Battered US businesses eye improved China trade at Shanghai expo

AFP, *Shanghai*

Plying everything from handbags to salt in a cavernous Shanghai exhibition hall, US exporters hit by the trade war with China said Thursday they hope improving bilateral relations will bring much-needed stability.

After spending much of this year in a tit-for-tat tariff escalation, the United States and China have agreed to walk back from some punitive measures after a meeting last week between leaders Donald Trump and Xi Jinping.

At the annual China International Import Expo (CIIE), US ginseng seller Ming Tao Jiang told AFP multiple rounds of duties imposed since Trump's first presidential term had "decimated" growers in central Wisconsin state.

"Before 2018 we had 200 registered growers in Wisconsin, in Marathon County... after the first and second round of tariff wars, adding insult to injury of Covid, we're down to 70," said Jiang, founder of the Marathon Ginseng company.

"With the recent agreement between the two governments, I think things are stabilised, we're looking for a better potential in the future," Jiang added.

The North American variety of the aromatic root ginseng, believed to have medicinal properties in traditional Asian cultures, was one of the first products shipped by the United States to China in the 1780s.

Visitors are seen at the 8th China International Import Expo in Shanghai yesterday.

PHOTO: AFP

US and Chinese authorities have sporadically slapped retaliatory tariffs on each other's ginseng products since 2018, with Jiang saying his goods currently face a 45 percent import duty in China.

"We're here trying to keep our tradition going for the local economy," he told AFP.

Other US exhibitors echoed Jiang's cautious optimism, as visitors sampled Chinese-style baijiu liquor made from American rice and browsed stalls advertising cornbread mixes and California almonds.

Tara Qu is a trade representative in China for Idaho state who on Thursday oversaw the ceremonial signing of a purchase agreement between a Chinese maker of salted duck eggs and dynamite.

"I think the tariff decrease can help a little bit," Qu told AFP, referring to the recent agreement by China and the United States to suspend additional tariffs on each other's goods.

But as Beijing continues to levy a 10 percent blanket tariff on US imports, "we hope there will be a further reduction, so that trade can go back to normal", Qu said.

Qu added that US companies fear that Chinese buyers spooked by the trade war will turn to alternative suppliers from other countries.

She pointed to Anderson Northwest, an Idahoan producer of beans and pulses, as a CIIE exhibitor hit especially hard by tariffs this year.

"Since the tariffs increased by 20 percent, they haven't exported any of their products to China," Qu said.

Eric Zheng, president of the American Chamber of Commerce in Shanghai, told AFP: "We certainly hope that there will be more reductions in tariffs, because tariffs are hurting everybody."

"We have a long way to go to lower tariffs on (chamber) members," Zheng said, noting that Californian wines, for example, are currently subject to over 100 percent in Chinese import duties.

Throughout the trade war, "it was very difficult to plan for the long term," Zheng said.

Zheng welcomes planned visits by Trump and Xi to each other's countries next year.

"With those political events in place, I think we'll see (a) more stable environment, at least in the next year, if not beyond," Zheng said. "That's welcome news for us".

US private hiring beats expectations

AFP, *Washington*

Job growth in the US private sector soared past analysts' expectations in October, payroll firm ADP said Wednesday, providing a snapshot of the key labor market as a government shutdown continues to freeze federal data releases.

Private sector employment jumped by 42,000 in October, ADP said, rebounding from a loss of 29,000 jobs in September.

Surveys of economists by Dow Jones Newswires and The Wall Street Journal had expected lower growth of 22,000.

The ADP figures -- a private sector report -- is likely to attract renewed attention as it is one of few economic indicators released in recent weeks.

The world's biggest economy, whose government remains in a shutdown, has for the past month or so delayed releasing official numbers on employment, trade, retail sales and others.

This has left policymakers and business owners in a fog.

"Private employers added jobs in October for the first time since July, but hiring was modest relative to what we reported earlier this year," said ADP chief economist Nela Richardson.

The report also indicated that despite a rebound from two months of weak hiring, the uptick "wasn't broad-based."

Sectors leading the growth included education and health care, as well as trade, transportation and utilities.

But manufacturing lost jobs, as did the information sector, alongside professional and business services.

"ADP's estimate suggests the labor market is continuing to cool gradually," said Samuel Tombs, chief US economist at Pantheon Macroeconomics.

But he warned that other surveys have better track records of forecasting payrolls than ADP data.

With around 100,000 federal employees reaching the end of six-month deferred resignation schemes at the end of September, labor market slack likely continued to accumulate last month, Tombs said.

He anticipates that official data, if available soon, is therefore likely to encourage another Federal Reserve interest rate cut in December.

Year-on-year pay growth was flat in October from the previous month, said ADP on Wednesday.

Prime Bank signs payroll deal with Rahim Group

PHOTO: PRIME BANK

Maruf Mohsin, executive director of Rahim Group, and M Nazeem A Choudhury, deputy managing director of Prime Bank PLC, pose for photographs after signing the agreement at the bank's corporate office in Dhaka recently.

STAR BUSINESS DESK

Prime Bank PLC has signed a payroll agreement with Rahim Group, a manufacturing company specialising in building materials and engineering solutions.

M Nazeem A Choudhury, deputy managing director of Prime Bank, and Maruf Mohsin, executive director of Rahim Group, signed the agreement at the bank's corporate office in Dhaka recently, according to a press release.

Under the agreement, Rahim Group employees will enjoy a range of banking privileges from Prime Bank, including preferential services as well as credit card and loan facilities.

They will also have access to PrimePay, the bank's digital payroll platform that enables seamless and automated salary disbursement along with convenient, round-the-clock corporate payment solutions.

Mamun Ahmed, senior executive vice-president and head of distribution network at the bank; Mohammad Noor-E-Alam Siddique, executive vice-president and team head of corporate and institutional banking; Hasina Fardous, vice-president and head of payroll banking; and Hasibur Rahman, vice-president of corporate and institutional banking, attended the programme.

Golam Sarower, head of accounts at Rahim Group, and Sayful Islam, senior brand manager, along with other senior officials from both organisations, were also present.

Bank of England keeps rates on hold

REUTERS, *London*

The Bank of England kept borrowing costs on hold on Thursday but a narrow vote and signs that Governor Andrew Bailey might soon join those seeking a rate cut keeps the door open for a move after the government's budget later this month.

Mindful of Britain's still high headline inflation rate, the nine-strong Monetary Policy Committee voted 5-4 to keep the central bank's benchmark Bank Rate at 4.0 percent, the BoE said.

Most economists polled by Reuters last week had predicted a 6-3 decision by the MPC to leave Bank Rate unchanged.

While Bailey was among those who decided to keep borrowing costs unchanged, he was the only one of the five who felt that overall inflation risks had moved down. However, he felt there was "value in waiting for further evidence" of this in upcoming economic developments this year, the BoE said.

BOE SAYS UK INFLATION HAS PEAKED

Britain's inflation of 3.8 percent remains the highest among the Group of Seven major advanced economies and the BoE's benchmark interest rate is double the European Central Bank's, adding to the challenge for the government to speed up the economy.

However, inflation unexpectedly held steady in September and recent jobs data has also hinted at weakening price pressures.

The MPC said it believed inflation had peaked and would fall in data for October and November as weaker economic growth and a worsening jobs market took their toll on demand.

"We still think rates are on a gradual path downwards, but we need to be sure that inflation is on track to return to our 2 percent target before we cut them again," Bailey said.

Thursday's decision represented the first pause in the BoE's already-gradual, once-every-three-months pace of rate cuts which started in August 2024.

The BoE forecast that inflation would remain above its 2 percent target until the second quarter of 2027 - the same as in August - although it did forecast inflation would be slightly lower then, at 1.9 percent, and also flagged the weakness in the jobs market.

Bangladesh Bank Executive Director Md Salah Uddin, who assumed responsibility as the administrator of Social Islami Bank PLC, holds the first meeting with other newly appointed members of the administrator team at the bank's head office in Dhaka yesterday.

PHOTO: SOCIAL ISLAMI BANK

Paris accord

FROM PAGE B4

imports, which raise the risk of price fluctuations and give geopolitical leverage to possible adversaries.

Add in power plants' unreliability in some countries, and the impetus to transition quickly is big: Pakistan, for example, has in just 18 months added enough solar panels to generate a third of its electricity. On top of that, the top trading partner for around 150 countries is China, which is at the forefront of developing everything from electric vehicles to solar panels to high-voltage cables for power grids.

Washington, though, is pushing back – and not just with rhetoric. Trump has used his tariff war to push partners including the European Union, Vietnam and Japan to include increased purchases of US liquefied natural gas in their new trade agreements. And in October his administration succeeded in delaying by a year a vote on the International Maritime Organization's net-zero framework for shipping, by threatening to impose further levies on states and revoke individuals' US visas if they supported the plan.

Such tactics will, at least, be harder to pull off in person at COP30 and beyond. That's because the US might not even send a delegation to Belém - and will only be able to attend future confabs as an observer because of Trump's decision to pull out of the Paris Agreement, for the second time.