CHILE'S ‘GREEN GOLD’ ALGAE UNDER THREAT

**PUERTO MONTT, Chile:** Workers collect pelillo (Gracilaria Chilensis) seaweed during a low tide harvest south of Santiago on Oct 19, 2016. — AFP

Chiles ‘green gold’ algae under threat

**COIHUIN, Chile:** Farmers in southern Chile were thrilled on Friday when their struggling industry, which makes a living just by picking up seaweed at the beach, not just any seaweed but the red algae used to make agar-agar, a versatile substance whose many uses - textile dyes, plastics, cosmetics - include acting as a gelatin substitue. That has created booming demand in recent years from vegetarians, vegans and people avoiding meat for religious or health reasons. Chile, Spain and Japan, the world’s top producers, account for 60 percent of agar-agar output, according to the Food and Agriculture Organization. Chile exports 1,800 tons a year.

**Danger of Extinction**
At Coihuin, farmers grow the algae old-school, planting it by hand, with no machines. “In fifteen days it will be ready to harvest,” says one, Carlos Leiva. “After that we’ll harvest two or three more times before February or March.” But once the red algae begins to grow, the algae is increasingly scarce. Leiva, who started harvesting algae as a boy, remembers when all he had to do was pick what grew naturally at the beach. “Years ago, all this was full of seaweed. It came to my knees - my waist, even,” another farmer, Pedro Soto, told AFP with nostalgia. “Not a single patch of beach was bare,” he said. “This year there’s less.”

**Fekl: Brussels with US counterparts**
**BRUSSELS:** Talks on a vast free-trade deal between the EU and US are likely to be “frozen” for years after the stunning election victory of Donald Trump, the EU said yesterday. President-elect Trump campaigned fearlessly on a promise to scrap international trade deals, throwing the ambitious pact with the EU into serious doubt. Brussels and Washington tried to get the Transatlantic Trade and Investment Partnership (TTIP) through when the time Barack Obama left office but fell short.

“TTIP will probably be in the freezer for quite some time and then what will happen when it is defrosted, I think we will need to wait and see,” EU Trade Commissioner Cecilia Malmstroem said after trade ministers held the time Barack Obama left office but fell short. “TTIP will probably be in the freezer for quite some time and then what will happen when it is defrosted, I think we will need to wait and see,” EU Trade Commissioner Cecilia Malmstroem said after trade ministers held talks in Brussels. “We don’t know what he thinks about TTIP,” Malmstroem said, referring to Trump, although she acknowledged that the brash billionaire was clearly opposed to big trade deals.

TTIP has been under negotiation since 2013 and was supposed to be one of the most ambitious free-trade accords ever attempted. It would create the world’s biggest free trade area, covering 800 million people - a fifth of the global population.

But it had attracted increasing opposition in Europe, where voters have grown increasingly dubious to the benefits of globalization. The stalled talks come as a huge setback to Europe's strategy of selling off the UK as a market to other parts of the European Union. And it may also leave Canada facing an uncertain ratification process and difficult talks expected next year with the UK over Brexit.

“TTIP (negotiations) are dead and I think everybody knows it even though lots of people don’t want to admit it yet,” said French Trade Minister Matthias Fekl after talks in Brussels with his EU counterparts. “Never mind who is president in the US, what is important is that Europe...affirms itself as a global player as the most important commercial entity in the world,” Fekl added. — AFP

NEW YUAN LOANS DOWN AS PROPERTY CURBS BITE

China weakens yuan-dollar rate

BEIJING: Chinese banks extended 651.3 billion yuan ($95.56 billion) in net new yuan loans in October, below expectations and falling sharply from September as policy-makers pledged to prevent asset bubbles in the increasingly debt-fueled economy. The People’s Bank of China has been keeping policy accommodative to spur growth - as evident by record bank lending so far this year - but it faces an uphill battle to divert money from the red-hot real estate market into the weak real economy.

“The drop in new lending last month was seasonal and does not reflect a shift in broad credit growth, which was stable in October,” Julian Evans-Pritchard at Capital Economics said in a note. “This stability may not last, however, and we expect credit growth to decelerate further in coming quarters.” Analysts polled by Reuters had expected new lending to have fallen back to 700 billion yuan from September’s three-month high of 1.22 trillion yuan. New bank loans totalled 10.8 trillion yuan in the first 10 months of the year - all time high, according to Reuters calculations based on central bank data.

Lending has been driven heavily by robust mortgage growth as the housing market booms, with banks increasing their exposure to the sector to offset a fall in non-performing loans in more sluggish parts of the economy. New household loans, mostly mortgages, fell to 433.1 billion yuan in October from 637 billion yuan in September, central bank data showed, suggesting demand for mortgages is cooling after a spate of steps by local governments to restrict home purchases to cool soaring prices. The ratio of new household loans to total new loans rose to 66.5 percent from 52 percent in September, the data showed. Highlighting underlying weakness in the broader economy, new medium- to long-term corporate loans fell sharply to 72.8 billion yuan from 446.6 billion yuan in September. The central bank said this week that it will maintain ample liquidity in the economy while taking steps to prevent speculative bubbles, adding that the balance between stabilising growth and preventing bubbles has become more challenging.

**Reference Rate**
Separately, China weakened the yuan’s reference rate to beyond 6.8 to the dollar for the first time in more than six years yesterday as the greenhouse rebounded strongly, with analysts warning the unit could drop further.

The People’s Bank of China set the value of the yuan - also known as the renminbi - at 6.8151 to the greenback, down 0.34 percent from Thursday’s fixing, according to data from the Foreign Exchange Trade System. The dollar surged on Thursday, rebounding strongly from steep losses earlier this week after Donald Trump - whose surprise presidential win shocked the markets - gave a reassure market speech to soothe the worried investors. Yesterday’s yuan fix is the lowest since September 2010 and an analyst estimated it could fall further. It has lost further to gold. President Trump injects massive fiscal stimulus and protectionism then we will see a MUCH weaker CNY and CNH,” Michael Every, head of Asia-Pacific financial markets at Rabobank, said in a written response to AFP, referring to both the onshore and offshore yuan quotes. — AFP