

business

China to impose new tariffs on \$75 billion of US imports: govt

Beijing, China

China announced yesterday it will hit US imports worth \$75 billion with new tariffs starting September 1 and December 15, as retaliation for Washington's planned tariff hikes in a bruising trade war.

The punitive tariffs will range from 5 per cent to 10pc on 5,078 items from the US, China's state council tariff office said.

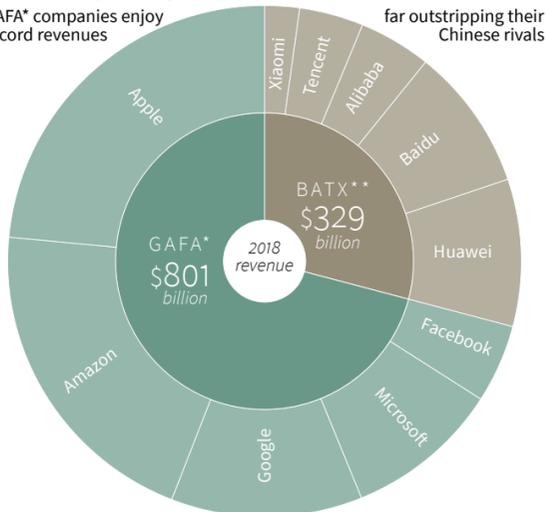
Beijing also announced it will impose a 25pc tariff on US autos and a 5pc tariff on auto parts starting December 15.

China had lifted punitive tariffs on American cars and auto parts earlier this year as a goodwill measure while trade talks were underway.

The tariff hikes by the US "have led to the continuous escalation of China-US economic and trade frictions, violating the consensus reached by the

GAFA digital giants

GAFA* companies enjoy record revenues



**BATX = Baidu, Alibaba, Tencent, Xiaomi
Sources: Alphabet, Apple, Amazon, Microsoft, Facebook, Baidu, Alibaba, Tencent, Xiaomi, Huawei, Statista
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business

Mexican economy registers zero growth in Q2

Mexico City, Mexico

Mexico registered zero economic growth in the second quarter, according to revised data released Friday, meaning that Latin America's second-biggest economy dodged a recession even more narrowly than previously thought.

"Gross domestic product (GDP)... registered no change in real terms in the second quarter of 2019," Mexico's official statistics institute, INEGI, said in a statement. INEGI had initially said in July that GDP expanded by 0.1 percent in the period from April to June.

That puny-but-positive figure at least indicated the economy had returned to growth, after shrinking in the first quarter of the year.

Friday's revised figure is a fresh bit of bad news for Mexico and President Andres Manuel Lopez Obrador, an anti-establishment leftist who took office in December promising to kick-start the economy, among other things.

Trump vows quick response

Washington, United States

US President Donald Trump yesterday pledged a quick response to China's decision to slap a new round of tariffs on US goods, and told American firms to find an "alternative" to making their products in China.

In a series of blistering tweets, Trump did not hint at what his response to Beijing would be. He "ordered" US companies to change their production strategies, but did not say how he would enforce

such an order. "I will be responding to China's Tariffs this afternoon," Trump said.

"The vast amounts of money made and stolen by China from the United States, year after year, for decades, will and must STOP," he added.

"Our great American companies are hereby ordered to immediately start looking for an alternative to China, including bringing your companies HOME and making your products in the USA."

two heads of state in Argentina and the consensus reached in Osaka," China's State Council Tariff Commission Office said in a statement.

US President Donald Trump

has imposed steep tariffs on \$250 billion in Chinese goods, with a further \$300 billion in imports targeted for new duties in two more rounds, September 1 and December 15.

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Fed will act 'as appropriate' to sustain US expansion: Powell

Washington, United States

Federal Reserve Chair Jerome Powell stressed yesterday that the central bank will act to ensure the US economic expansion continues, even in the face of "significant risks" posed by slowing global growth.

But as Beijing stepped up retaliation in the US-China trade war, Powell warned that trade tensions are exacerbating the global slowdown and the Fed doesn't have a "rulebook" for dealing with the uncertainties.

Powell at the same time played down concerns that further stimulus could spark a surge in inflation, saying, "Low inflation seems to be the problem of this era, not high inflation."

President Donald Trump's trade war with China has escalated for months, undercutting business confidence and curtailing investment, while causing wild swings on global stock markets.

The Fed cut the benchmark interest rate last month for the first time in more than a decade, partly due to the anticipated impact of trade uncertainties on the growth.

But in his hotly-anticipated speech, Powell made clear the central bank has limited tools to respond to a trade war.

"The three weeks since our July FOMC meeting have been eventful, beginning with the announcement of new tariffs on imports from China," he said in a speech prepared for delivery to an annual central banking conference in Jackson Hole,



US President Donald Trump walks with Jerome Powell, Federal Reserve chairman, at the White House in Washington, DC.

Low inflation seems to be the problem of this era, not high inflation

JEROME POWELL
FEDERAL RESERVE CHAIR

Wyoming. "The global growth outlook has been deteriorating since the middle of last year. Trade policy uncertainty seems to be playing a role in the global slowdown and in weak manufacturing and capital spending in the United States," Powell said.

The US economy "is now in a favourable place," but given the "significant risks we have been

monitoring" the Fed "will act as appropriate to sustain the expansion," he said.

He warned, however, that there is no "settled rulebook for international trade ... no recent precedents to guide any policy response to the current situation."

Several Fed officials at the conference repeated their opposition to further rate cuts to boost the economy, in part due to the potential to spark an upsurge in prices.

But Powell said, "Low inflation seems to be the problem of this era, not high inflation."

And he said, "in the unlikely event that signs of too-high inflation return, we have proven tools to address such a situation."