



Hirotoshi Ishida, president of Honda Foundation; Himihiko Katsuki, CEO of Bangladesh Honda Private Ltd (BHL); Jamilur Reza Choudhury, vice chancellor of the University of Asia Pacific; and Shah Muhammad Ashequr Rahman, head of finance and commercial at BHL, pose with the winners of the Honda Young Engineer and Scientist's Award at the Westin Dhaka yesterday. The foundation arranged the award programme through BHL and the Japan International Cooperation Centre to foster future leaders of science and technology fields. Each of the award winning BUET students—Tonushree Dutta, Tahsina Alam, Shashata Sawmya and Satyaki Banik—received certificate and \$3,000.

US core capital goods orders record largest drop in eight months

REUTERS, Washington

New orders for key US-made capital goods dropped by the most in eight months in December and shipments were weak, suggesting business investment contracted further in the fourth quarter and was a drag on economic growth.

Business spending remains one of the weak spots in the economy. Housing, the other laggard, is regaining momentum in response to the Federal Reserve's three interest rate cuts last year. Officials from the US central bank were scheduled to start a two-day policy meeting on Tuesday.

They are expected to reiterate the Fed's desire to keep rates unchanged at least through this year. Weak business investment and the resulting slump in manufacturing have been on the radar of Fed officials who have blamed trade tensions, especially the White House's 18-month trade war with China, and an uncertain global economic growth outlook for the malaise.

Though tensions have eased with the signing this month of a "Phase 1" trade deal between Washington and Beijing, Boeing continues to loom over manufacturing.

Boeing this month suspended production of its troubled 737 MAX jetliner, which was grounded last March following two fatal crashes.

The Commerce Department said on Tuesday orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, fell 0.9 per cent last month as demand for machinery, primary metals and electrical equipment, appliances and components declined.

That was the largest decrease since April. Data for November was revised lower to show these so-called core capital goods orders edging up 0.1 per cent instead of gaining 0.2 per cent as previously reported. Economists polled by Reuters had forecast core capital goods would be unchanged in December.

Core capital goods orders rose 0.8 per cent in 2019. Shipments of core capital goods decreased 0.4 per cent last month. Core capital goods shipments are used to calculate equipment spending in the government's gross domestic product measurement. They declined by an unrevised 0.3 per cent in November.

Markets suffer more losses as China virus death toll rises

AFP, Hong Kong

Asian markets tumbled again Tuesday, extending a global sell-off as the toll from a rapidly spreading Chinese virus spiked to more than 100 dead and thousands infected, with investors fretting over the impact on an already fragile world economy.

Traders have been running for the hills as the coronavirus is reported in more countries, with oil also tanking on expectations that demand in China, the world's top consumer of the commodity, will be hammered.

The outbreak comes during the Lunar New Year break when hundreds of millions of people criss-cross China and spend huge amounts of money.

The government has sealed off Wuhan, the epicentre of the outbreak, and other cities in Hubei province, effectively trapping tens of millions of people, including thousands of foreigners, in a bid to contain the virus.

It has also extended the holiday, initially due to end on January 30, for three days to limit population flows.

Analysts said there were growing fears the crisis could become as bad as the SARS outbreak that hammered markets and the global economy 17 years ago.

The VIX "fear" index, which measures market volatility, soared by a quarter Monday to its highest level since October,

when investors were worried about the China-US trade talks.

The crisis comes just as the world economy was showing signs of stability after a long-running growth slowdown.

"Given that China has rapidly increased its role in the global supply chains, the market continues to price in the worst case, negative growth shock scenarios," said AxiCorp's Stephen Innes.

"For the most part, traders are flying blind, knowing nothing about the actual implications of (the virus) for global growth," he said, adding that "there remains a growing sense in the market that contagion levels could get worse before they get better."

Seoul plunged more than three percent and Singapore shed more than two percent while Sydney was off 1.4 percent as investors in those markets returned from a long holiday weekend.

Manila, Jakarta and Wellington both lost more than one percent, while Tokyo ended 0.6 percent down. The losses tracked hefty selling in Europe and New York.

"This is now a sell first, ask questions later situation," Alec Young at FTSE Russell said. "Markets hate uncertainty, and the coronavirus is the ultimate uncertainty -- no one knows how badly it will impact the global economy. China is the biggest driver of global growth, so this couldn't have started in a worse place."

UK approves restricted Huawei role in 5G network

AFP, London

Britain on Tuesday greenlighted a limited role for Chinese telecoms giant Huawei in the country's 5G network, but underscored that "high risk vendors" would be excluded from "sensitive" core infrastructure.

London's decision, following a meeting of the National Security Council chaired by Prime Minister Boris Johnson, came shortly after Brussels said it would allow Huawei a limited 5G role in the European Union.

"We want world-class connectivity as soon as possible but this must not be at the expense of our national security," Britain's Digital Secretary Nicky Morgan said in reference to high-speed fifth generation networks that offer almost instantaneous and reliable data transfer.

"High risk vendors never have been and never will be in our most sensitive networks," she insisted.

Huawei welcomed news that it would have at least a limited role in building Britain's high-speed fifth generation networks,



AFP/FILE

The logo of Chinese company Huawei is seen at their main UK office in Reading, west of London.

after Washington lobbied hard for the company to be sidelined completely on security concerns.

"Huawei is reassured by the UK government's confirmation that we can continue working with our customers to keep the 5G roll-out on track," said Huawei Vice-President Victor Zhang.

"This evidence-based decision will result in a more advanced,

more secure and more cost-effective telecoms infrastructure that is fit for the future." Washington has banned Huawei from the rollout of the next generation mobile networks because of concerns -- strongly denied -- that the firm could be under the control of Beijing.

Unlike the United States, Britain has been using Huawei technology in its systems for the past 15 years.

The US had threatened to limit intelligence sharing with London in the event of Huawei winning a UK role. All eyes will now be on Washington's response to Tuesday's announcements.

The matter could hinder the chances of a favourable Britain-US trade deal after Brexit, according to analysts.

Johnson on Monday insisted that the UK can have "technological progress" while preserving national security.

There has been intense debate in Europe and the US about whether or not to exclude Huawei from developing 5G.

However in Brussels on Tuesday, a top European Union official said the bloc would not ban Huawei and would instead impose "strict" rules.

US President Donald Trump has already ordered American firms to cease doing business with market leader Huawei, and urged allies to follow suit.

Trump's Secretary of State Mike Pompeo on Sunday declared that Britain faced a "momentous decision".



RFL

RN Paul, managing director of RFL Group, poses at a dealer conference of the Rangpur Foundry Ltd (RFL) at RFL Industrial Park at Kaliganj in Gazipur on Friday.



BERGER PAINTS BANGLADESH

Gerald K Adams, chairman of Berger Paints Bangladesh, and Rupali Chowdhury, managing director, open the company's experience zone at Swadeshi Bazar in Mymensingh on Monday.

Tata launches 'ecosystem' to kickstart Indian clean vehicles

REUTERS, Mumbai

India's Tata Group is making its biggest push yet toward clean vehicles with plans to make electric cars and batteries, set up charging stations and build a battery recycling plant, senior executives said on Tuesday.

To try to curb pollution and reduce its fuel import bill, India is pushing automakers to produce electric vehicles, but has faced resistance from some that say the charging infrastructure needs to be set up first and battery costs are too high to allow the manufacture of affordable EVs.

Companies from the steel-to-autos Tata conglomerate plan to address some of these issues. Tata Motors, Tata Chemicals, Tata Power and Tata Croma, a chain of stores selling consumer electronics, are pooling resources and expertise to build an electric vehicle ecosystem, the executives told reporters in Mumbai.

The plans were announced ahead of the launch of Tata Motors' electric sport-utility vehicle (SUV) Nexon EV, which was attended by N Chandrababhan, chairman of Tata Sons, the automaker's parent group

and family patriarch Ratan Tata.

"This is the launch of an ecosystem, which is the real need, not just another vehicle launch," Guenter Butschek, managing director at Tata Motors, which also owns the British luxury car brand Jaguar Land Rover, said.

Tata Power, which has set up 100 charging stations, will add

another 650 in more than 20 major Indian cities over the next year, the company's CEO Praveer Sinha said.

All stations will support fast charging and will be linked to a mobile application, which has been developed with Tata Consultancy Services (TCS), for payments and to check the availability of chargers, Sinha said.

Tata will use its chain of Croma stores to display digitally its EVs, and some stores could offer test drives and charging stations and may even sell cars.

The Nexon EV, priced starting at \$19,700, is one of four electric car models that Tata Motors plans to launch over the next 2 years. The others will also be an electric version of its existing cars and will include a hatchback, sedan and SUV.

The EV will be sold through Tata dealers and its retail Croma stores, Butschek said during the launch, adding the company will offer an 8 year warranty on the battery.

One of the biggest hurdles to building affordable EVs in India is the cost of the batteries, which are typically imported making them expensive. Tata Chemicals has built a battery recycling center and acquired land to set up a battery manufacturing plant that is expected to be ready in 3 years, CEO Ramakrishnan Mukundan said.

It plans to invest \$113 million in the plant, which will have initial capacity of 200 megawatts with potential to scale it up to 2 gigawatts, depending on domestic and global demand, he said.



REUTERS

Ratan Tata, former chairman of Tata Sons, attends the launch of Tata Motors' electric sport-utility vehicle Nexon EV, in Mumbai yesterday.

Renault poised to name VW manager De Meo as CEO

REUTERS, Paris

Renault's board is set to meet later on Tuesday to approve the nomination of Luca de Meo, the former head of Volkswagen's Seat brand, as its next chief executive, two sources familiar with the matter said.

The Italian-born executive, who stepped down from Seat earlier this month, is not due to take up his post at the French carmaker until towards July, due to negotiations around his contract, according to one of the sources. Renault declined to comment.

De Meo is not expected to face any last minute hurdles in his nomination, and has already won tacit backing from parties including the French government, a Renault shareholder.

His appointment fills one of the major gaps left at the firm as it tries to move past a year of turmoil following the 2018 arrest in Tokyo of former boss-turned-fugitive Carlos Ghosn, and reset its strained alliance with Japan's Nissan.

Ghosn, who forged and oversaw the Renault-Nissan partnership for almost two decades, has since fled Japan and resettled in Lebanon, from where he has contested the financial misconduct charges against him and said the alliance was at risk of collapse.

De Meo, along with Renault Chairman

Jean-Dominique Senard, brought in last January from tyre maker Michelin, will have his work cut out to turn around the firm. Like rivals, Renault is grappling with a downturn in demand, and has said it expects a slight decline in the car market in Europe, Russia and China this year.

The firm has also presented 2020 as a make-or-break year for the alliance with Nissan and is under pressure to deliver on cost savings and joint industrial projects.

Automakers face pressure to meet stringent new emissions targets with less polluting models, and are also competing to produce innovations such as self-driving cars, which require large investments.

De Meo, who speaks French, will be one of a growing handful of outsiders in senior company jobs in France.

The 52-year-old started his career at Renault and has worked at Fiat and Audi among other brands.

He is credited with revitalising sales at Barcelona-based Seat, imbuing it with a more sporty image, though his portfolio will be markedly larger at Renault, whose brands include Dacia and Lada.

Renault's finance chief Clotilde Delbos has been CEO on an interim basis since last October, when Thierry Bollere, a former Ghosn ally, was ousted by the board.



Luca de Meo