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WASHINGTON: International Monetary Fund (IMF) Managing Director Christine Lagarde and International Monetary and Financial Committee (IMFC) Chair Governor of the Bank of Mexico Agustin Carstens, during the International Monetary and Financial Committee (IMFC) conference at World Bank/IMF Annual Meetings at IMF headquarters. —AP

FINANCE OFFICIALS PLEDGE TO AID GROWTH

CONFRONTING RISING BACKLASH AGAINST GLOBALIZATION

WASHINGTON: World finance leaders pledged Saturday to use more resources to try to bolster economic gains as they confront stubbornly slow growth and a rising backlash against globalization. The policy committee for the 189-nation International Monetary Fund said the world has "benefited tremendously from globalization" but that protectionism is a threat. Increasing anger over globalization dominated the annual meetings of the IMF and its sister lending agency, the World Bank.

The unhappiness is evident in Britain's vote in June to leave the European Union and in the U.S. presidential campaign of Republican Donald Trump. Trump has said millions of Americans have lost jobs or seen wages stagnate because of unfair trade practices of countries such as China and Mexico. He is vowing to impose penalty tariffs if those practices are not halted.

The British vote sent shockwaves through financial markets this summer, and there were further troubles Friday when the British pound plunged by 6 percent against the dollar before recovering. Investors worry whether there will be more turbulence if the British exit proves to be messy and prolonged. IMF Managing Director Christine Lagarde said "growth has been too low for too long, benefiting too few," and that's what officials need to address.

French Finance Minister Michel Sapin said global leaders must address concerns of inequality and injustice caused by globalization, such as tax evasion by big corporations and job losses by workers. "We must fight against this immorality of globalization, this inequality, to again give our people the taste for openness and multilateralism," Sapin told reporters. "There can be an unhappy globalization and we must fight against it."

Technological change

In their statement, IMF officials committed to designing and putting in place policies "to address the concerns of those who have been left behind and to ensure that everyone has the opportunity to benefit from globalization and technological change." The IMF, however, did not spell out what actions countries would be willing to take. In an era of budgetary constraints, it is unclear how governments will find the resources to expand education and job training programs and strengthen social safety nets.

Mario Draghi, the head of the European Central Bank, told reporters that even with the turbulence linked to Britain's exit vote, he felt the short-term consequences had not been as dramatic as some had predicted but "to think that there won't be any consequences would be probably too hopeful."

Draghi said a lot will depend on how prolonged the post-Brexit uncertainty lasts as Britain and the EU negotiate next year over the terms of separation. "It's a matter of this political uncertainty that clouds the outlook for growth," Draghi said.

US Treasury Secretary Jacob Lew urged the IMF to "more boldly and forcefully" push member countries to pursue all economic policy options to spur growth. The Obama administration has appealed to countries such as Germany, which are running budget or trade surpluses, to increase spending and stimulate global demand. "We must not close ourselves off to the world, but rather redouble our commitment to ensuring shared growth," Lew said.

Trade barriers

Various finance officials said the decades-long effort to tear down trade barriers had lifted millions of people in poor nations out of poverty. But they said not enough has been done to protect workers who have lost jobs due to increased global competition. Japanese Finance Minister Taro Aso told reporters that free trade is crucial to driving global growth. "If we really want jobs and higher income, if we care about poverty reduction and economic fairness ... if we care about growth, then we need to be serious about fostering global trade and about making sure that global trade works for all," Lagarde said.

World Bank President Jim Yong Kim noted the "tremendous anger against trade." But, he said, "We are here because we believe in our mission of ending extreme poverty," Kim said. "We are not going to do it without more robust trade." Kim said support also needs to be increased for countries that are welcoming refugees fleeing conflict zones. He cited Lebanon and Jordan, which are taking in refugees from Syria. —AP

PHILIPPINES LOOKS TO CHINA FOR 'WINDFALL' WHEN FRUIT BAN ENDS

MANILA: China will lift a Philippine fruit ban and explore broader farm and fisheries imports and investments in its fledgling farm sector, the Philippine agriculture minister said, signaling serious intent by Manila to beef up business with Beijing.

China would resume shipments from 27 blacklisted fruit exporters as a "gift" when President Rodrigo Duterte visits with a business delegation from Oct. 19-21, Agriculture Secretary Emmanuel Pinol told Reuters yesterday. "I would look at that as a goodwill move," he said. "The atmosphere would be positive."

Pinol's comments suggest Duterte is following through on his promises to build a commercial alliance with China, made repeatedly in speeches in which he has angrily alluded to cutting ties with the United States and reaching out to its geopolitical rivals. The trade talk with China is hugely symbolic and marks a stark turnaround in ties since a July arbitration ruling in The Hague went in Manila's favor and angered Beijing by invalidating its claim to almost the entire South China Sea.

Duterte is forging ahead, even as mistrust lingers over China's four-year blockade of Filipino fishermen at the Scarborough Shoal. Pinol said ending the ban on bananas and pineapples would boost demand in other parts of a farm sector that has seen its output contract for two successive quarters. "Since we are not involved in the diplomatic issues, we are just looking at this as a windfall for Philippine agriculture because China, we have to admit, is our biggest market for our agriculture products," he said by phone. "The interest of China in importing fisheries products will spur development," he said, adding the demand would see Filipino farmers ramp up their output.

Shrinking output

Agriculture accounts for about one-tenth of the Philippine economy. Farm output dropped 4.4 percent in the first quarter from a year earlier, followed by a 2.1 percent contraction in the second quarter, according to government data. Together with the impact of the El Nino weather pattern, the ban, he said, had seen earnings from banana shipments down by half in 2015 from about $1.1 billion in 2014. —Reuters

BANKS DRAG DOWN SAUDI, GULF MOSTLY SLUGGISH; EGYPT UP

MIDEAST STOCKS

DUBAI: Banking shares dragged Saudi Arabian stocks lower yesterday while most other Gulf markets were sluggish as investors waited for third-quarter corporate earnings announcements. Good news on Egypt's International Monetary Fund loan boosted that market. The Saudi stock index sank 2.2 percent as the banking index tumbled 4.5 percent. Banque Saudi Fransi plunged by its 10 percent daily limit in very thin trade.

Banks have been hit in recent weeks by concern that the slumping construction sector could saddle them with bad debt, and by the central bank's decision to have them reschedule consumer loans to customers whose incomes have been hit by the government's cuts to public sector allowances. Yesterday, the Okaz newspaper reported, citing unnamed sources, that the central bank had told banks to postpone for a month receiving payments on such loans as part of the rescheduling process - a fresh sign that banks are being required to bear much of the burden of Saudi Arabia's austerity drive as oil prices sag. Central bank officials were not available to comment.

Heavily traded stock

Telecommunications firm Zain Saudi fell 5.4 percent, continuing a pull-back after surging early last week on hopes it would benefit from deregulation of the sector. But retailer Jarir Marketing climbed 1.8 percent after it reported a net profit of 220 million riyals ($58.7 million) for the three months to Sept. 30, up from 218.5 million riyals a year earlier. Analysts polled by Reuters had predicted 200.6 million riyals.

Dairy firm Almarai gained 1.4 percent after posting a 10 percent rise in quarterly profit to 654.6 million riyals. Analysts had forecast 627.8 million riyals. Dubai's index edged down 0.2 percent. DXBE Entertainments, due to open some of its theme park facilities at the end of this month, was the most heavily traded stock; it closed 1.3 percent lower.

Abu Dhabi's index dropped 0.6 percent as Abu Dhabi Commercial Bank slipped 0.9 percent, while Qatar edged down 0.02 percent in very thin trading volumes. Oman's tiny market outperformed the region with its index climbing 1.5 percent as banks surged, with Bank Dhofar MBDOF.OM> jumping 8.7 percent. Subscriptions to the bank's rights issue run from Oct. 5 to 19.

Last week, the Times of Oman quoted the Muscat Securities Market's director-general as saying the bourse would halve brokerage fees for day traders by mid-November in order to encourage more activity; this could improve liquidity in the market, making banking and other stocks more attractive. In Egypt, the index rose 0.8 percent after a senior IMF official said the Fund's initial loan payment to Egypt would be about $2.5 billion and that he hoped to secure board approval for the $12 billion program within the next month.

El Saeed Contracting and Real Estate jumped 3.5 percent to 0.89 Egyptian pound after it said it was buying 17 million treasury shares at 0.96 pounds per share. But investment firm Qalaa Holdings plunged 8.3 percent after reporting a sharply wider quarterly net loss. —Reuters