

## Business

MONDAY, NOVEMBER 13, 2017

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MANILA: US President Donald Trump arrives for a special gala celebration dinner for the Association of Southeast Asian Nations (ASEAN) in Manila yesterday. — AFP

# ASEAN signs free trade pacts with Hong Kong

## Despite Trump, Asia-Pacific forum sticks to free-trade gospel

**MANILA:** Hong Kong signed free trade and investment agreements with the 10-nation Association of Southeast Asian Nations yesterday, in what one of the Chinese territory's officials called a "loud and clear" vote against rising regional trade protectionism.

The pacts, which conclude nearly three years of talks, are expected to take effect on January 1, 2019, at the earliest. They aim to bring "deeper and bolder" integration of market access with the bloc, said Edward Yau, Hong Kong's commerce and development secretary. "In the face of protectionist sentiments in other parts of the world, these two agreements are in fact a loud and clear vote from all of us here for freer and more open trade," Yau said. "Hong Kong, being a free trade promoter and advocate of a strong, rule-based, multilateral trading system, will continue to take this pathway, continue to do our utmost."

Total merchandise trade between Hong Kong and ASEAN was HK\$833 billion (\$107 billion) last year, official figures show. Total services trade was HK\$121 billion in 2015. The ASEAN Hong Kong China Free Trade Agreement (AHKCFTA) was signed on the sidelines of a summit of the regional grouping in the Philippine capital of Manila.

It came after leaders attending an Asia-Pacific

Economic Cooperation (APEC) summit in Vietnam agreed to tackle "unfair trade practices" and "market-distorting subsidies" in a statement on Saturday that bore the imprint of US President Donald Trump's efforts to reshape the global trade landscape.

That summit offered a contrast between the vision of Trump's "America First" policy and the usual consensus favoring multinational deals that China now seeks to champion. Hong Kong has one of the world's freest and most open economies, and the pacts will see many ASEAN countries gradually reduce or eliminate customs duties on Hong Kong goods. Professional services should also benefit, with increased investment flows, Yau said.

The partnership "will usher in greater trade synergies and more job opportunities for people and businesses in the region," said Philippine Trade and

Industry Secretary Ramon Lopez. Efforts to get an agreement on how to proceed without the US stumbled at the last moment, with leaders unable to formally endorse the proposal. But trade ministers announced a preliminary deal, with some details to be worked out later.

Canadian Prime Minister Justin Trudeau told reporters that environmental protection, labor rights, gender issues and the auto industry were areas needing work, though he did not go into specifics. "We got a lot of work done, but there is still more work to do," Trudeau said. The revisions required for the 11 remaining TPP countries

to continue talks required a difficult balance between high standards and pragmatism, said Japanese Economy Minister Toshimitsu Motegi. "The substance is something all the TPP countries can agree on," said Motegi. "This will send a very

strong message to the US and the other countries in the region." Trudeau said his unexpected absence from a TPP leaders' meeting on Friday, which caused consternation among his fellow leaders and confusion about Canada's stance, stemmed from an extra-long meeting with Japanese Prime Minister Shinzo Abe.

"We were not ready to close the TPP 11 yesterday," he said. The ministers dropped some key provisions the Americans had required on protection of intellectual property, among others. They also changed the trade accord's name to the unwieldy Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP. Those trade talks took place on the sidelines of APEC summitry: ceremonial arrivals in bright tailored shirts to a gala banquet, a closed-door retreat and scores of bilateral meetings between the 21 leaders attending the event in this coastal resort city. Increasingly, APEC summits have become more of an opportunity for such side talks, and for host nations to showcase their growing affluence. Trump's dramatically different stances from his predecessor, Barack Obama - such as his "America First" trade strategy and his skepticism over climate change - were apparent in Danang. But his hosts and the other leaders took it in stride. — Agencies



### Agreements to take effect on Jan 1, 2019

## Emirates unveils new first class cabins at Dubai Show

**DUBAI:** Emirates, the Middle East's largest air carrier, has unveiled new, state-of-the-art, first class private suites. In an industry first, passenger suites in the middle aisle without windows will be fitted with "virtual windows" relaying the sky outside via fiber optic cameras on the plane. There's also a video call feature in the suites that connects passengers to the cabin crew, as well as temperature control and various mood lighting settings.

Emirates President Tim Clark unveiled the cabin yesterday at the start of the biennial Dubai Airshow. Clark declined to say how much a ticket in the 40 square-foot (3.7-square-meter) private suite will cost. The private suites will be available on the airline's Boeing 777.

Meanwhile, Azerbaijan Airlines said it would buy five Boeing 787-8s and two other freighter aircraft from the Chicago-based manufacturer, a deal worth an estimated \$1.1



DUBAI: Emirates Airline President Tim Clark points out the image of new, state-of-the-art, first class private suites, during a press conference at the opening day of the Dubai Air Show yesterday. — AP

billion. The airline made the announcement yesterday at the opening day of the biennial Dubai Air Show.

The company did not offer terms for the deal, though five 787-8s at list price have a

value of over \$1.1 billion. A landing gear replacement deal also was included, further boosting the price. However, airlines and manufacturers typically negotiate discounts on such deals. — Agencies

## Dubai property giant Emaar profits surge

**DUBAI:** Dubai construction giant Emaar Properties posted a sharp rise in third quarter profits yesterday as residential sales in the glitzy emirate gathered steam. Dubai has started recovering from a three year downturn after a 2014 oil price crash slammed the Gulf economies which underpin its real estate sector. But yesterday Emaar, which owns the world's tallest tower, Burj Khalifa, chalked up a \$411 million (350 million euro) net profit for the third quarter, up 32 percent on the same period of 2016.

"The impressive growth in sales of our Dubai residential property

launches this year puts us in a strong position to generate strong cash flows for the coming years," Emaar chairman Mohamed Alabbar said.

"The sustained demand for projects in Dubai is a strong indicator of the investor trust in Dubai, which is today one of the fastest-growing hubs for business and leisure."

Officials and analysts say preparations for the emirate's six-month Expo 2020 trade fair have breathed new life into the sector, battered by low demand and sluggish growth.

Sales of properties in Dubai rose rapidly in the years after the market opened to foreigners in 2002. Prices soared as investors piled in, but when the global financial crisis hit the debt-laden emirate in 2009, it sent them into free-fall.

Tourism, trade and transportation supported a brief recovery, but the 2014 oil price crash slapped prices for homes back down by over 15 percent. But the Middle East's first World Expo, expected to generate as many as 300,000 jobs by 2020, has boosted the sector, analysts say. — AFP