US removes currency manipulator label on China ahead of inking of trade deal

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WASHINGTON: The US has reversed its decision to brand China a "currency manipulator" as the world's two major economies prepare to conclude a "phase one" deal on Wednesday to end their bruising trade war.

President Donald Trump has repeatedly accused China of allowing the value of the yuan to fall, making Chinese goods cheaper. The US officially named China a currency manipulator in August last year when trade tensions were high between Beijing and Washington.

Meanwhile, after depreciating as far as 7.18 RMB per US dollar in early September, the RMB subsequently appreciated in October and is currently trading at about 6.93 RMB per dollar, it said.

"In this context, Treasury has determined that China should no longer be designated as a currency manipulator at this time," the report added.

Under the US definition, currency manipulation is the deliberate effort by a country to influence the exchange rates between its currency and the US dollar to gain an "unfair competitive advantage in international trade".

Trump, who blames China for a decline in US manufacturing, promised to label China a currency manipulator during his 2016 election campaign.

Announcing the revocation of China's currency manipulator status, US Treasury Secretary Steven T. Mnuchin said, "China has made enforceable commitments to refrain from competitive devaluation, while promoting transparency and accountability."

"The Treasury Department has helped secure a significant Phase One agreement with China that will lead to greater economic growth and opportunity for American workers and businesses," he said in Washington on Monday. China has also agreed to publish relevant information related to exchange rates and external balances, the Department of Treasury said in a report.

Reacting to the US decision, China said on Tuesday said the Trump administration reversing the previous decision to declare it as a currency manipulator is in line with "facts" and claimed that the exchange rate of its currency is based on the "economic fundamentals" of the Chinese economy.

"China is not an exchange rate manipulator," Foreign Ministry spokesman Geng Shuang told a media briefing in Beijing on Tuesday. "The latest conclusion of the United States is in line with the facts and the consensus of the international community. A recent International Monetary Fund assessment concluded that the level of the RMB exchange rate is generally in line with economic fundamentals, and objectively denied that China is a "currency manipulator," he noted.

Removal of currency manipulator tag by US is 'in line with facts': China

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BEIJING: China on Tuesday said that it had never been a currency manipulator and the US' decision to remove the label is "in line with the facts" as it claimed that the exchange rate of its currency is based on the economic fundamentals of the Chinese economy. The US on Monday removed the currency manipulator label it imposed on China last summer, in a sign of easing tensions between the economic powers after nearly two years of conflict. Just two days before President Donald Trump is set to sign a Phase One trade deal with China, the US Treasury said in its semi-annual report to Congress that the Chinese yuan has strengthened and Beijing is no longer considered a currency manipulator. The US said it made the change because China had agreed to refrain from devaluing its currency to make its own goods cheaper for foreign buyers. The "Phase One" pact is aimed at de-escalating the tit-for-tat tariff war the two countries have engaged in since 2018. Reacting to the US' decision to reverse its decision to declare China as currency manipulator, Chinese Foreign Ministry spokesman Geng Shuang during a media briefing here said.

Retail Inflation At 5-Year-High, Vegetables 60% Expensive

Agencies

NEW DELHI: India's retail food inflation sky-rocketed in December to 14.12 per cent, as seasonal factors made vegetables and pulses dearer, official data showed on Monday.

According to the National Statistical Office, the consumer food price index shot up to 14.12 per cent from 10.01 per cent in November and (-) 2.65 per cent in December 2018.

Consequently, the high food retail inflation rate lifted the overall Consumer Price Index to 7.35 per cent from 5.54 per cent in November.

In terms of CPI YoY inflation rate, vegetables and pulses' prices jumped to 60.50 per cent and 15.44 per cent, respectively in December 2019.

Furthermore, meat and fish prices rose 9.57 per cent, eggs became dearer by 8.79 per cent and the overall price of food and beverages category was up 12.16 per cent. In addition, the fuel and light category under CPI rose 0.70 per cent.

Last month, RBI in its monetary policy review statement had predicted the CPI-based inflation to rise in the coming quarters.

"Going forward, the inflation outlook is likely to be influenced by several factors. First, the upsurge in prices of vegetables is likely to continue in the immediate months; however, a pick-up in arrivals from the late kharif season along with measures taken by the government to augment supply through imports should help soften vegetables prices by early February 2020," the Fifth Bi-monthly Monetary Policy Statement, 2019-20 said.

"Second, incipient price pressures seen in other food items such as milk, pulses, and sugar are likely to be sustained, with implications for the trajectory of food inflation. Third, both the 3-month and 1-year ahead inflation expectations of households polled by the Reserve Bank have risen and these latent sentiment upsides are being reflected in other surveys as well."

The data also indicated that retail inflation has breached the medium-term target of the RBI to contain CPI inflation within 4 per cent with a band of +/- 2 per cent.

States shun imported onions; Centre fears stock may rot

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NEW DELHI: Forced to import onions to check spike in prices, the Union Government now fears that the key kitchen staple may rot in godowns as states have shown little interest in buying them despite its offer to bear transportation cost.

Consumer Affairs Minister Ram Vilas Paswan said the Centre is offering onions to states at Rs 55 per kg landed cost and is ready to bear the cost of transporting the commodity.

While the Centre alone can import onions, it depends on states for retailing them to consumers.

Retail onion prices started to rise by September-end and touched a high of Rs 170 per kg in December, forcing the Union government to import onions from countries like Turkey and Egypt. In subsequent weeks, rates started to soften with the arrival of new Kharif crop in the market.

"So far, we have contracted (import of) 36,000 tonnes of onion. Of which, 18,500 tonnes of shipment has reached India, but states have taken only 2,000 tonne that too after much persuasion. We are worried about its disposal because it is a perishable commodity," Paswan told reporters.

"Tomorrow, someone should not go to court and say imported onions were rotting," he said.

He said the Centre is offering imported onions at an average cost of Rs 55 per kg and also bearing the entire transportation cost. Despite all, the state governments are not coming forward to buy them.

As per government data, retail onion prices average Rs 50 per kg in most markets. The data showed onion being priced at Rs 50 per kg in the national capital but local vendors were selling it for Rs 70-80 a kg.

Asked why prices are still high despite imports, Paswan said, "The imports are being done to improve the domestic supply and check prices. If state governments are not ready to take the imported onions, what can we do?"

So far, Andhra Pradesh, Kerala, Telangana, Uttar Pradesh and West Bengal governments have taken the imported onions. Many states have withdrawn their demand, he added.

Sources said the taste of imported onions is different from the home-grown ones and consumers are not buying them when domestic onion is available at the same rate.

Stating that a shipment of 5,500 tonne was cancelled before it set on sail in the absence of demand, Consumer Affairs Secretary Avinash Srivastava said 4,000 tonne of imported onions is expected to arrive in the next two days and 14,500 tonnes by the month-end.

The government is importing onions through state-run trading agency MMTC. Imports are being undertaken from Turkey, Afghanistan and Egypt. Onion prices shot up due to 25 per cent fall in the kharif production.

Paswan also said the ministry is keeping a close watch on prices of other commodities, especially edible oils and pulses. The government will take action at appropriate time.

Sensex, Nifty scale fresh lifetime peaks for 2nd straight session

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MUMBAI : Market benchmark indices Sensex and Nifty scaled fresh record levels on Tuesday, led by gains in index-heavyweights HDFC, ITC, Axis Bank and TCS.

In a choppy trading session, the 30-share BSE Sensex hit life-time high of 41,994.26 in day trade. It finally settled 92.94 points or 0.22 per cent higher at 41,952.63 - its all-time closing high.

The broader Nifty scaled its lifetime high (intra-day) of 12,374.25, before ending 32.75 points, or 0.27 per cent, higher at 12,362.30, which is a record closing level.

Hero MotoCorp was the top gainer in the Sensex pack, rallying 2.15 per cent, followed by ITC, M&M, Tech Mahindra, Nestle, Axis Bank, NTPC, HDFC and TCS.

On the other hand, IndusInd Bank, RIL, Kotak Bank, SBI, L&T, ONGC and ICICI Bank fell up to 3.85 per cent.

Bourses in Shanghai, Hong Kong, Tokyo and Seoul ended on a mixed note.

Exchanges in Europe were off to a tepid start.

Brent crude oil futures rose 0.16 per cent to USD 64.30 per barrel.

The rupee was trading flat at 70.85 per US dollar (intra-day).

India-China trade dips by nearly USD 3 bn in 2019

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BEIJING: The bilateral trade between India and China declined by about USD three billion last year while India's trade deficit continues to be high amounting to USD 56.77 billion as both countries experienced economic slowdown.

The trade figures released by the General Administration of Customs of China (GACC) on Tuesday projected the total trade in Chinese currency RMB-Yuan terms registered a marginal increase of 1.6 per cent year on year but in dollar terms it was down by about USD three billion.

GACC Vice Minister Zou Zhiwu, who released the annual trade figures to the media, said China-India bilateral trade totalled to 639.52 billion yuan (about USD 92.68) which is 1.6 per cent increase year on year. China's exports to India increased by 2.1 per cent last year totalling to 515.63 billion yuan while India's imports to China decreased by 0.2 per cent totalling to 123.89 billion yuan, he said.

The trade deficit for India in 2019 was USD 391.74 billion yuan, he said. However, in dollar terms the trade has declined. The bilateral trade in 2018 totalled to USD 95.7 billion raising hopes of India-China trade touching the landmark USD 100 billion in 2019. But the total trade amounted to USD 92.68 billion last year about USD three billion less than 2018. The Chinese exports in dollar terms to India last year amounted to USD 74.72 billion compared to USD 76.87 in 2018. India's exports to China amounted to USD 17.95 billion against USD 18.83 billion last year.

In the face of slacking trade, the trade deficit also declined from USD 58.04 in 2018 to USD 56.77 billion.

The declining trade was largely attributed to the slowdown of the economies of the two countries.

According to the figures posted on the website of the Indian Embassy here, from January to November 2019 the total trade between the two neighbours in the 11 months last year was declined by 3.72 per cent amounting to USD 84.32 and the trade deficit for the 11 months stood at USD 51.68.

SHORT STORIES

Wadia withdraws all defamation case, including Rs 3,000 crore suit, against Tata

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NEW DELHI: Bombay Dyeing Chairman Nusli Wadia on Monday withdrew all defamation cases including the Rs 3000 crore suit for damages against Tata group Chairman Emeritus Ratan Tata and others.

A bench headed by Chief Justice S A Bobde allowed Wadia to withdraw the petition in the top court after the court recorded that Ratan Tata and others had no intention to defame him (Wadia).

"In view of the statement made by Tata that there was no intention to defame Wadia, which

is in accordance with the finding of the high court, the petitioner is hereby allowed to withdraw the present petition as well as the pending suit for damages," the bench said.

The top court told senior advocate C A Sundaram, appearing for Wadia, that court appreciates his client for the response.

The top court had on January 6 asked Nusli Wadia and Ratan Tata to sit together and resolve their differences in the defamation case. Wadia had filed a criminal defamation case against Ratan Tata and other directors of Tata Sons in 2016 after he was voted out of the boards of some Tata Group companies.

7000 Youth Selected At Mega Job Mela in Kandhamal

Partha Chatterjee

BHUBANESWAR: As many as 7000 rural youth were placed in 71 companies at the two-day Mega Job Mela in Kandhamal Parliamentary Constituency organized at the initiative of Dr. Achyuta Samanta, Kandhamal Lok Sabha MP in cooperation with the district administration.

The Mega Job Mela was a resounding success with rural youth, mostly having under matric qualifications, getting jobs with salary ranging from Rs. 10000 to Rs. 20000 in well established companies. The companies will provide other facilities, in addition to salary. Over 14,000 youth from Kandhamal parliamentary constituency participated in the job mela, while 12,000 youths registered their names for placement.

On 9th January 2020, the mega job mela was conducted at Phulbani, the district headquarters of Kandhamal. More than 12,000 youth from Phublani, Kotagarh, Tumudibandh, Baliguda, K. Nuagaon, Daringbadi, Raikia, G. Udaygiri, Tikabali, Chakapada, Phiringia, Khajuripada block and Phulbani Municipality area of Kandhamal

district, Gania, Daspala and Nuagaon block of Nayagarh district, Bhanjanagar and Jagannath Prasad of Ganjam district attended the job mela and out of them 10000 registered their name for placement.

As many as 6300 youth were selected for placement. Out of them, 5000 youth were selected on the spot and 1300 were selected for placement after completing training.

On 10th January 2020, the mega job mela was organized at Boudh where 2000 youth from Kantamal and Boudh Block registered their names for placement. Total 21 companies participated, selecting 700 youth.

Dr. Samanta has been trying his best for last 6 months to bring more companies to the mega job mela to ensure maximum placement. Steps were taken to aware more and more youth of Kandhamal parliamentary constituency to participate in the mega job mela and proper training was given for placement before the job mela. District administration and staff of the MP tried their very best for this.

Dr. Samanta had arranged 120 buses for transportation of youth from various blocks to the job mela. He also made arrangements to take the placement teams of various companies to Kandhamal after their arrival in Bhubaneswar. Now it is a matter of discussion among intellectuals and common people of the parliamentary constituency that, despite the present employment crisis throughout the country, a huge number of rural youth have got placement in two days through mega job mela. It has been possible only for the initiative of Dr. Samanta, they opined.