

Amid acrimony and low expectations, US-China trade talks to resume

Trump's attitude toward process subject to sudden change

WASHINGTON: As they prepared to return to the negotiating table yesterday, top Chinese trade officials faced a blitz of aggressive US maneuvers, with expectations for a grand bargain between both sides approaching zero. President Donald Trump—who has taken the global economy on a white-knuckle ride since launching multi-pronged trade offensives with China and Europe last year—said Wednesday the outcome was down to him.

“They want to make a deal,” he said at the White House. “The question is do I want to make a deal.” US duties on \$250 billion in Chinese imports are due to rise in five days while relations meanwhile deteriorated through the week. Washington has slapped visa restrictions on senior Chinese officials and black-listed more than two dozen Chinese firms, accusing both of persecuting ethnic Muslims in China’s western Xinjiang region.

The measures have outraged Beijing and in the process penalized major Chinese players in the artificial intelligence sector, in which both nations are intense rivals. Chinese trade envoy Liu He is due to meet Thursday with US Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin. But Trump’s attitude toward the process is subject to sudden change, given the churning pressures competing for his attention.

He is as usual engulfed in turmoil, facing Democrats’ intensifying efforts to impeach him and Republicans’ stinging criticism for effectively allowing a Turkish assault on US-allied Kurdish forces by pulling American forces from northern Syria. Markets

were nevertheless buoyed on Wednesday by media reports that Beijing will propose a partial deal to prevent further escalation.

China is willing to bump up purchases of US farm exports and make other concessions but will stop short of addressing Trump’s core grievances, according to Bloomberg and The Financial Times. In return, Beijing would expect a pause on planned increases in US import tariffs, which are currently scheduled to increase in waves through December. Earlier in the week, firebrand White House trade adviser Peter Navarro told NPR that Trump was uninterested in half measures, showing “steely resolve” instead.

More and more friction

“It’s either a big deal or no deal,” he said, adding that any attempt to reach an incremental bargain would be a “miscalculation by China.” Washington accuses China of attempting to forge global industrial predominance through massive state intervention in markets, the theft of intellectual property, hacking and subsidies, accusations shared by Europe and Japan. But Clete Willems, a former Trump trade advisor, said Wednesday a partial deal could be the president’s best move. “I don’t think the administration should be afraid of a partial deal,” he told CNBC, adding that a bargain that came with some structural reforms to China’s economy could be worth it. “I think it’s a way that the president can essentially have his cake and eat it too. He can say, look, I made progress on some real significant things but I’m still tougher than

anyone else has ever been.” China’s purchases of US soybeans jumped in September after stagnating during the summer. This could offer some relief to American farms, which have borne the brunt of retaliation in the trade war.

Warning signs for the global economy have blared ever louder in recent weeks, however, increasing the pressure on both sides to reach a deal. The International Monetary Fund this week said the trade war was due to shave nearly \$700 billion from global growth next year, with 90 percent of the world’s nations now experiencing a “synchronized slowdown.” US central bankers believe the trade war is raising the chances the United States could slip into recession, according to a readout released Wednesday from last month’s Federal Reserve policy meeting.

American exports have weakened, manufacturing is now contracting and business investment has fallen off sharply due to uncertainty created by the trade war. And if that slump persists, layoffs could soon follow, eroding consumer spending and dragging growth down with it, according to the Fed’s minutes. “We all know the next round of tariffs is going to hurt the United States as much or more than China,” Wendy Cutler, vice president of the Asia Society Policy Institute, told AFP on Wednesday.

“I think neither side will admit it but I think they’re both under pressure to find a way to forestall the next set of tariff increases,” she added. “Every month that these trade talks continue, there’s more and more friction in the relationship.”—AFP

Turner painting unveiled on Britain's new £20 note

LONDON: The Bank of England unveiled Britain’s new £20 polymer banknote yesterday, featuring artist J M W Turner and his most cherished masterpiece. The note includes Joseph Mallord William Turner’s self-portrait and his 1838 oil painting “The Fighting Temeraire”. It will enter general circulation on February 2, 2020. “As the new Turner £20 testifies, money can be a work of art in everyone’s pocket,” Bank of England Governor Mark Carney said.

The note was unveiled at the Turner Contemporary art gallery in the southeast English seaside resort of Margate. The £20 note accounts for more than half the banknotes in circulation. “Our banknotes celebrate the UK’s heritage, salute its culture, and testify to the achievements of its most notable individuals,” said Carney. “Turner’s painting was transformative, his influence spanned lifetimes, and his legacy endures today. The new £20 note celebrates Turner, his art and his legacy in all their radiant, colorful, evocative glory.”

Turner was selected by Britain’s central bank following nominations from the public. The Bank of England issues £5, £10, £20 and £50 notes. The latest series is being printed for the first time on polymer rather than paper. They retain a regular layout, featuring a 1990 portrait of Queen Elizabeth II, and a historical figure on the reverse. The new £5 and £10 notes have



This handout image from the Bank of England shows the new Twenty Pound Note, back and front, featuring late British painter JMW Turner. —AFP

already been rolled out.

The £5 note features World War II prime minister Winston Churchill and novelist Jane Austen appears on the £10 note. The bank claims the new £20 note is its most secure one yet and “very difficult to counterfeit”, with features such as two clear windows, two-color foil, a hologram, raised dots, an ultra-violet 20, tiny letters and a three-dimensional crown.

World War II code-breaker Alan Tur-

ing, a computer science pioneer, will appear on the new rarely-used £50 note, to enter circulation by the end of 2021. Sterling is the first of the world’s four most traded currencies-ahead of the US dollar, the euro and the yen—to switch to polymer. Australia was the first country to issue a polymer banknote in 1988 and they are now used in several countries including Canada, Russia and New Zealand. —AFP

India pursues China-led trade deal despite domestic opposition

NEW DELHI: India is pressing ahead with talks to join a China-led free trade pact, officials said yesterday, despite some domestic producers’ concerns that the country could be flooded with cheaper Chinese imports. Negotiators for the 16-nation Regional Comprehensive Economic Partnership (RCEP) are in the Thai capital Bangkok this week for talks aimed at finalizing the giant free trade zone by the end of the year.

Trade Minister Piyush Goyal will join Indian delegates on the weekend for direct talks with his counterparts from China, Japan, Australia, New Zealand and Singapore. India will be looking for safeguards to be built into the proposed pact to prevent a sudden surge in imports, the trade ministry said in a statement. Goyal has been holding talks to allay fears of a flood of Chinese imports if New Delhi joins the agreement, the ministry said.

“The focus and emphasis of the meetings chaired by the Commerce and Industry Minister was on putting in place appropriate safeguards including auto-trigger mechanism against sudden surge in imports from RCEP countries,” it said in a statement. India has reached an agreement in principle with other countries to include a safeguard mechanism that would trigger duties if goods are deemed to have been dumped from a partner country, a source with knowledge of the negotiations said.

Indian producers fear cutting tariffs on dairy and other produce would open the door to cheap Chinese imports and threaten an agriculture sector that supports most of India’s 1.3 billion people. A political ally of Prime Minister Narendra Modi’s party has joined opponents of the free trade pact. The nationalist Rashtriya Swayamsevak Sangh (RSS) called on Friday for a nationwide campaign against the deal, saying any change in tariffs would cripple factories and farms at a time of slowing economic growth. — Reuters