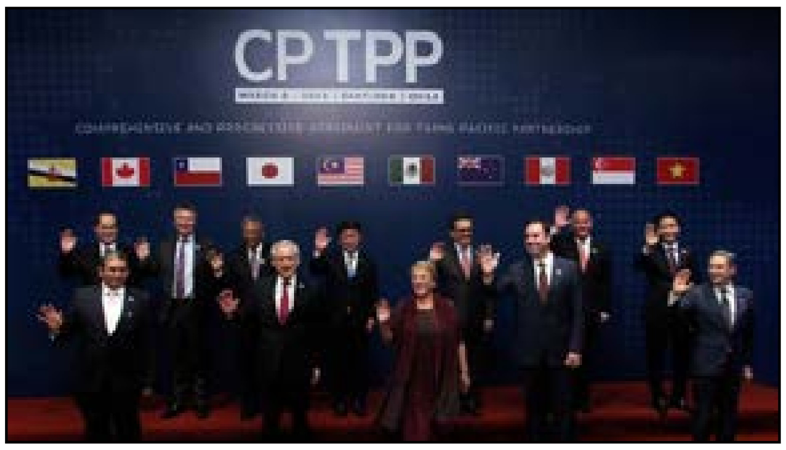
Eleven Countries Sign Trans-Pacific Trade Deal in Slap to U.S.



Trade ministers from Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) countries wave as they pose for the official picture before signing the rebranded 11-nation Pacific trade pact in Santiago, Chile, March 8, 2018.

SANTIAGO (Press TV) – Eleven countries have signed the Trans-Pacific Partnership, a sweeping trade agreement that was thought to be dead after U.S. President Donald Trump's decision last year to pull out his country.

Trade ministers from 11 Pacific Rim countries officially signed the agreement during a ceremony in Chile's capital of Santiago on Thursday.

The deal, now known as the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), drops Washington's demands for protection of intellectual property and covers some 500 million people living in Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

Only three days after his inauguration, Trump signed an executive order to withdraw Washington from the negotiating process of the sweeping deal, which his predecessor Barack Obama believed would improve American manufacturing by removing tariffs.

Trump said back then that he would begin to negotiate individual trade deals with the TPP countries instead.

The CPTPP's signing came hours before Trump officially announced steep 25-percent and 10-percent tariffs on imported steel and aluminum respectively, despite warnings of igniting a possible trade war.

Upon signing the paperwork, Trump said the move was a response to unfair practices by America's trading partners who had orchestrated "an assault on" the US. The tariffs will take effect in 15 days.

Trump temporarily exempted Mexico and Canada from the tariffs, a move aimed at pressing them to give ground in separate talks on the North American Free Trade Agreement (NAFTA), another deal that Trump has been critical of.

The American head of state has in the past warned Mexico and Canada that they may be subject to heavy tariffs if there isn't major progress in the renegotiation of the three-nation pact.

Trump's tariffs are bound to hurt Japan, another CPTPP member, which accounts for five percent of US steel imports. That's twice the share of the world's largest still producer, China.

'Iran-India Banking Ties Growing Without Dollar'

TEHRAN (Dispatches) – **A top Indian diplomat at India's Embassy in the Iranian capital unveiled plans for the expansion of trade and banking ties with Iran using the national currencies of the two sides instead of U.S. dollar, saying six Iranian banks have been authorized to make investment in India.**

Speaking at a press conference at India's embassy in Tehran on Thursday, Deputy Head of India's Mission to Iran Devesh Uttam hailed the expansion of economic relations between the two countries under the new agreements that facilitate business and investment.

According to the diplomat, a number of Iranian banks have made requests for new branches in India, saying the Pasargad Bank's application is being processed in the final stages.

Moreover, an Indian bank has received permission from the Reserve Bank of India to invest in Iran with rupee, he added, noting that Indian companies can also begin to make rupee-based investment in Iran.

Pointing to the formation of joint committee overseeing the investment and trade mechanisms on the basis of national currencies of Iran and India, Uttam said six Iranian banks have been so far authorized to make investment in India under the same mechanism, which excludes dollar.

Iran and India have diversified economic cooperation in recent years, signing dozens of agreements to boost trade in various fields.

Last month, Iranian President Hassan Rouhani paid an official visit to India, during which the two countries signed 15 agreements in various fields, from an extradition treaty to cooperation in the development of Iran's Chabahar port.

In December 2016, Iranian Foreign Minister Mohammad Javad Zarif announced plans for the opening of Indian government-owned bank UCO's branch in Iran.

U.S. Trade Deficit Rises to Over 9-Year High

WASHINGTON (Dispatches) – **U.S. trade deficit increased to the highest level in more than nine years in January, suggesting the Donald Trump administration's America First trade policy was unlikely to close the trade gap.**

The U.S. exports fell 1.3 percent from December on a seasonally adjusted pace to 200.9 billion U.S. dollars in January, while the imports remained unchanged at 257.5 billion dollars in the month, said the Commerce Department.

This left a deficit of 56.6 billion dollars in the month, rising for five consecutive months and hitting the highest level since October 2008.

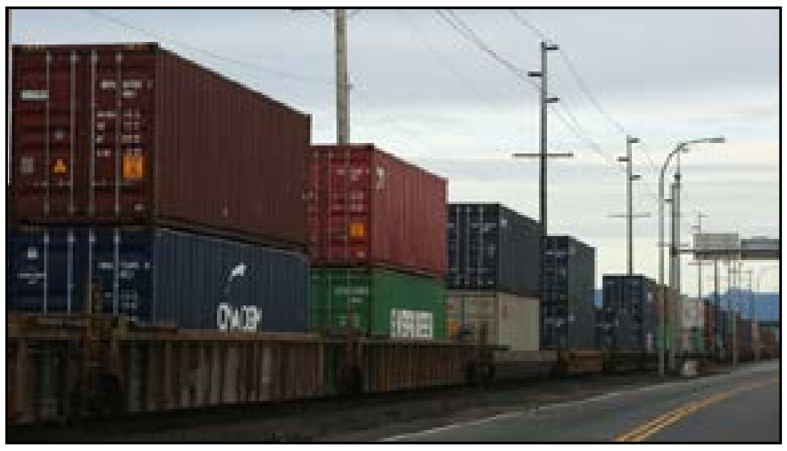
Deficit in trade of goods with China increased 1.5 billion dollars to 35.5 billion dollars in January.

U.S. President Trump has said that trade deficit reduction was one of the priorities for the administration's trade policy.

Last week, he announced plans to impose 25 percent tariff on imported steel and 10 percent on aluminum to protect domestic industries.

The protectionist measures have sparked widespread oppositions from U.S. domestic business groups and trade partners, who are arguing that the actions would hurt both the U.S. and global economies, and undermine global trade system.

Trump's "America First" trade policies are part of an attempt to boost annual economic growth to 3 percent on a sustainable basis. The government in January slashed corporate and individual income taxes.



Shipping containers at the Port of Oakland in Oakland, Calif.

But with the economy almost at full employment, the increase in demand spurred by the $1.5 trillion tax package will probably be satisfied with imports, further worsening the trade deficit.

The economy's strong fundamentals were underscored by a separate report from ADP Research Institute showing private employers added 235,000 jobs in February.

The report, which is jointly developed with Moody's Analytics, was published ahead of the government's more comprehensive employment data on Friday.

According to a Reuters survey of economists, nonfarm payrolls probably increased by 200,000 jobs last month, matching January's gains. The unemployment rate is forecast falling one-tenth of a percentage point to 4.0 percent, which would be the lowest level since December 2000.

The surge in the January trade deficit was flagged by an advance goods trade deficit report last week. When adjusted for inflation, the trade deficit increased to $69.7 billion from $68.5 billion in December.

The so-called real trade deficit is above the fourth-quarter average of $66.8 billion. This suggests trade would subtract from first-quarter gross domestic product unless the deficit shrinks in February and March. Trade sliced 1.13 percentage points from fourth-quarter GDP growth.

"Strong growth in U.S. domestic demand should continue to pull in non-petroleum imports going forward," said Jay Bryson, global economist at Wells Fargo Securities in Charlotte, North Carolina. "Net exports likely will exert another significant drag on overall GDP growth in the first quarter."

The economy grew at a 2.5 percent annualized rate in the fourth quarter. Growth estimates for the first quarter are around a 2.0 percent pace.

Trump Rolls Out Steel, Aluminum Tariffs

WASHINGTON (Dispatches) – U.S. President Donald Trump has officially announced steep tariffs on imported steel and aluminum, but exempted Canada and Mexico.

Defying his own party and delivering on a campaign promise to fight unfair practices by America's trading partners, Trump signed paperwork enacting tariffs of 25 percent on steel and 10 percent on aluminum during a ceremony at the White House.

"Today, I am defending America's national security by placing tariffs on foreign imports of steel and aluminum," said Trump who was flanked by steel and aluminum workers.

Trump said the American steel and aluminum industry has been "ravaged by aggressive foreign trade practices."

He described the dumping of steel and aluminum in the United States as "an assault on our country."

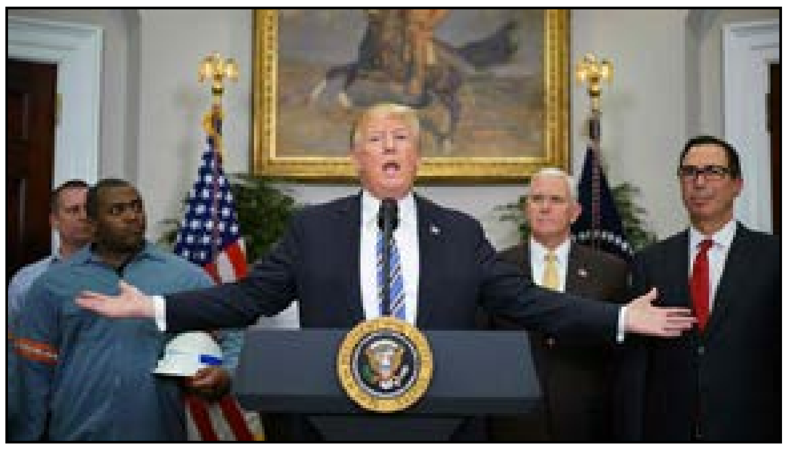
"If you don't want to pay tax, bring your plant to the USA," he said.

The president temporarily exempted the countries from the tariffs that "treat us fairly on trade," a move aimed at putting pressure on Canada and Mexico to give ground in separate talks on the North American Free Trade Agreement (NAFTA). Trump has separately discussed withdrawing the United States from NAFTA.

He has also asked the European Union to offer concessions, arguing that it treated American cars unfairly and has threatened to hike tariffs on auto imports from Europe.

The World Trade Organization (WTO) director-general has called on Trump not to impose hefty tariffs on aluminum and steel exports, saying it could cause a deep global recession.

"An eye for an eye will leave us all blind, and the world in deep recession," Roberto Azevedo told members of his organization on Monday. We "must make every effort to avoid the fall of the first dominoes."



U.S. President Donald Trump speaks before signing Section 232 proclamations on steel and aluminum imports in the Roosevelt Room of the White House on March 8, 2018 in Washington, DC.

European Union's Trade Commissioner Cecilia Malmstrom on Thursday night said the EU should be excluded from the new U.S. tariffs on steel and aluminum imports.

She made the remarks in a tweet after U.S. President Donald Trump signed proclamations on imposing a 25-percent tariff on imported steel and 10-percent on aluminum amid global dissent.

"The EU is a close ally of the U.S. and we continue to be of the view that the EU should be excluded from these measures," Malmstrom tweeted.

The EU's top trade representative said she would seek clarification from the United States on the issue "in the days to come", adding, "Looking forward to meeting USTR (United States Trade Representative) Lighthizer in Brussels on Sat (Saturday) to discuss."

The EU commissioners on Wednesday gave the political endorsement to a proposal aiming to counter the possible U.S. steel and aluminum tariffs, saying the EU stands ready to react proportionately and fully in line with the World Trade Organization (WTO) rules once the U.S. measures affect EU's interest. On the hit list of the bloc's countermeasures were said to be flagship U.S. products, including steel, peanut butter, bourbon whiskeys and denim jeans.

"Protectionism cannot be the answer, it never is," Malmstrom told a Wednesday press conference, however, adding that the EU, as a U.S. security partner, still hoped that it could be excluded from the U.S. tariffs.

Bitcoin Falls to Lowest Level in Weeks

NEW YORK (Reuters) – Bitcoin dropped below $9,000 on Friday to its lowest level in 3-1/2 weeks on concerns about regulatory clamp down around the world following cases of large thefts of digital currencies.

At 8:24 a.m. (1324 GMT), the biggest and best-known virtual currency was last quoted down 4.19 percent at $8,880.10 on Luxembourg-based Bitstamp exchange.

ECB Keeps Interest Rates Unchanged

FRANKFURT (Xinhua) – The European Central Bank (ECB) has decided to keep key interest rates unchanged at the monetary policy meeting here.

"The interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.00 percent, 0.25 percent and -0.4 percent respectively," said an ECB statement.

The ECB also repeated that its bond purchase program will continue as planned.

The interest rates decision came as no surprise to the market. As the economic recovery continues to gain momentum in the euro area, there has been increasing speculation about the winding down of ECB's monetary easing policies.

Compared with its decision in January, ECB has not mentioned about its readiness to increase the asset purchase program.

The removal of the so-called easing bias from its monetary policy decision sparked a rally of euro against the U.S. dollar. However, it gave up all its gains after Mario Draghi, the president of ECB, clarified that the ECB policy remained reactive.

The ECB revised its forecast for the real GDP growth of euro area in 2018 to 2.4 percent in its March 2018 staff macroeconomic projections.

With regard to inflation expectations, the ECB foresees the annual Harmonised Index of Consumer Prices (HICP) inflation at 1.4 percent in 2018, 1.4 percent in 2019 and 1.7 percent in 2020.

Compared with the December 2017 Eurosystem staff macroeconomic projections, the outlook for headline HICP inflation has been revised down slightly for 2019 and remains unchanged for 2018 and 2020.