

Trade war 'on hold'

China says cannot guarantee that trade tensions with Washington can be permanently avoided

● **US proposed tariffs on \$50 billion of Chinese imports**

● **China responded by targeting \$50bn in US products**

AP | Washington

The United States and China are pulling back from the brink of a trade war after the world's two biggest economies reported progress in talks aimed at bringing down America's massive trade deficit with Beijing.

"We are putting the trade war on hold," Treasury Secretary Steven Mnuchin said Sunday.

After high-level talks Thursday and Friday in Washington, Beijing agreed in a joint statement with the US to "substantially reduce" America's trade deficit with China, but did not commit to cut the gap by any specific amount. The Trump administration had sought to slash the deficit by \$200 billion.

Still, Mnuchin said the two countries had made "meaningful progress" and that the administration has agreed to put on hold proposed tariffs on up to \$150bn in Chinese products. China had promised to retaliate in a move that threatened a tit for tat trade war.



Steven Mnuchin, US Treasury Secretary

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We are putting the trade war on hold

STEVEN MNUCHIN,
TREASURY SECRETARY

He said they expect to see a big increase — 35 to 45 per cent this year alone — in US farm sales to China. Mnuchin also forecast a doubling in sales of US energy products to the Chinese market, increasing energy exports by \$50bn to \$60bn in the next three years to five years.

Commerce Secretary Wilbur Ross, who has been part of the US negotiating team, will go to China soon to follow up on last

week's discussions, Mnuchin said. But China said Monday that it cannot guarantee trade tensions with Washington can be permanently avoided.

A foreign ministry spokesman, Lu Kang, said Mnuchin's comments showed both sides hope to avoid a "trade war." However, he added, "Given the increasing interaction between the two countries, we cannot assure you they will not encounter more frictions or disputes in the future."

In a statement Saturday, Beijing committed to "significantly increase" its purchases of American goods and services, saying the increase would "meet the growing consumption needs of the Chinese people and the need for high-quality economic de-

velopment."

Last year, the US had a record \$376bn deficit with China in the trade of goods; that was the largest by far with any nation.

Last August, US Trade Representative Robert Lighthizer began investigating Beijing's strong-arm tactics to challenge US technological dominance. These include outright cyber-theft of US companies' trade secrets and China's demands that American corporations hand over technology in exchange for access to the Chinese markets.

Last month, the administration proposed tariffs on \$50bn of Chinese imports to protest the forced technology transfers.

China responded by targeting \$50bn in US products, including soybeans — a shot at Trump supporters in America's



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Gold hits 2018 low



Gold jewellery is seen displayed for sale at a shop in a gold market in Basra, southeast of Baghdad

● **Silver was down 0.2 pc at \$16.39 an ounce,**

● **Palladium was up 1.2 pc at \$974.70 an ounce**

Reuters | London

Gold marked a new low for the year yesterday after US Treasury Secretary Steven Mnuchin's declaration that a trade war between China and the United States was "on hold" helped boost appetite for higher risk assets such as stocks and the dollar.

Buoyancy in US Treasury yields also weighed on appetite for non-interest bearing assets such as bullion, analysts said.

Spot gold fell to its lowest since late December at \$1,281.76 an ounce, and by 1205 GMT was down 0.5 per cent at \$1,285.17 an ounce. US gold futures for June delivery were 0.5 pc lower at \$1,284.50.

"The dollar's riding high, and the 10-year yield has broken above 3.05 pc for the first time since 2011," Mitsubishi

analyst Jonathan Butler said. "This is taking place at a time when we're very close to all-time highs in the US equity markets, and all of this positive news about jobs, about productivity, is feeding into a move towards risky assets."

He said gold could benefit from safe-haven buying in the long run if that exuberance loses steam and inflation pressures mount. But he added: "It's possible that we might see a further correction in the very short term. That will of course depend on the newsflow, and whether the dollar can hold onto its gains."

Gold prices fell below the psychologically important level of \$1,300 an ounce last week, and posted the first weekly close below their 200-day moving average since late December.

Among other precious metals, platinum was down 0.2 pc at \$881 an ounce, after also marking a fresh low for the year in earlier trade at \$873.50.

Silver was down 0.2 pc at \$16.39 an ounce, while palladium, the most industrial of the major precious metals, was up 1.2 pc at \$974.70 an ounce.

Trump: Beijing will buy more products

Reuters | Washington

US President Donald Trump on Monday said China had pledged to buy "massive amounts" of American agricultural products but gave no other details about planned commitments from Beijing following US-China trade talks last week.

"Fair Trade, plus, with China will happen!" Trump wrote in a series of posts on Twitter that came a day after US Treasury Secretary Steven Mnuchin said a trade war between the world's largest economies was "on hold." "China has agreed to buy massive amounts of ADDITIONAL Farm/Agricultural



File photo of US President Donald Trump (Reuters)

Products - would be one of the best things to happen to our farmers in many years!" Trump wrote. "On China, Barriers and Tariffs to come down for first time," he added.

Trump offered no specifics

about what steps US and Chinese officials had agreed to after talks on Thursday and Friday in Washington. The negotiations followed earlier meetings in Beijing aimed at diffusing the trade spat spurred by the Trump administration's threat to slap tariffs on Chinese goods, and a counterproposal by China to levy US products.

Over the weekend, Beijing and Washington pledged to keep talking about how China could import more energy and agricultural commodities from the United States to narrow the \$335 billion annual US goods and services trade deficit with China.

Insurers cash in on new European data privacy

● **Authorities can fine up to 4pc of annual revenue or \$23.6 million, whichever is higher, for breaching the rules**

Reuters | London

Data privacy rules coming into force this week are giving Europe's fledgling cyber insurance market a boost as they make companies more aware of the risks caused by customer information breaches.

Europe's General Data Protection Regulation (GDPR), which takes effect on Friday, has been billed as the biggest shake-up of data privacy laws since the birth of the web.

It aims to give EU citizens more rights over their online information and threatens fines of up to 4pc of a company's annual revenue for serious infringements. The latter will include failure to notify regulators of breaches within 72 hours. Insurers say the directive, together with major cyber attacks like last year's Wanna-Cry and NotPetya viruses, is driving demand in Europe for cyber insurance.

Cyber cover can pay for anything from the repair of IT systems after a data breach, to compensation for lost business,



Representative picture

legal costs and even for a public relations firm to patch up damaged reputations. The number of syndicates offering cyber insurance in the giant Lloyd's of London commercial insurance market jumped by more than 20 percent last year to over 70.



The law brings Europe more closely into line with the United States, where many states have for several years required firms to notify regulators about data breaches.

US Commerce chief to travel to China next week

Washington

US Commerce Secretary Wilbur Ross will travel to China next week to help finalize a trade agreement after Washington and Beijing reached an initial framework last week, U.S. Treasury Secretary Steven Mnuchin said on Monday.

"Secretary Ross has to go over and turn that into a signed piece of paper with companies," Mnuchin told reporters at the White House.

"This is not a government-to-government purchase order, but we have an agreement with them as to what will be executed."



US Commerce Secretary Wilbur Ross

What is GDPR?

The new rules, called GDPR for short, are designed to make it easier for EU residents to give and withdraw permission for companies to use personal information, requiring consent forms that are written in simple language and no more than one-page long. Companies that already hold such data have to reach out to customers and ask for permission to retain it. Authorities can fine companies up to 4pc of annual revenue or \$23.6

million, whichever is higher, for breaching the rules.

Regulators say the law applies to anyone who collects, uses or stores personal data.

A survey conducted by Britain's Federation of Small Businesses estimates that complying with the rules will cost an average of 1,030 pounds (\$1,390) per company.

EU officials say GDPR is necessary to catch up with all the technological advances since 1995.