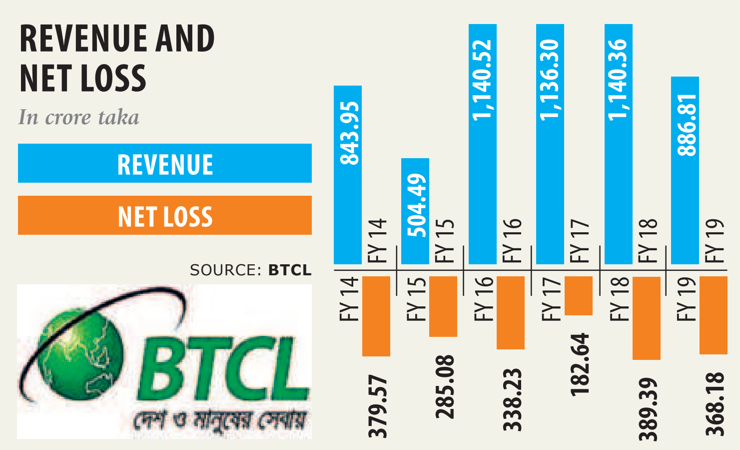
STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				STANDARD CHARTERED BANK
DSEX	CSCX	Gold ▼	Oil ▲	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		$USD	€EUR	£GBP	¥CNY
▼ 0.60%	▼ 0.51%	$1,556.94	$54.52	▲ 2.30%	▲ 0.49%	▲ 1.29%	▲ 1.34%	BUY TK	83.95	92.03	108.61	11.86
4,479.40	8,269.53	(per ounce)	(per barrel)	40,789.38	23,084.59	3,159.57	2,783.29	SELL TK	84.95	95.83	112.41	12.46

Star BUSINESS

DHAKA WEDNESDAY FEBRUARY 5, 2020, *MAGH 22, 1426 BS* starbusiness@thedailystar.net

BTCL on project spree to reclaim glory

Working on Tk 22,000cr projects, readying for 5G



PROJECTS *(in crore taka)*

ONGOING (to complete by 2020)	
Modernisation of telecom network	2,573.39
Upgradation of switching and connectivity	155.38
Networking in Mirsarai economic zone	61.90
Fibre optic cable networking in school, colleges	44.98
WAITING FOR APPROVAL (to complete by 2023)	
IP network upgrade	949.50
Transmission network for 5G readiness	1,265
Telecom networking in economic zones	101
Co-location for all telecom operators	1,200
Free wi-fi zone in hard to reach unions	460

In planning stage there are nine projects worth Tk 15,310cr

Star Business Report

State-owned telecom company BTCL has taken a host of projects worth Tk 22,121 crore in a bid to ready itself for the upcoming 5G technology and at the same time reclaim its lost glory.

"The government is very serious about the 5G mobile services, and this is why, we have to make our system and networks compatible with all modern technologies," said Md Rafiqul Matin, managing director of Bangladesh Telecommunications Company Limited, yesterday.

Once the ongoing projects are complete, BTCL can keep up with any operator in the market, he told representatives of the Telecom Reporters' Network Bangladesh at a meeting.

BTCL is currently working on four projects of Tk 2,835.65 crore for: modernising telecom network, upgrading switches and connections, establishing telecom network in Mirsarai economic zone, and laying fibre optic cables to provide Wi-Fi connections in about 500 schools and colleges.

The company has five projects worth Tk 3,975.5 crore now awaiting approvals from the planning and telecom ministries.

Another nine projects of about Tk 15,310 crore are at the "conceptual stage", Matin said, adding that all the schemes should be complete within 2030.

As BTCL's internet protocol-based network was not strong enough to meet the demands of the market, the current management was trying to make their services competitive, he said.

To that end, they have a long list of chores to carry through, a few of them being: establishing fibre optic network in 16 backwater upazilas, building a telecom museum and launching a telecom staff college.

BTCL has conducted feasibility studies before finalising the projects, said AKM Habibur Rahman, deputy managing director (planning) of the company.

Once a hugely profitable enterprise, BTCL embarked on the project spree at a time when its revenue and profit were plumbing new depths every year amid the onslaught of modern mobile phone services.

READ MORE ON B3

Exports remain sluggish

Star Business Report

Export earnings continued to remain sluggish until January this fiscal year, frustrated by slumping shipment of apparel and leather and leather goods, the two sectors that account for 85 percent of the total shipment.

Exports fell 5.21 percent year-on-year to $22.92 billion in July-January of the current fiscal year, data from the Export Promotion Bureau (EPB) showed.

In January export bucked the recovery trend seen in December. Manufacturers sent $3.61 billion worth of goods abroad in January -- 1.7 percent less than that in the same month a year ago, according to the EPB data.

"The reality is that we are getting less in value although the quantity remains almost the same," said Asif Ibrahim, a director of Newage Group, one of the leading apparel exporters.

Apparel, which makes up more than 80 percent of national exports, slumped 5.71 percent year-on-year to $19 billion in July-January of fiscal 2019-20.

Knitwear exports declined 5.13 percent to $9.6 billion during this period, while shipment of woven garments dropped 6.29 percent to $9.44 billion.

Bangladesh has now overcapacity in making basic garment items, he said. "This has created a situation where many, particularly large exporters, are cutting prices of apparel to stay afloat," he added.

"We also lag behind our peer countries in terms of production efficiency. We could not move upward in the value chain to make upmarket garments for a lack of research and development," said Ibrahim, also a director of Bangladesh Garment Manufacturers and Exporters Association.

The shipment of leather and leather goods also continued to remain on a downward curve for a loss of consumers' appetite for leather goods and a lack of environmental compliance by local firms.

READ MORE ON B3

NBR once again extends deadline for VAT software use

Sohel Parvez

The National Board of Revenue has extended the deadline for the third time for use of software for record-keeping by firms with turnover of Tk 5 crore and above in the face of resistance to installing the costly software.

The new deadline is February 29.

The tax authority is now trying to bring down the price of the software by asking more companies to develop it, said an NBR official requesting anonymity as he is not authorised to speak with the media.

At present, 24 companies are authorised to make the software, which will connect businesses with a server at the revenue authority's premises. The companies are demanding Tk 10-15 lakh for the software.

"This software should not be compared with the ordinary ones. It is a system developed in line with the law. It is a sophisticated task and we have to do it carefully," said Md Mahadi Hasan, head of operation of Dhrupadi Techno Consortium Ltd, one of the NBR enlisted software firms.

The company has already developed 70 such software out of 110 orders it received from local companies so far.

He, however, said a trading company with a turnover of Tk 5 crore and above might get an NBR prescribed software in between Tk 2-4 lakh.

Prices become higher when it comes to large manufacturing firms, he added.

The call for software use came in September 2018 as part of the NBR's initiative to automate the value-added tax system, the biggest source of revenue for the state.

READ MORE ON B3

Pakistan to buy Malaysian palm oil to compensate for India's withdrawal

REUTERS, *Kuala Lumpur*

Pakistan will buy more palm oil from Malaysia, Prime Minister Imran Khan said on Tuesday, to try and compensate after top buyer India put curbs on Malaysian imports last month amid a diplomatic row.

India imposed general restrictions on refined palm oil imports, and informally asked traders specifically to stop buying from Malaysia, the world's biggest producer of the edible oil. Sources said the move was in retaliation after Malaysia criticised India's new religion-based citizenship law and its policy on Kashmir.

Malaysian Prime Minister Mahathir Mohamad said on Tuesday that he discussed palm oil with Khan who was on a visit to Malaysia and that Pakistan had indicated it would import more from Malaysia.

"That's right, especially since we noticed India threatened Malaysia for supporting the Kashmir cause, threatened to cut palm oil imports," Khan told a joint news conference, referring to India's Muslim-majority region of Kashmir.

"Pakistan will do its best to compensate for that."

India is a Hindu-majority country while Malaysia and Pakistan are mainly Muslim. India and Pakistan have been mostly hostile to each other since the partition of British India in 1947, and have fought two of their three wars over competing territorial claims in Kashmir.

Pakistan may have bought around 135,000 tonnes of Malaysian palm oil last month, a record high, India-based dealers who track such shipments told Reuters on condition of anonymity.

Pakistan PM Imran Khan

The figure is close to estimates of 141,500 tonnes from Refinitiv, which says sales to India in January may have plunged 80 per cent from a year earlier to 40,400 tonnes.

Malaysia will release official export data on Monday.

Pakistan bought 1.1 million tonnes of palm oil from Malaysia last year, while India bought 4.4 million tonnes, according to the Malaysian Palm Oil Council.

India has repeatedly objected to Mahathir speaking out against its move last year to strip Kashmir's autonomy and make it easier for non-Muslims from neighbouring Muslim-majority Bangladesh, Pakistan and Afghanistan to gain citizenship.

At the news conference, Mahathir did not refer to Kashmir but Khan did.

"The way you, PM, have stood with us and spoken about this injustice going on, on behalf of Pakistan I really want to thank you," Khan said.

He also said he was sad he could not attend a summit of Muslim leaders in Malaysia in December. Saudi Arabia did not attend the summit, saying it was the wrong forum to discuss matters affecting the world's Muslims and Khan belatedly pulled out from attending.

Some Pakistani officials, unnamed because they were not authorised to speak to the media, said at the time that Khan pulled out under pressure from Saudi Arabia, a close ally of Pakistan, though local media reported his officials denied that was the reason for his absence.

"Unfortunately our friends, who are very close to Pakistan as well, felt that somehow the conference was going to divide the ummah," Khan said, using the Arabic word for the Muslim community but not mentioning Saudi Arabia by name.

"It is clearly a misconception, as that was not the purpose of the conference."

EBL

Ziaul Karim, head of communications and external affairs at Eastern Bank Ltd (EBL), receives an 'International Finance Awards' on behalf of the bank at a hotel in Bangkok recently. The bank bagged the award in the most innovative retail bank in Bangladesh category.

Eight to contest for Startup World Cup

STAR BUSINESS DESK

Eight local startups have recently been selected for the grand finale of the Bangladesh edition of Startup World Cup 2020.

Startup World Cup is a global conference and competition that brings together the top startups, entrepreneurs and tech CEOs.

The selected startups are Alter Youth, Cookups, Gaze, Parking Koi, Poshapets, Sigmind.ai, Torun Digital, Truck Lagbe.

The daylong grand finale will be held at Radisson Blu Dhaka Water Garden on February 8 when the selected startups will compete in front of international judges, according to a statement.

The Bangladesh edition of the competition is being organised by the foreign affairs ministry, ICT Division, the Venture Capital and Private Equity Association of Bangladesh, International Finance Corporation and powered by eGeneration to mark the Mujib Borsho.

The champion team of Bangladesh will compete in the Startup World Cup 2020 scheduled to be held at Silicon Valley in California, US on May 22.

EBL gets new DMD

STAR BUSINESS DESK

Mahmoodun Nabi Chowdhury has recently been appointed as the deputy managing director and chief risk officer of Eastern Bank Ltd (EBL).

Prior to the appointment, he was the deputy managing director and head of corporate asset marketing of One Bank.

Chowdhury started his banking career at Standard Chartered Bank in 1997, according to a statement.

He completed his MBA from the Institute of Business Administration at the University of Dhaka.

NBR once again extends deadline

FROM PAGE B1

The rule was introduced to ensure that the actual amount of VAT comes to the NBR without any evasion.

Businesses will not have to visit VAT office with lots of papers in hand, which will reduce the cost of compliance, the NBR official said.

The NBR also directed its field offices to furnish a list of firms with yearly sales of Tk 5 crore and above, the number of businesses that are already using the software and the number of applications under consideration.

Officials said the NBR has decided to strengthen monitoring to ensure more compliance with its directive.

The original deadline for using software was January last year, which was moved to December 31. The last deadline was February 2.

Angry workers spurn Ethiopia's 'industrial revolution'

AFP, *Hawassa*

Zemen Zerihun thought he'd left farming behind and found the ticket to a better life when he began a job cutting fabric for a clothing company at a massive industrial park in southern Ethiopia.

But the 22-year-old ended up quitting within months, weary of working eight hours a day, six days a week and still not making ends meet earning $35 a month.

Managers were so strict they would go into bathrooms and yank out workers deemed to be taking too long, he said. His supervisor would loudly berate him as "slow" and "lazy" when he failed to keep pace on the production line, he told AFP.

"After I joined the company, I suffered," he said. "The supervisors treat you like animals." Experiences like his highlight a major challenge facing Ethiopia's push to embrace industrialisation and become less dependant on agriculture.

By attracting foreign investors through cheap labour, it wants to follow the model of China and other Asian nations in creating a robust manufacturing sector that can offer badly needed jobs for its young workforce.

But despite high unemployment, young Ethiopians are not going along with it, preferring to quit rather than stay in jobs where they feel underpaid and disrespected.

Thousands of employees have already walked out of the country's new and burgeoning network of industrial parks.

At the Hawassa Industrial Park, where Zemen worked, staff turnover in 2017-18 "hovered around 100 percent," according to a May 2019 report from the Stern Center for Business and Human Rights at New York University.

The added recruitment and training costs are a main reason why, in the eyes of manufacturers, Ethiopian labour has "turned out to be considerably more costly than the government had initially advertised," the report said.

Government officials say they are taking steps to address workers' concerns while balancing them with industry representatives' interests.

But labour organisers argue the measures are too little, too late, leaving them no choice but to begin unionising the parks -- a development Zemen says is long overdue.

Hyundai suspends domestic production over China outbreak

AFP, *Seoul*

South Korea's largest automaker Hyundai Motor will suspend all domestic production this week because of a lack of parts due to the coronavirus outbreak in China, it said Tuesday.

The global car industry operates on tight supply lines and was thrown into turmoil when Japan's Fukushima earthquake and tsunami in 2011 knocked out a Renesas Electronics factory producing a vital and widely used computer chip.

The outbreak of the coronavirus had disrupted the supply of parts for Hyundai, the company said. "Hyundai Motor has decided to suspend its production lines from operating at all of its plants in Korea," the carmaker said in a statement.

The order of suspensions would vary, it said, but all production would cease by the end of the week. Hyundai operates 13 plants worldwide, including seven in South Korea, and last year sold a total of 4.4 million vehicles.

Its South Korean production amounted to around 1.8 million vehicles, or approximately 35,000 a week.

The virus outbreak had disrupted the procurement of auto parts called wiring harnesses, which are mostly produced at Hyundai's assembly lines in China.

"The company is reviewing various measures to minimise the disruption of its operations, including seeking alternative suppliers in other regions," Hyundai said.

If it was successful, production could resume next week, Yonhap news agency cited a company official as saying.

The deadly virus that first appeared in the central Chinese city of Wuhan -- a centre for the auto industry in the world's second-largest economy -- has resulted in 425 deaths and spread to more than 20 other countries.

It has prompted widespread business shutdowns in China and airlines around the world have cancelled flights, raising concerns about the hit to the world's number two economy and beyond.

Tuesday's move came after Hyundai cancelled overtime factory hours at the weekend to produce its flagship Palisade sport utility vehicle.

Markets have struggled in recent days as the World Health Organization declared a global health emergency over the virus, with analysts concerned about its impact on world economic growth.

BANK ASIA

Md Arfan Ali, president and managing director of Bank Asia, and Srabanti Datta, a director of ABC Real Estates, exchange documents after signing a deal at Bank Asia Tower in Dhaka recently. The customers of the real estate company will get low-interest home loans and privileged services at the bank.

Exports remain sluggish

FROM PAGE B1

Leather, leather goods and footwear exporters identified the poor standards of the central effluent treatment plant (CETP) in Savar leather estate as one of the major bottlenecks.

Md Nazmul Hassan, managing director of Leatherex Footwear Industries Ltd, said multiple factors affected exports: Imposition of 10 percent advance income tax on cash incentive is one of those.

"Besides, the demand for synthetic products is rising globally while the demand for leather goods is falling," he said.

Between July and January, export earnings from leather and leather goods fell 10.78 percent year-on-year to $559 million.

Saiful Islam, president of Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh, said global fashion trend is changing affecting demand for leather goods.

"It is a big success of the government that it ensured shifting of tanneries to the leather industrial estate. Nevertheless, the CETP is not effectively functional yet," he said.

Shipment of frozen and live fish, including shrimp, also declined.

The only silver lining was the increasing shipment of jute and jute goods, agricultural products and vegetables.

Hassan feared that the leather industry might suffer if the attack of deadly coronavirus intensifies.

"We are very much dependent on China for our raw materials. There will be a serious impact unless the situation improves fast. Supply disruption of products will also fuel inflation," he said.

Islam, however, said the deadly virus might shift some orders to Bangladesh, as consumers are likely to feel shaky in buying products made in China.

"So, by the end of this fiscal year, exports are likely to recover," he said.

Bharti Airtel posts another loss as it faces massive government dues

REUTERS

Bharti Airtel Ltd reported its third straight quarterly loss on Tuesday, as India's third-largest telecom firm booked 10.50 billion rupees ($147 million) in charges related to spectrum fee payments and write-downs of network equipment.

The company reported a loss of 10.35 billion rupees ($145 million) for the three months ended Dec. 31, compared with a profit of 862 million rupees a year earlier.

Analysts on average had expected the company to report a net loss of 5.52 billion rupees, according to Refinitiv data.

The results come as Airtel and other telecom firms face demands from India's government to pay a combined $13 billion in overdue levies. That had prompted the company to warn in November about its ability to continue as a going concern.

Airtel confirmed on Tuesday that those concerns no longer existed.

Airtel, Vodafone Idea Ltd and billionaire Mukesh Ambani's Jio raised tariffs in December to counter the burden from the government's demands. As a new entrant, Jio is the least exposed to the dues. The company's average revenue per user at its India mobile services unit jumped nearly 30 per cent to 135 rupees in the December quarter.

BTCL on project spree

FROM PAGE B1

Its revenue slumped 22.23 per cent to Tk 886.81 crore last fiscal year. In fiscal 2008-09, when it was declared a company from a state organisation, its revenue was Tk 1,689.36 crore and net profit was Tk 106.15 crore. Ten years later, it incurred a loss of Tk 389.39 crore.

The company is at a disadvantage for its ageing assets: in fiscal 2018-19 it had to write off Tk 560.73 crore for depreciation, according to its annual report.

Of BTCL's total revenue last fiscal year, 58.15 per cent came from depreciation of its assets and establishments: Tk 560.73 crore.

"Our vast assets have become our liability," Matin had said earlier. The depreciation was Tk 591.61 crore in fiscal 2017-18, Tk 485.83 crore in 2016-17, and Tk 514.51 crore in 2015-16.

"Our cash flow is quite satisfactory but when the depreciation issue comes up, we become a loss-making company," Matin said. Since fiscal 2015-16, BTCL suffered losses of about Tk 1,200 crore.

"The world is moving very fast and if the state-owned companies do not keep pace with that, they will be obsolete," he said, adding that they were trying to modernise services.

UNION BANK

Omar Farooque, managing director of Union Bank, attends the bank's annual risk management conference at the Sayeman Beach Resort in Cox's Bazar recently.

Australia keeps interest rates on hold

AFP, *Sydney*

Australia's central bank on Tuesday kept interest rates on hold at a record low, despite expected economic pain from the country's devastating bushfire crisis and the deadly outbreak of coronavirus in China.

The Reserve Bank of Australia (RBA) has kept the cost of borrowing unchanged since lowering rates to 0.75 percent in October as part of efforts to extend a record 29-year run without a recession.

On Tuesday, the bank shrugged off concerns over the economic impact of the months-long bushfire disaster, with RBA governor Philip Lowe saying the blazes would "temporarily weigh on domestic growth" in the short term.

In a statement announcing rates would be kept on hold, Lowe pointed to slightly improved jobs figures -- with the unemployment rate declining to 5.1 percent in December -- and an uptick in previously flagging housing markets as factors in the decision.

RAJIB RAIHAN

A truck carrying a container moves forward to be scanned through a fixed container scanner at New Mooring Container Terminal (NCT) in Chattogram. (Inset) NBR Chairman Abu Hena Md Rahmatul Muneem, *left*, takes a look at a television screen that showcases the activities of Chattogram port yesterday. The port now has nine such scanners, including the new two that the NBR chief introduced on the day.

UK's Johnson hits out at global protectionism

AFP, *London*

PRIME Minister Boris Johnson on Monday hit out at protectionism around the world, as he set out his hopes that Britain could become a global trading nation after Brexit.

"The mercantilists are everywhere. The protectionists are gaining ground, from Brussels to China to Washington," he said in a speech in London.

"Tariffs are being waved around like cudgels, even in debate on foreign policy, where, frankly, they have no place.

"And there's an ever-growing proliferation of non-tariff barriers. The resulting tensions are letting the air out of the tyres of the world economy."

Britain became the first country to leave the European Union on Friday, ending nearly half a century of often reluctant membership.

It plans to leave the bloc's single market and customs union after a transition period that ends on December 31.

Johnson hopes this will give it the freedom to sign free trade deals with the EU, but also the United States, Japan, and many other countries.

In a speech at the Old Royal Naval College in Greenwich, south London, littered with references Britain's past glories as a world maritime superpower, he laid out his vision for a new "Global Britain".

"This country is leaving its chrysalis. We are re-emerging out of decades of hibernation as a campaigner for global free trade," he said.

He warned that pulling up the drawbridge had damaging effects, discouraging cooperation, including in efforts to tackle international threats such as the novel coronavirus outbreak in China.

"At that moment, humanity needs some government, somewhere, that is at least willing to make the case powerfully for freedom of exchange," he said.

He likened Britain to the comic book character of Superman, which would "take off its Clark Kent spectacles and leap into the phone booth and emerge with its cloak flowing as the supercharged champion" of free trade.

"The UK is ready for that role. We're ready for the great multi-dimensional game of chess in which we engage in more than one negotiation at once," he said.

"We are limbering up to use nerves and muscles and instincts that this country has not had to use for half a century."

Sanofi investigated over epilepsy drug linked to birth defects

REUTERS, *Paris*

FRENCH drugmaker Sanofi said on Tuesday it was being investigated over Depakine, an epilepsy drug which caused birth malfunctions and slow neurological development when taken during pregnancy.

The Paris prosecutor had already launched a preliminary investigation into the authorisation and marketing of Depakine in 2016, after France's social affairs inspection agency IGAS criticised the slow response of health authorities and Sanofi to the risks related to the drug and its derivatives.

Sanofi said in a statement that the indictment, which may or may not lead to a trial, will allow it to defend itself and to "prove it has always complied with its to duty to inform and been transparent".

Sanofi, which has repeatedly said it had no intention to compensate or take part in a state-backed compensation mechanism for Depakine, added it would continue to "fully cooperate with judicial authorities", and was "confident" over the outcome.

Such legal cases can take years and

do not necessarily result in significant amounts of compensation in France compared to other jurisdictions such as the United States.

In one of France's biggest pharmaceutical scandals, privately-owned Servier has so far paid out 152.5 million euros ($169 million) to patients.

Sodium valproate, the active molecule in Depakine, has been on the market since 1967 to treat epilepsy and bipolar disorder. It features on the World Health Organization's (WHO) list of "essential medicines".

Depakine, which lost its patent in 1998, is prescribed in more than 100 countries. It is also sold under the names Depakote and Epilim.

IGAS estimated that between 2006 and 2014, 425 to 450 babies suffered congenital birth defects or were stillborn following exposure to Depakine.

Marine Martin, president of victims association APESAC, said on Twitter she was "extremely satisfied to see the criminal proceedings she launched in 2016 reach an important threshold".

"Sanofi will have to deal with the tens of thousands of poisoned victims, out of which more than a hundred died".

STAR

Tawfiq-e-Elahi Chowdhury, energy affairs adviser to the prime minister, launches Nano Silver Resonance Technology of Malaysian company Universal Energy Efficiency at the Westin Dhaka yesterday. Ian Anthony Chew, product expert of the Universal Group of Companies, and Md Ehsanul Habib, managing director of Universal Energy Bangladesh, were present.

Shanghai stocks, oil plunge on virus fears

AFP, *London*

CHINESE equities plunged almost eight percent Monday as nervous traders returned from their extended Lunar New Year break, hit by fears that the deadly coronavirus could hammer the country's economy.

The steep losses led another sell-off across Asia following a painful week for global markets with the virus death toll topping 360 people and more than 17,000 infected, and governments around the world banning flights to and from China.

Meanwhile, Brent crude -- the benchmark international oil contract -- fell by more than three percent in late European trading to under $55 per barrel -- on expectations that demand could slide as the virus hits economic output.

The main US oil contract, WTI, was also briefly under $50 per barrel.

"Traders are fearful that China's demand for the energy will tumble," said analyst David Madden at CMC Markets UK.

OPEC members and their ally Russia will convene a technical meeting this week to analyse falls in the oil price since the outbreak of a coronavirus epidemic, a source close to the cartel said on Sunday.

In foreign exchange, sterling slid more than 1.5 percent versus the dollar, hit by worries over post-Brexit trade deal negotiations after Britain's exit from the European Union last Friday, dealers said.

The tumble in the pound helped to lift London's benchmark FTSE 100 index.

Sterling's slide is "generally good for companies whose shares are priced in pounds but who earn in foreign currencies including the dollar", noted Russ Mould, investment director at AJ Bell.

Elsewhere, "Chinese stocks played catch-up... as its markets reopened after more than a week's closure", said Mould.

"While the scale of this movement is enormous in terms of daily stock market action, it essentially puts China's market more in line with how the Hong Kong index has reacted in the past few weeks." Analysts have warned that the virus outbreak could slash global growth this year, throwing a spanner in the works just as economies were showing signs of stabilising after more than a year of slowing.

REUTERS

Passengers wear face masks as they wait for standby tickets on a China Eastern flight to Shanghai, at Los Angeles International Airport on February 2.

Observers said that with China being a crucial part of the global trade infrastructure, other countries would also be badly hit, while major corporate names have frozen or scaled back their Chinese operations, threatening the global supply chain.

The World Health Organization last week invoked a global health emergency but stopped short of recommending trade and travel restrictions that could have had a bruising effect on China.

Still, JP Morgan Asset Management strategist Tai Hui remained relatively upbeat about the future.

"As the number of infections is still likely to rise in the weeks ahead, we would expect the Chinese onshore equity market to come under pressure," he said in a note.

"That said, we still believe that economic activities should recover swiftly once the number of new cases comes under control, and subsequently market sentiment should also improve."

European stock indices held in positive territory throughout the day, while Wall Street rebounded following sharp losses on Friday on fears of the impact of the coronavirus on the global economy.

"The Dow Jones, as well as the S&P 500, have quickly crawled back a good chunk of the ground that they lost on Friday," said CMC Markets' David Madden, pointing out that better-than-expected manufacturing data had boosted sentiment.

India may issue $5b of bonds next year with no foreign investment cap

REUTERS, *New Delhi/Mumbai*

INDIA is likely to issue at least $5 billion worth of bonds with no limits on foreign investment next year, in a bid to list the bonds on global indices and attract more foreign funds, according to two finance ministry sources.

India's government is likely to issue the bonds in several tranches of at least $400 million each, one source said.

"We have spoken to major index operators and we will start pushing these bonds in tranches very early in the first half of the next fiscal year itself," the first official said.

The bonds would be rupee-denominated, said the officials, who asked not to be named as the discussions were still private.

The finance ministry did not immediately reply to an email seeking comment.

In September, Reuters reported the government was considering a special window free of any foreign investment cap for overseas passive investors.

An inclusion in global indices would open India's bond market to more investors and potentially reduce the government's borrowing costs.

That investment could be significant in the long run, said Ananth Narayan, associate professor of finance at S.P. Jain Institute of Management and Research.

However, Narayan said, "if it is only a few bonds, a full-fledged index inclusion will not happen. We will get a very small, negligible kind of weightage on the index, but it is a good way to start,"

REUTERS/FILE

An India Rupee note is seen in this illustration.