BANK ASIA

Md Arfan Ali, president and managing director of Bank Asia, and Md Shafiqul Islam, managing director of SME Foundation, exchange the signed documents of a deal at the latter's head office in Dhaka recently. Textile and women entrepreneurs will get low-cost loans under the deal.

Telenor beats quarterly profit forecast, sees 2020 earnings growth

REUTERS, *Oslo*

Norway's Telenor posted higher-than-expected fourth-quarter operating profits on Wednesday and said it expects its underlying earnings to rise in 2020 after last year's decline.

The company's October-December profit before interest, tax, depreciation and amortisation (adjusted EBITDA) rose 17 per cent year-on-year to 11.88 billion Norwegian crowns ($1.33 billion), while analysts on average had expected profits of 11.68 billion.

"Entering 2020, we will continue to focus on growth, efficiency and simplification," Telenor said in a statement.

The company's fourth-quarter revenue also exceeded expectations, brokers DNB Markets wrote in a note to clients. "We expect the shares to open higher," said DNB, which holds a buy recommendation on the stock.

Organic revenue, which excludes effects of mergers and acquisitions, is expected to grow by up to 2 per cent in 2020 from a 0.4 per cent increase in 2019, Telenor said, while organic EBITDA will swing to growth of 2 per cent-4 per cent from a decline of 2.2 per cent last year. Norway's second-largest company, which has 186 million customers in nine countries across Europe and Asia, raised its full-year dividend to 8.7 crowns per share from 8.4 crowns, slightly below analysts' average forecast for 8.8 crowns.

Economic burnout: India's struggling workforce

AFP, *Mumbai*

India's government releases its 2020 budget on Saturday, facing stuttering growth and record unemployment and a jump in inflation that has further widened India's wealth gap.

A botched nationwide tax rollout, the 2016 shock cash ban, and a sharp liquidity crunch in the vast shadow banking sector all played their part in creating the crisis that roils Asia's third-largest economy.

AFP spoke to Indians from different sections of society about the impact of the economic slowdown, which has put Prime Minister Narendra Modi under considerable pressure.

An engineering degree from a prominent university followed by a job that paid 42,000 rupees ($590) a month: Rahul thought he was set for life. But when the slowdown struck and companies laid off thousands, Rahul -- whose name has been changed at his request -- lost his job and has been struggling to land another.

"I am constantly sending my resume hoping to get an interview call but companies barely respond. The situation is depressing," he said.

The 27-year-old told AFP he now relies on his father's savings and pensions to keep their household running.

At 50, Saroj Ahire was forced to take two jobs and work through the night to earn 15,000 rupees a month, simply to keep her head above water.

But the increase in income is no match for inflation, she said.

"By the 25th of every month, I run out of cash and have to buy rice on loan from local shopkeepers," the domestic worker told AFP.

With rising prices prompting her to think twice about what she eats -- onions are now a luxury rather than a staple -- planning for the future is impossible.

Working for wealthy households only makes her feel worse, said Ahire, who shares a cramped one-room shanty with four family members.

"Watching them enjoy good food while I clean their homes... it causes a bit of heartburn for sure," she said.

"We also want to live a good life and eat well." - What about the wealthy - Not everyone is faring poorly. India's stock markets have been hitting record highs, bringing cheer to investors with enough cash to plough into equities.

A report by the charity Oxfam published last week said the wealth of India's top one percent increased by a staggering 46 percent over the past year.

"Select stocks have done very well and since rich people have higher allocation of their wealth in equities they would have gotten richer," R. Venkataraman, managing director of financial services firm IIFL Securities, told AFP.

"Otherwise it's very difficult to give a figure of 46 percent increase in wealth in an economy like this." Reliance Industries, helmed by Asia's richest man Mukesh Ambani, became India's most valuable company with a market capitalisation of more than 10 trillion rupees in 2019.

As the "feel-good factor" evaporates for everyone in India except the super-rich, consumers are cautious about spending on non-essential goods.

Shopkeeper Aslam Malkani, whose Mumbai store stocks smartphone accessories, told AFP sales had plunged more than 80 percent over the past eight months.

"We open the shop and wait but there are no customers," the 36-year-old said.

"I have been working since I turned 16 and have never seen this extent of slowdown. It's just too scary." - 'Hope is dimming' - For some, the slowdown has made already difficult lives even more precarious.

Every morning, Munna Singh joins hundreds of migrant workers waiting at a crowded Mumbai junction, all hoping to be picked up for a job -- from masonry to construction to cleaning sewage pipes.

Singh, 45, left his village in northern India six months ago, desperate to earn a living.

"Every day, from 6 am to noon, we wait for some work but hope is dimming," he said, adding that he sometimes goes two or three days without a meal.

"Where are the jobs?"

AFP/FILE

A domestic worker buys vegetables at a local market in Mumbai.

China's January factory activity seen stalling as virus adds to risks

REUTERS, *Singapore*

Growth in China's sprawling manufacturing sector likely stalled in January after two months of modest gains, with an outbreak of a new virus adding to risks facing the already struggling economy, a Reuters poll showed.

More than 130 people have died from the virus in China in the last few weeks and nearly 6,000 have been infected, prompting widespread transport curbs and tough public health measures that are weighing heavily on the travel, tourism and retail sectors.

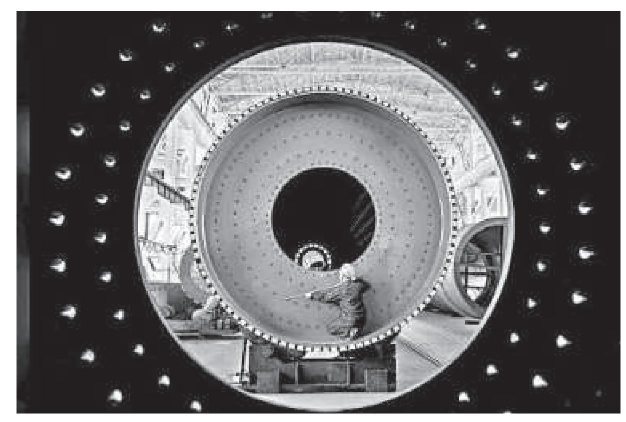
The official Purchasing Managers' Index (PMI) for January is expected to fall to a neutral 50.0 from 50.2 in December. The 50-mark separates expansion from contraction on a monthly basis, according to the median forecasts of 29 economists. The data is expected to be released on Friday.

China will also release a similar survey on activity in the non-manufacturing sector, which may give a better reading of the initial economic damage. Shops, restaurants and movie theatres are expected to see a slump in sales as people avoid crowded areas.

The timing of the long Lunar New Year holiday, which began on Jan. 25 this year, had already been expected to dampen factory activity to some extent after a stronger-than-expected showing in December.

Many businesses cut back operations or shut completely for a week or more to allow millions of workers to return home for celebrations, and authorities have extended the break by several days this year in a bid to contain the virus.

Health officials say it is too early to know just how dangerous the coronavirus is and how easily it spreads, but some analysts say the blow to the economy could be similar to that seen during an outbreak of Severe Acute Respiratory Syndrome (SARS) in 2002-03.



REUTERS/FILE

An employee measures a newly manufactured ball mill machine at a factory in China.

"Even if the coronavirus outbreak is brought under control quicker than SARS was in 2003, the economic impact now looks likely to be of at least a similar scale," Capital Economics said in a note to clients this week.

"We estimate that SARS lowered China's growth by three percentage points in the worst-affected quarter, though the economy soon bounced back."

Much of the "lost" spending during SARS was recouped by early 2004, workplaces generally stayed open and industrial activity was not affected, the consultancy noted.

China's economic growth is already near 30-year lows. It softened to 6.0% last year from 6.7% in 2018 under pressure from weak domestic demand and the escalating Sino-US trade war.

SIBL

Abu Naser Chowdhury, a deputy managing director of Social Islami Bank, opens the bank's sub-branch at Ramdoyal in Noakhali on Tuesday.

DBCCI

Faruque Hassan, outgoing president of the Dutch-Bangla Chamber of Commerce and Industry, presides over the chamber's 19th annual general meeting at Gardenia Banquets in Dhaka on Tuesday. Anwar Shawkat Afser, newly elected president, and Md Shakawat Hossain Mamun, newly elected secretary general, took over the charge for a two-year term at the meeting.

EXIM BANK

Md Nazrul Islam Mazumder, chairman of Exim Bank; Mohammed Haider Ali Miah, CEO; and Zakir Hossain Chowdhury, a general manager of Bangladesh Bank, attend an awareness programme styled 'Prevention of money laundering and combating financing of terrorism' organised by the former in Dhaka on Tuesday.

Do or die - Nissan takes the axe to the house Ghosn built

REUTERS, *Yokohama, Japan*

Nissan is planning aggressive cost cuts to deal with an unexpected slump in sales as the expansionist strategy it inherited from fugitive former Chairman Carlos Ghosn flounders, four people familiar with the plans said.

Japan's second biggest carmaker is set to eliminate at least 4,300 white-collar jobs and shut two manufacturing sites as part of broader plans to add at least 480 billion yen ($4.4 billion) to its bottom line by 2023, two of the people told Reuters.

The moves come on top of a turnaround plan unveiled in July and are likely to include cutting Nissan's range of cars and the array of product options and trims in each line, slashing jobs mostly at head offices in the United States and Europe, and reducing advertising and marketing budgets, they said.

"The situation is dire. It's do or die," a person close to Nissan's senior management and the company's board told Reuters.

Most of the planned cuts and measures to enhance efficiency were presented to Nissan's board in November and received its general blessing, two sources said.

A Nissan Motor Co spokeswoman declined to comment on new restructuring measures or the view that weaker-than-expected sales were the catalyst for a global overhaul.

Under Ghosn, Nissan embarked on a global expansion, boosting capacity to add new models, driving more decidedly into markets such as India, Russia, South Africa and southeast Asia and spending heavily on promotions and marketing to hit targets.

Now, many of those models are missing sales goals and executives at Nissan's Yokohama headquarters estimate up to 40 per cent of its global manufacturing capacity is unused, or under-used.

Some executives are worried Nissan, part of an alliance with Renault and Mitsubishi, could post another loss at its carmaking business in the last quarter of 2019 - and possibly for all its operations in the year ending in March. One source said that would most likely hinge on whether Nissan books big restructuring expenses in its current financial year, or waits until the year ending in March 2021.

Reuters spoke to nine people familiar with Nissan's plans. All declined to be named due to the sensitivity of the subject.

In July, Nissan said it would cut 12,500 jobs from 14 sites around the world, from the United Kingdom to Spain, Mexico, Japan, India and Indonesia - and reduce its model range by 10 per cent.

At the time, Nissan officials told Reuters that meant shutting one production line at each plant.

Now, Nissan is considering shutting two plants permanently, on top of the reductions at the 14 other sites, people close to Nissan's management and board with knowledge of the matter told Reuters. They didn't say which two new sites were at risk.

People familiar with the plans said the axe was also likely to fall at Nissan's North American head office in Tennessee and its European headquarters in Geneva, as they were bloated with high-spending sales and marketing staff.

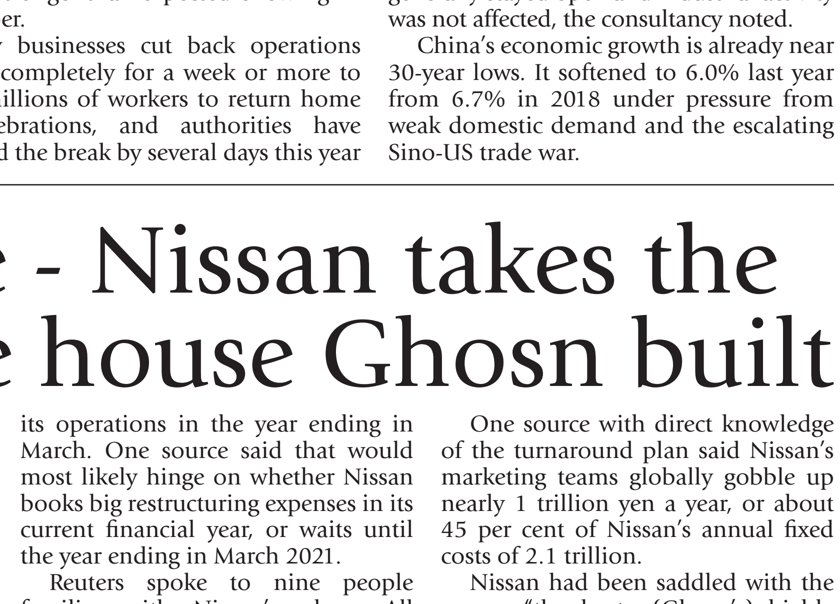
One source with direct knowledge of the turnaround plan said Nissan's marketing teams globally gobble up nearly 1 trillion yen a year, or about 45 per cent of Nissan's annual fixed costs of 2.1 trillion.

Nissan had been saddled with the excess, "thanks to (Ghosn's) highly aggressive, expansionist volume goals, which we failed to achieve", the source said. A spokeswoman for Ghosn said he declined to comment for this story.

Ghosn told a news conference in Beirut on Jan. 8 that Nissan's poor performance since 2017 was down to Hiroto Saikawa, who formally took over from him as Nissan CEO in April 2017. "He was CEO and he was responsible for it," Ghosn said.

In addition to cuts in Nissan's fixed costs, managers are also considering plans to kill off unprofitable models, accelerate the pace of new product development and reduce the average age of its line-up to 2-1/2 years from five now.

The new plans aim to add 480 billion yen to Nissan's bottom line by the end of March 2023, with 300 billion from cuts in fixed costs and 180 billion from an array of cars to be launched in the next three years, people familiar with the matter said.



REUTERS/FILE

Nissan's Ariya concept car is displayed during the Tokyo Motor Show.