

China warns of protectionism as US trade row simmers

China warned Wednesday that protectionism threatens global growth and cautioned "individual countries" against isolationism, in a veiled reference to the deepening trade spat between Washington and Beijing that is being closely watched across Asia.

The comments from China's vice premier come as the world's top two economic powers edged closer to an all-out trade war after imposing tit-for-tat tariffs on billions of dollars of imports, AFP reported.

Tensions between the UN and China were heightened last week when US President Donald Trump threatened to hit all China's exports to the US worth more than \$500 billion as he doubles down on the "America First" agenda he says aims to protect jobs and industries from overseas competition.

But without directly naming Trump or the United States, Vice Premier Hu Chunhua warned against countries going it alone and upending the globalized trading system.

"Some individual countries' protectionist and unilateral measures are gravely undermining the rules-based multilateral trading regime, posing a most serious hazard to the world economy," Hu said at the World Economic Forum (WEF) in Hanoi.

"Self-isolation will lead nowhere and only openness for all represents the right way forward," he added.

The trade row has dominated discussions at the WEF where Southeast Asian leaders have made the case for fewer trade barriers as America retreats from the region under Trump, who has decried trade deficits in the region.

The Association of Southeast Asian Nations (ASEAN) "is working with like-minded partners to strengthen the rules-



YE AUNG THU/AFP

based international system," Singaporean Prime Minister Lee Hsien Loong said.

"It underpins growth and stability, but is under pressure."

The trade tussle between Washington and Beijing is being closely watched across Southeast Asia where some export-focused economies may be set to gain from the fallout.

Rising labor costs in China have already precipitated a push into countries such as Vietnam and Cambodia, where Adidas shoes, H&M T-shirts and Samsung phones are made on the cheap.

But the trade rumble has accelerated that process, with several Chinese firms turning to the region to produce items from bike parts to mattresses in a bid to avoid US tariffs.

Although there could be a short-term boon to Southeast Asia, some analysts warn the long-term may be less rosy.

The region is "very export-driven... so any shift toward more trade barriers... is not good", Rajiv Biswas, Asia-Pacific chief economist at IHS Markit, told AFP.

ASEAN trade increased by a value of nearly \$1 trillion between 2007 and 2014

and the bloc had a collective GDP of \$2.76 trillion last year after an enthusiastic embrace of trade liberalization - a marked contrast to Trump's policies.

In one of his first post-election moves, the US president pulled out of the sprawling 12-nation Trans-Pacific Partnership (TPP), calling the trade pact a job killer.

The current edition of the WEF, which closes Thursday, is officially focused on how economies should adapt to so-called "disruptive technologies" such as automation and artificial intelligence that threaten to cull jobs in emerging economies.

Myanmar's Suu Kyi not to attend UN General Assembly: Media

Myanmar government leader Aung San Suu Kyi will not attend the UN General Assembly meeting in New York next week, the media reported on Wednesday, amid growing calls for Myanmar's security forces to be held accountable for crimes against the Rohingya Muslims.

Nobel Peace Prize winner Suu Kyi heads the civilian government in the specially created role of state counsellor, but also serves as minister of foreign affairs, Reuters reported.

She will not attend the upcoming General Assembly session, the 7Day Daily, a leading newspaper, reported, citing a Ministry of Foreign Affairs official.



REUTERS

Instead, two senior ministers in her government, Kyaw Tint Swe and Kyaw Tin - both seasoned diplomats who in the past defended Myanmar's former military regime on the global stage - will attend and "explain current developments on repatriation and cooperation with international organizations," the official, permanent secretary Myint Thu, was paraphrased as saying.

Reuters' calls to Myint Thu were not answered on Monday. Government spokesman Zaw Htay declined to comment.

Suu Kyi has curtailed her overseas travel as calls for accountability have grown since some 700,000 Rohingya fled the country last year, according to UN agencies, as security forces launched a brutal response to insurgent attacks in August.

She also skipped the assembly a year ago, just after the violence flared, after she had been expected to attend.

Her administration has largely denied allegations of abuses during the operation and has pledged to accept back those who fled.

But international pressure has continued to mount on Myanmar, and the Rohingya crisis is expected to be a major theme of discussions at the General Assembly.

An independent UN team of investigators said last month that there was evidence indicating "genocidal intent" by the military.

The International Criminal Court has said it can investigate the alleged deportation of Rohingya from Myanmar to Bangladesh. Myanmar says the ICC has no jurisdiction as it is not a member of the court, but the court ruled it can rule on acts that partly took place in Bangladesh, a member state.

Macron ex-bodyguard at center of scandal to testify in public next week

The former bodyguard whose violent conduct plunged French President Emmanuel Macron into his biggest political crisis this summer agreed reluctantly to face questioning by senators as their hearings resumed on Wednesday.

Alexandre Benalla, 26, is under criminal investigation after being filmed beating a May Day protester. The scandal brought the sharpest criticism Macron has faced since taking power 16 months ago, prompting the president to fire Benalla, his closest bodyguard, and shake up his office, Reuters reported.



GONZALO FUENTES/REUTERS

French President Emmanuel Macron and Elysee senior security officer Alexandre Benalla arrive at an elementary school in Berd'huis, France, on April 12, 2018.

The prospect of Benalla's public grilling on Sept. 19 will keep the saga in the public eye just as Macron tries to inject new life into his presidency amid a slump in popularity and economic headwinds.

Benalla had feared placing himself in legal jeopardy and only agreed to testify before the upper house's investigating committee late on Tuesday after being told that he risked two years in prison and a 7,500 euro (6,687 pounds) fine if he refused.

"To avoid the legal risks I am threatened with, I am forced to appear before this committee," Benalla said in a statement.

A poll published by Odoxa on Tuesday had Macron's popularity sinking 12 points between June and September, to a record low of 29 percent for his presidency. Its findings echo other surveys.

Senators from the opposition-controlled chamber resumed quizzing senior officials in Macron's office on Wednesday.

Libya's PM says conditions for elections not yet ripe

Conditions in Libya are too unstable to hold elections, Prime Minister Fayed Seraj was cited as saying on Wednesday, casting doubts on a French-led push for a vote in December which aims to end years of turmoil and unify the North African country.

French President Emmanuel Macron hosted a conference in May where rival Libyan factions agreed to work with the United Nations for a national election by Dec. 10, Reuters reported.

Libya splintered following the 2011 NATO-backed revolt that toppled Muammar Gaddafi, and since 2014 has been divided between competing political and military groups based in Tripoli and the east.

"You cannot vote with instability in the streets ... it is necessary that everyone accepts the result of the



Fayed Seraj

REUTERS

ballot. We need shared rules," Seraj, who leads the UN-brokered transitional government based in Trip-

oli, said in an interview with Italian daily Corriere della Sera.

Armed groups have vowed to resume hostilities if talks to be hosted by UN Special Envoy Ghassan Salame do not result in a lasting settlement.

Seraj has close relations with Italy.

His main rival, military commander Khalifa Haftar, is aligned with a government based in the east and is seen as closer to France.

Seraj also said factions would need to agree on a Constitution before any vote is held.

"We talked about elections in Paris, but the constitutional document, which is ready but not approved, must first be voted on," Seraj said. "Unfortunately, the parliament of Tobruk has not yet examined it. Without a Constitution, how can one go to a national vote?"

Swedish center-right pushes for power after election deadlock

The leaders of Sweden's center-right opposition Alliance on Wednesday urged the incumbent Social Democrat-led bloc to step aside and help them form a viable government to break a post-election deadlock.

The rise of the far-right Sweden Democrats, shunned by both center-right and center-left, left both big mainstream blocs neck-and-neck, and short of a majority, in Sunday's election, Reuters reported.

The Alliance has already rejected an informal invitation from the current Prime Minister Stefan Lofven to support a Social Democrat-led government.

"We want to build an Alliance government with support from across the political divide," the leaders of the Moderate and Centre Christian Democrat and Liberal parties said in a signed article in the daily Dagens Nyheter. "Sweden needs stable economic policies and major long-term political reforms that will need broad parliamentary support to achieve."

The Social Democrats, who have dominated Swedish politics for 100 years, declined to comment, but analysts said there was no indication that Lofven would do anything other than rebuff the offer.



DANIEL DICKSON/REUTERS

Sweden's Centre Party leader Annie Loof, Moderate Party leader Ulf Kristersson, Christian Democrats Party leader Ebba Busch Thor and Liberal Party leader Jan Bjorkljund attend a news conference in Stockholm, Sweden, on September 12, 2018.

Preliminary election results, likely to be updated on Wednesday, show the center-left with 40.6 percent against 40.3 percent for the Alliance, whose candidate for the premiership is Ulf Kristersson of the right-

wing moderates. That would give the Social Democrats and Greens, together with the Left Party, which supports Lofven in the Parliament, 144 of the Riksdag's 349 seats, two more

than the Alliance.

The Sweden Democrats, who polled 17.6 percent, have 63 seats, meaning they could give either side a majority.

But all the mainstream parties have ruled out negotiating with a party that was founded in part by activists with white supremacist and neo-Nazi links, and so far there has been no sign of compromise on any side.

Sweden Democrat leader Jimmie Akesson, who has sought to weed out overt racism and tone down some of the party's most controversial demands to broaden its appeal, has pledged to bring down any government that does not give it influence over policy, particularly immigration.

Thrashing out a deal could take weeks or months, failing which a new election - or which still not produce a majority for either side - would be necessary. Lofven is head of the biggest party and the biggest bloc. But the Alliance argues that it has the best chance of forming a viable coalition as the center-left bloc includes the Left Party, which would almost certainly be excluded from any future administration.