

20 ECONOMY

NEW HIKE IN TARIFFS TO BE APPLICABLE ON GOODS WORTH NEARLY \$300 BN

Trump orders increasing tariffs on remaining imports from China

On Twitter, US President asks American companies to make products at home “to avoid tariffs”

LALIT K JHA & KJM VARMA
WASHINGTON/BEIJING, MAY 11

US PRESIDENT Donald Trump ordered a tariff hike on almost all imports from China after the latest round of talks to end the trade war between the world's two largest economies ended on Friday without a deal, even as Beijing said the negotiations have not broken down and it is cautiously optimistic to reach an agreement. Expected to further escalate the trade war between the United States and China, Trump's latest move came less than a day after he ramped up punitive duties on \$200 billion worth of Chinese imports, raising them to 25 per cent from 10 per cent, and Beijing vowed to retaliate.

The new increase applies to an even greater value of goods – put at about \$300 billion. US Trade Representative Robert Lighthizer said in a statement that Trump had “ordered us to begin the process of raising tariffs on essentially all remaining imports from China.” “Earlier today, at the direction of the President, the United States increased the level of tariffs from 10 per cent to 25 per cent on approximately \$200 billion worth of Chinese imports,” Lighthizer said. “The President also ordered us to begin the process of raising tariffs on essentially all remaining imports from China, which are valued at approximately \$300 billion,” he said. The process for public notice and comment will be published shortly in the Federal Register. “The details will be on the USTR website on Monday as we begin the process prior to a final decision on these tariffs,” Lighthizer said. Meanwhile, on Saturday, th US



US Treasury Secretary Steven Mnuchin (centre) and Trade Representative Robert Lighthizer (left) walk to the White House following negotiations on the second day of last ditch trade talks in Washington, US, on Friday. Reuters

President said that firms could easily avoid additional costs by producing goods in the US. “Such an easy way to avoid Tariffs? Make or produce your goods and products in the good old USA. It's very simple!” he said Saturday on Twitter, echoing a similar message he sent Friday – and even retweeted. The latest Trump move came as China's top trade negotiator, Vice Premier Liu He, on Friday concluded his two days of trade talks with the US team led by Lighthizer. The 11th round of talks in Washington ended Friday with no deal, but the Chinese vice premier said the negotiations have not broken down. “Negotiations have not broken down. Quite the opposite. I think they are normal. Small setbacks are inevitable in bilateral negotiations. Looking ahead, we are cautiously optimistic about the future,” the Hong Kong-based *South China Morning Post* quoted him as saying. “Both sides agree they will

meet again in Beijing in the future and keep pushing forward the negotiations,” he said without giving a date. Earlier, in a series of tweets, Trump described the talks as candid and constructive, but indicated taking a tough approach against massive imbalance of trade with China. “Over the course of the past two days, the United States and China have held candid and constructive conversations on the status of the trade relationship between both countries,” Trump had said on Friday, praising his relationship with Chinese President Xi Jinping and saying the negotiations would carry on. “In the meantime, the US has imposed Tariffs on China, which may or may not be removed depending on what happens with respect to future negotiations!” Trump said. He said tariffs will bring in “far more” wealth to the US than even a phenomenal deal of the traditional kind. Trump said he is in no rush to conclude trade talks with China. “Talks with China continue in a very congenial manner - there is absolutely no need to rush - as Tariffs are NOW being paid to the United States by China of 25 per cent on 250 Billion Dollars worth of goods & products. These massive payments go directly to the Treasury of the US...,” he said. “We have lost 500 Billion Dollars a year, for many years, on Crazy Trade with China. NO MORE!” Trump said. In a transcript of the press interview published on the website of *Phoenix Television*, a Hong Kong-based broadcaster, Chinese Vice Premier Liu said there were several issues on which the two sides still disagreed. “China believes tariffs are the starting point of the bilateral trade disputes. If a deal is to be reached, the tariffs should all be eliminated. This is the first point,” Liu said. The second is related China's promise to buy more goods from

the US, he said. “While an initial deal was reached when Chinese President Xi and US President Trump met in Argentina in December, the two sides now held different views on what had actually been agreed,” Liu said. “This is a very serious issue,” he said, adding that the deal had to be both balanced and fair. “It was a matter of principle that the two sides were not only cooperative but also respectful of one another,” Liu said. Liu said that the trade negotiators on both sides of the table had shown they were sincere in their efforts to tackle problems and resolve differences, but reaching a deal was not a short or easy process. Trump earlier justified the move by saying Beijing had delayed the process of reaching a trade deal by reneging on commitments it had made during months of negotiations. Chinese state media, meanwhile, on Saturday took a defiant stance on Washington's latest efforts to increase the pressure on Beijing. “China requires that all tariffs be eliminated to restore normal bilateral trade,” *People's Daily*, the mouthpiece of the Communist Party, said in a commentary. “The trade procurement figures should be realistic, the text must be balanced and expressed in a way that is acceptable to the Chinese people and does not undermine the country's sovereignty and dignity,” it said. Trump is demanding China to reduce the massive trade deficit which last year climbed to over \$539 billion. He is also pressing for verifiable measures for protection of intellectual property rights (IPR), technology transfer and more access to American goods to Chinese markets. **PTI**

Google's AI-based flood detection & alert system to expand its coverage

Will now cover areas along Ganga and Brahmaputra rivers

PRANAV MUKUL
NEW DELHI, MAY 11

TAKING FORWARD a pilot project in Patna that started last September, US technology major Google will expand its artificial intelligence-based flood detection and alerting system for the upcoming monsoon season that will cover areas along the Ganga and Brahmaputra rivers. Under its pilot project, Google had partnered with India's Central Water Commission to collect data for its models that it claims predict the impact of floods more accurately. “Every year, they affect up to 230 million people across the world – more than storms and earthquakes combined. Twenty per cent of flood fatalities happen in India alone ... and without consistent accurate warning systems, people are prone to ignore warnings and be unprepared. That's especially detrimental in areas hit with annual monsoons ... the expanded area will cover millions of people living along the Ganges and Brahmaputra river areas. “Not only are we increasing the area of coverage, but we are also better forecasting where the floods will hit hardest. Through a new version of our public alerts, people can better understand whether they will be affected,” Jeff Dean, Google's head of AI division, said earlier this week at the company's annual developer conference in San Francisco, California. According to the Indian Meteorological Department (IMD), monsoons in India during 2019 will be near-normal. Further, as per the department's monsoon forecast, rainfall will be well distributed across the country. The south-west monsoon makes its onset over India around May-end. Dean explained that Google's model simulates water behaviour across the floodplain, showing the areas that are likely to be affected. The model combines thousands of satellite images to create high resolution elevation maps to figure out the height of the

MAP TO INDICATE RISK AREAS

■ During the pilot project last September, Google exhibited, via Public Alerts, a map that included areas designated as 'high risk', 'medium risk' and 'low risk' and across these different alert types after this year's heavy post-monsoon rains, which Google says recorded “high accuracy metrics”

■ However, effective riverine flood forecasting at scale is hindered by a number of factors, such as the need to rely on human calibration in current methodology, limited data for a specific location, and computational difficulty of building continent level models that are sufficiently accurate



ground. It then uses neural networks to correct the terrain, making it more accurate, after which it simply applies physics to simulate how flooding will happen. However, effective riverine flood forecasting at scale is hindered by a number of factors, with the biggest factor being the need to rely on human calibration in current methodology, limited amount of data for a specific location, and computational difficulty of building continent level models.

Record 1,818 kg pseudoephedrine seized from Greater Noida: NCB

ENSECONOMIC BUREAU
NEW DELHI, MAY 11

IN THE biggest ever seizure of pseudoephedrine outside factory premises, the Narcotics Control Bureau (NCB) Saturday said it has seized over 1,818 kg of pseudoephedrine and 19 kg of cocaine from a house in Greater Noida. Pseudoephedrine, a precursor to methamphetamine, is widely used in Europe and South East Asia. The agency got the record haul after interrogating a South African woman, arrested on May 9 from IGI Airport for allegedly carrying 24.7 kg of pseudoephedrine. The woman was first intercepted by the Central Industrial Security Force (CISF). “This is the biggest-ever seizure of pseudoephedrine in

India kept outside factory premises. As per our records, this is the highest-ever seizure by any agency,” the NCB said. The woman's interrogation led officials of NCB's Delhi zonal unit to a house in Greater Noida, with the help of electronic surveillance. Two Nigerian nationals, a man and a woman, were arrested from the house under relevant sections of the Narcotic Drugs and Psychotropic Substances (NDPS) Act. While NCB is yet to ascertain the market value of the drugs, the haul is claimed to be worth many “crores,” an official said. Noida Police, meanwhile, said they will probe how such a large quantity came to be stored inside the house. “The raid was conducted by the Narcotics Bureau and they have leads with regards to the investigation. We will look

into tenant verification and other angles,” Gautam Buddha Nagar SSP Vaibhav Krishna said. On April 10, NCB Bengaluru had seized 26.75 kg of Ketamine, a psychotropic substance scheduled under the NDPS Act from a man from Chennai. When his house in RR Nagar was searched, a lab manufacturing ketamine was found in the basement. A note counting machine was also recovered, officials said. Further investigations by the agency led them to a manufacturing unit in Hyderabad. When NCB officials raided a premise in Hyderabad on May 2, they found a clandestine illegal drug manufacturing unit. A total of 477 kg of white crystalline powder, believed to be ketamine, was recovered and 281 kg of intermediate material was also seized, NCB said.

BRIEFLY

Equitas Holdings Q4 net at ₹84 lakh

Chennai: City-based Equitas Holdings Ltd has clocked a standalone net at Rs 84.06 lakh for the three-month period ending March 31, 2019. For the year ending March 31, the standalone net profit was Rs 9.33 crore as against Rs 10.56 crore year ago. **PTI**

‘China's BAIC seeks to buy 5% in Daimler’

Beijing/Frankfurt: China's BAIC Group is seeking to buy a stake of up to 5 per cent in Daimler as a way to secure its investment in Chinese Mercedes-Benz manufacturing firm Beijing Benz Automotive, sources said. **REUTERS**

US states file lawsuit accusing Teva, 19 others of price-fixing

REUTERS
WASHINGTON, MAY 11

US STATES filed a lawsuit accusing Teva Pharmaceuticals USA Inc of orchestrating a sweeping scheme with 19 other drug companies to inflate drug prices – sometimes by more than 1,000 per cent – and stifle competition for generic drugs, state prosecutors said on Saturday. Soaring drug prices from both branded and generic manufacturers have sparked outrage and investigations in the United States. The criticism has come from across the political spectrum, from President Donald Trump, a Republican, to progressive Democrats including US Senator Elizabeth Warren, who is running for president. The 20 drug companies en-

gaged in illegal conspiracies to divide up the market for drugs to avoid competing and, in some cases, conspired to either prevent prices from dropping or to raise them, according to the complaint by 44 US states, filed on Friday in the US District Court in Connecticut. A representative of Teva USA, a unit of Israeli company Teva Pharmaceutical Industries Ltd, said it will fight the lawsuit. “The allegations in this new complaint, and in the litigation more generally, are just that – allegations,” the company said in a statement. “Teva continues to review the issue internally and has not engaged in any conduct that would lead to civil or criminal liability.” The 500-page lawsuit accuses the generic drug industry, which mainly sells medicines that are off patent and should be

less expensive, of a long history of discreet agreements to ensure that companies that are supposedly competitors each get a “fair share.” The situation worsened in 2012, the complaint said. “Apparently unsatisfied with the status quo of ‘fair share’ and the mere avoidance of price erosion, Teva and its co-conspirators embarked on one of the most egregious and damaging price-fixing conspiracies in the history of the United States,” the complaint said. With Teva at the center of the conspiracy, the drug companies colluded to significantly raise prices on 86 medicines between July 2013 and January 2015, the complaint said. Representatives of Sandoz, another company named in the lawsuit, did not immediately respond to a request for comment.

US prosecutors say Huawei lawyer's prior work at Justice Dept poses conflicts

REUTERS
WASHINGTON, MAY 11

HUAWEI TECHNOLOGIES Co Ltd lawyer James Cole's prior work at the US Department of Justice created conflicts of interest that should disqualify him from defending the Chinese company in a case of alleged bank fraud and sanctions violations, US prosecutors said in a filing on Friday. Last week, the prosecutors filed a motion to disqualify Cole, who served as deputy attorney general, the No. 2 official at the Justice Department, between 2011 and 2015. But the motion was sealed and classified, and prosecutors did not make public the reasons behind the move. “There is a ‘substantial risk’ that Cole could use ‘confidential factual information’ obtained

while serving as DAG to ‘materially advance’ Huawei's current defense strategy,” the prosecutors said, as per a redacted copy of the US motion filed on Friday in US District Court in Brooklyn. Cole was not immediately available for comment, but in a statement Huawei said the US wants to strip the firm of counsel of its choice while concealing the facts on why. “The Justice Department's motion to disqualify Jim Cole makes a mockery of the adversarial process,” the statement said. “The government has known since 2017 that Mr. Cole represented Huawei in this matter. Now, two years later, not only does the Justice Department seek to strip Huawei of counsel of its choice, but it does so while concealing from Huawei and the public virtually all of the facts on which it bases its motion.”

Thyssenkrupp agrees on restructuring approach with labour leaders

Frankfurt: Management and labour leaders at Germany's Thyssenkrupp have agreed on a way forward after the industrial conglomerate announced a fresh restructuring drive that could lead to the loss of 6,000 jobs. Agreement was reached in talks between management and workers overnight on recognising the need for radical action, whilst ensuring fair treatment of employees at the Essen-based group, both sides said. The company's chief executive officer Guido Kerkhoff announced the overhaul on Friday, ditching plans to split the business into two and abandoning a European steel merger with India's Tata Steel. **REUTERS**

As France probes Monsanto file, Bayer says it won't accept ‘unethical behaviour’

REUTERS
FRANKFURT, MAY 11

BAYERSAID on Saturday it did not accept “unethical behaviour” following a French investigation into a suspected file assembled by the German company's seed making unit Monsanto to influence various personalities in France. The French prosecutor said on Friday it had opened the probe after a complaint was filed by daily newspaper *Le Monde*. According to the newspaper and other French media, Monsanto built up a file of some 200 names that includes journalists and lawmakers in the hope of influencing their positions on pesticides. The file, *Le Monde* reported, dates from 2016 and was leaked by FleishmanHillard, a US PR and marketing agency.

As per French media, Monsanto built up a file of some 200 names, including journalists and lawmakers, hoping to influence their positions on pesticides

In an emailed statement, Bayer declined to comment on the investigation, saying it did not know which documents the allegations referred to. “We stand for openness and a fair treatment of all interest groups. We do not accept any unethical behaviour in our company,” it said. “That applies obviously for the data privacy regulations in the respective countries as well.”