

	PRICE (AUG 24, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 64-Tk 80	2.86 ↑	9.09 ↑
Coarse rice (kg)	Tk 52-Tk 55	2.88 ↑	9.18 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-13.27 ↓
Lentil (kg)	Tk 105-Tk 110	0	10.26 ↑
Soybean (litre)	Tk 145-Tk 152	-1.00 ↓	-5.71 ↓
Potato (kg)	Tk 50-Tk 55	-16.00 ↓	34.62 ↑
Onion (kg)	Tk 110-Tk 120	0	39.39 ↑
Egg (4 pcs)	Tk 47-Tk 52	-2.94 ↓	-3.88 ↓

SOURCE: TCB

Apple to let iPhone users in Europe delete its App Store

AFP, *San Francisco*

Apple will allow iPhone and iPad users in the European Union delete the App Store or its Safari browser, the tech giant told developers on Thursday.

Apple had long fiercely protected the App Store as the lone gateway for digital content to get onto its popular mobile devices. The change comes as the company loosens its grip on devices in the EU due to the bloc's landmark new digital rules.

"The App Store, Messages, Camera, Photos, and Safari apps will be deletable for users in the EU," Apple said on a support page for developers.

"Only Settings and Phone will not be deletable."

Also being added is a special section where iPhone or iPad users will be able to manage default settings for browsers, messaging, phone calls and other features, according to Apple.

"As browser engines are constantly exposed to untrusted and potentially malicious content and have visibility into sensitive user data, they're one of the most common attack vectors for malicious actors," the iPhone maker said.

"To help keep users safe online, Apple will only authorize developers to implement alternative browser engines after meeting specific criteria and committing to a number of ongoing privacy and security requirements, including timely security updates to address emerging threats and vulnerabilities."

App makers had previously needed to use Apple's payment system on the App Store, with the tech titan getting a piece of transactions.

But the EU said the terms prevented app developers from freely steering consumers to alternative ways to pay, making Apple the first ever tech firm to face accusations of breaching a new law known as the Digital Markets Act (DMA).

UK energy bills to rise

FROM PAGE B4

The charity said the problem would be compounded by UK finance minister Rachel Reeves's recent decision to scrap winter fuel subsidies for 10 million older citizens.

Energy minister Ed Miliband acknowledged that the cap rise "will be deeply worrying news for many families", pinning the blame on the Conservative government ousted by Labour in last month's election.

"We will also do everything in our power to protect billpayers, including by reforming the regulator to make it a strong consumer champion," he added.

Ofgem chief executive Jonathan Brearley said the price rise was "driven" by Britain's "reliance on a volatile global gas market that is too easily influenced by unforeseen international events and the actions of aggressive states".

Labour has pledged to reduce the UK's dependency on foreign energy through a publicly owned body called Great British Energy that intends to spur investment in domestic renewable projects.

Economists

FROM PAGE B4

"It's a pretty successful political argument," he told AFP. "It has no economic basis."

The retail business is notoriously tough, with profit margins often in the low single digits -- in stark contrast to higher-margin sectors like tech.

"Is there a more competitive space than retail?" Target chief executive Brian Cornell said in an interview with CNBC on Wednesday that touched on Harris's price gouging plans.

"It is a penny business, and it's a very competitive space, and we provide the value consumers are looking for," he added.

But for people struggling with the cost of living, it's a difficult argument to make.

"People see that gasoline prices are higher than they were a few years ago, food prices are going to be higher than they were a few years ago," said Sweet, from Oxford Economics.

"But we're not going back down to the prices that we saw pre-pandemic," he added.

That's because easing inflation does not translate into lower sticker prices at the grocery store.

Instead, when wages increase faster than inflation -- as they have been for well over a year now -- the cost of those items relative to wages declines over time.

But it's a slow process.

The Federal Reserve appears increasingly confident that it is winning its battle to bring inflation back down to its long-term target of two percent.

On Friday, Fed chair Jerome Powell said "the time has come" to start lowering interest rates, lifting expectations of a rate cut next month.

"There's clear evidence that businesses' pricing power has started to diminish," said Sweet.

"I think over time, as inflation gets back down to the Fed's target, this discussion of price gouging is going to start to fade to the background," he added.

E-commerce refunds worth Tk 127cr stuck

FROM PAGE B1

"I have got approval from Bangladesh Bank, but not from the commerce ministry, because of which the payment gateway companies could not disburse the money," he added.

A nine-member probe committee was formed to investigate the scenario of the undisbursed money from the payment gateways on May 19 this year.

According to its report, the Directorate of National Consumer Rights Protection (DNCRP) received a total of 35,437 complaints from people seeking compensation.

Till July 31, the DNCRP managed to settled 16,667 complaints.

Documents show that the government had Tk 534 crore in escrow, from which funds worth Tk 407 crore were disbursed after settling complaints.

Escrow is a legal concept describing a financial agreement whereby an asset or money is held by a third party on behalf of two other parties that are in the process of completing a transaction.

Escrow accounts are managed by escrow agents, such as payment gateways like Bkash, Nagad, Software Shop Limited, and some banks.

A DNCRP official told The Daily Star that the pace of disbursing refunds was still quite slow.

"If the commerce ministry informs the Bangladesh Bank about the matter and requests them to take appropriate action, the customers will get their money back quickly," he said.

Md Sayed Ali, deputy secretary of the central digital commerce cell at the commerce ministry, said Tk 88.14 crore could be refunded immediately.

"Some companies have no activities and some of them do not have their operations in the provided location," he said.

"The owners of some of these companies are absconding. No one is communicating on behalf of their organisation, so we cannot verify the customers' claims."

Ali said payment gateway companies informed them that the e-commerce companies' delay in providing the list of customers was the main reason for the slow pace of refund disbursement.

AHM Shafiquzzaman, director general of the DNCRP, said only the companies could say how much money of the customers are stuck in payment gateways.

He said the system they accessed does not show the number of customers.

According to the DNCRP, payment gateways have money from 34 e-commerce companies.

Qcoom has Tk 61 crore and Evaly has Tk 13.04 crore stuck in payment gateways.

The Daily Star tried to contact Evaly but failed.

The Criminal Investigation Department has been investigating money laundering charges filed against Anonder Bazar, DhamakaShopping, E-orange, Akashneel, Alif World, Dalal Plus and Thale.

E-commerce businesses started in Bangladesh in 1999 with online shop Munshiji, which spread after 2010 when the internet and digital payment options became widely available, according to the DNCRP's probe report.

It added that a competitive e-commerce business started in 2015.

However, some companies started such ventures without any prior experience and then started announcing inconsistent discounts and other offers to take control of the market.

In 2019, businesses with such risky business models began springing up on a massive scale, the report said.

Bank of Japan governor flags

FROM PAGE B4

The comments saw the yen strengthen against the dollar Friday, hitting 145.29 to the greenback at one point, from a day's high above 146.

The sell-off on August 5, which was also fuelled by weak US jobs data that fanned recession fears, saw equity markets around the world plunge with Tokyo's Nikkei 225 diving more than 12 percent -- its worst day since Black Monday in 1987.

Markets have since recovered but traders remain on edge about any further disruptions, with the Fed expected to cut rates next month and possibly again before the end of the year.

Ueda explained in the parliament the market turmoil was triggered as "fears of a slowdown in the US economy spread rapidly".

"This caused a global depreciation of the dollar and a fall in stock prices."

Ueda added that the July rate hike decision was "appropriate", citing the increase in wages.

The BoJ's deputy governor earlier this month said officials would not raise interest rates when financial markets were unstable.

Figures earlier Friday showed Japan's core consumer price index hit 2.7 percent last month, in line with expectations but up slightly from June.