



**Taimur Rahman, chief corporate and regulatory affairs officer of Banglalink, and Muniruzzaman Sheikh, chief ethics and compliance officer, pose with the winners of the second edition of the mobile operator's SDG Hackathon, Code for a Cause, a problem solving competition aimed at encouraging youths to come up with innovative solutions to the Sustainable Development Goals challenges, at Banglalink's head office in Dhaka on Sunday.**

## HSBC to slash investment bank, 35,000 jobs in strategy overhaul

REUTERS, Hong Kong/London

HSBC Holdings PLC said on Tuesday it would shed \$100 billion in assets, shrink its investment bank and revamp its US and European businesses in a drastic overhaul that will mean 35,000 jobs cut over three years.

The bank, which has struggled to keep pace with leaner and more focused rivals, is seeking to become more competitive as it grapples with slowing growth in its major markets, the coronavirus epidemic, Britain's European Union exit and lower central bank interest rates.

In the latest in a series of overhauls since the 2008 financial crisis, HSBC said it would merge its private banking and wealth businesses, axe European stock trading and cut US retail branches as it seeks to remove \$4.5 billion in costs.

"The totality of this program is that our headcount is likely to go from 235,000 to closer to 200,000 over the next three years," Noel Quinn, interim chief executive, told Reuters. The restructuring, one of the largest undertaken by a blue chip lender for more than a decade, will be partly managed through natural attrition as people leave the bank, he said.

The UK-based bank, whose huge Asian

operations are headquartered in Hong Kong, said the coronavirus epidemic had significantly impacted staff and customers. In the long run it could reduce revenue and cause bad loans to rise as supply chains are disrupted, Quinn said.

The virus has killed almost 1,900 people, overwhelmingly in mainland China, and infected more than 70,000, while its economic impact is spreading across the globe. HSBC veteran Quinn is auditioning for the permanent role of CEO, which the bank said in August would be announced within six to 12 months.

"In one sense, they are doing the things that were obvious and had been called out by many, so it's good," Hugh Young, managing director at Aberdeen Asset Management Asia, one of HSBC's 20 largest investors said.

"Getting this done will require a fair amount of work, then we need to see how it settles down. Noel is doing a good job in very difficult circumstances," he added.

Europe's biggest bank by assets, which makes the bulk of its revenue in Asia, said profit before tax tumbled by a third to \$13.35 billion in 2019, far below the average estimate of \$20.03 billion from brokerages compiled by the bank.

## Singapore announces \$4.6b boost to fight virus

AFP, Singapore

Singapore unveiled US\$4.6 billion in financial packages on Tuesday to deal with the impact of the deadly coronavirus outbreak, which has battered the city-state's economy and sparked fears of a recession.

The financial hub has reported 77 cases of the virus, one of the highest figures outside mainland China, where the pathogen has killed hundreds and infected tens of thousands.

Tourism and trade are both expected to be hard hit by the virus in Singapore, an open economy with close links to China that is badly affected during any global shock.

Finance Minister Heng Swee Keat announced financial packages worth a total of Sg\$6.4 billion (US\$4.6 billion) as part of the annual budget, and warned that the full impact of the outbreak is yet to be felt.

"The duration and severity of this outbreak and the impact on the global economy are still unclear," he said.

"We must be prepared... the economic impact may be worse than we projected." Sg\$5.6 billion was earmarked to help companies and families ride out the looming slowdown, with a large chunk set to go to firms in the most affected sectors including aviation, tourism and retail.

There was also money to help families, which will come in the form of cash payouts and grocery vouchers for the needy.

An additional Sg\$800 million was set aside to support virus-fighting efforts, with most going to the health ministry.

The packages would result in an overall budget deficit of Sg\$10.9 billion, Heng said, but added that the government had enough surpluses to fund it.

Authorities had rolled out a financial package totalling Sg\$230 million during the Severe Acute Respiratory Syndrome (SARS) outbreak in 2002-03.

The trade ministry said Monday that growth this year could be between -0.5 and 1.5 percent, with analysts saying this means there is a higher risk of a recession.

# Apple to miss revenue forecast as iPhone supply hit by coronavirus

AFP, San Francisco

Apple announced Monday it would miss its March quarter revenue forecast and global iPhone supplies would fall because of the deadly coronavirus epidemic, triggering a fall in Asian stock markets.

The COVID-19 death toll now exceeds 1,800 in China, where it has infected more than 72,000 after emerging in the central province of Hubei in December.

The virus has sparked global economic jitters, with travel bans and mass quarantines inside China forcing factories to suspend operations and shops to close.

Apple, which depends on components from Chinese suppliers and has a big market in China, has been hammered on both fronts. "We are experiencing a slower return to normal conditions than we had anticipated," Apple said in a statement.

"As a result, we do not expect to meet the revenue guidance we provided for the March quarter." Apple had forecast revenue of \$63 billion to \$67 billion for the second quarter to March.

The US tech giant did not

disclose how much it expected the outbreak to shave off its revenues.

But it said that worldwide iPhone supply would be "temporarily constrained" as its manufacturing partners in China were only slowly ramping up work after being closed because of the travel restrictions.

Consumer demand in the crucial Chinese market had also been dampened after all Apple stores were shut.

"Stores that are (now) open have been operating at reduced hours and with very low customer traffic," the company said.

"We are gradually reopening our retail stores and will continue to do so as steadily and safely as we can." Apple analyst and Loup Ventures co-founder Gene Munster told Bloomberg that the company was feeling the hit from its dependence on Chinese consumers.

"This is the double-edged sword of being in China," he said.

"They're the only big (US tech) company with China exposure, so they are working through the pain of what has largely been a success for the company over the past decade." Other Silicon Valley behemoths -- such as Facebook,



Amazon and Google parent company Alphabet -- either have limited access to the market or are blocked outright by China's internet firewall.

However supply chains of global firms such as Apple supplier Foxconn and auto giant Toyota have also been disrupted with production facilities in China temporarily closed.

Sportswear giants Nike and Adidas also shuttered hundreds of stores in the country this month and warned of a negative impact

on their earnings.

Apple suppliers suffered in Tuesday trade after the forecast.

Sony, which provides Apple with key imaging components, lost 2.5 percent, while electronic parts maker Murata Manufacturing plunged more than three percent on the Tokyo bourse.

"Traders were downhearted about Apple's announcement," Chibagin Asset Management's Yoshihiro Okumura told AFP.

Tokyo's benchmark Nikkei 225 index closed down 1.4 percent

-- its fourth straight session in the red, while Hong Kong's main market was down 1.3 percent.

Monday marked the second time in as many years that Apple cut earnings forecasts due to setbacks in the Chinese market.

It followed a downgrade for the 2019-20 financial year due to a lag in iPhone sales, which the company blamed on the US-China trade war. International Monetary Fund chief Kristalina Georgieva has said there could be a cut of up to 0.2 percentage points to global growth because of the virus.

Outside of hardest-hit Hubei, which has been effectively locked down to try to contain the virus, the number of new cases has been slowing and China's national health authority has said the outbreak is under control.

However, World Health Organization chief Tedros Adhanom Ghebreyesus said that the trend "must be interpreted very cautiously".

Further moves by China's central bank on Monday to cushion the world's second-largest economy against the health crisis appear to have done little to allay concerns.



IBBL

**Yousif Abdullah Al-Rajhi, vice chairman of Islami Bank Bangladesh and Islami Bank Foundation, opens a neonatal intensive care unit at Islami Bank Central Hospital in the capital's Kakrail on Monday. Md Nazmul Hassan, chairman of the bank, was present.**



CRYSTAL INSURANCE COMPANY

**Abdullah Al Mahmud, chairman of Crystal Insurance Company, attends the company's 20th annual conference at its corporate office in Dhaka on Saturday.**

## Asian markets fall as virus hits earnings, growth

AFP, Hong Kong

Asian markets tumbled Tuesday after Apple warned the new coronavirus had hit output and demand in China, fuelling fears over the wider impact of the epidemic on corporate earnings and economic growth.

Investors looked past a positive lead from European bourses to focus on the spiralling fallout from the virus that has so far killed more than 1,800 people and infected nearly 72,500, mostly in mainland China.

As well as denting company bottom lines, the virus has sparked panic buying, economic jitters and the cancellation of high-profile sporting and cultural events. "Best to buckle in as we could be in for a bumpy ride (over) the next few weeks," said Stephen Innes of AxiCorp.

"I'm struggling to find any research report that doesn't suggest (COVID-19) could significantly affect short term earnings." Apple suppliers in Asia were hit by the tech giant's warning that it would miss its

quarterly revenue forecast because of the virus, dragging markets lower.

Tokyo's benchmark Nikkei 225 index closed down 1.4 percent -- its fourth straight session in the red -- a day after data showed the economy shrank in the December quarter, even before the effects of the virus hit Japan.

Hong Kong was 1.5 percent lower as banking heavyweight HSBC reported a 33 percent fall in 2019 pre-tax profits alongside an announcement that it was cutting 35,000 jobs. Its shares were off 2.8 percent.

## China to grant tariff exemptions on 696 US goods to support purchases

REUTERS, Beijing

China will grant exemptions on retaliatory duties imposed against 696 US goods, the most substantial tariff relief to be offered so far, as Beijing seeks to fulfill commitments made in its interim trade deal with the United States.

Tuesday's announcement comes after the Phase 1 trade deal between the two countries took effect on Feb. 14 and is the third round of tariff exemptions China has offered on US goods.

China has committed to boosting its purchases of goods and services from the United States by \$200 billion over two years as part of the agreement, and has already rolled back some additional tariffs on US imports after the deal was signed.

US goods eligible for tariff exemptions include key agricultural and energy products such as pork, beef, soybeans, liquefied natural gas and crude oil, which were subject to extra tariffs imposed during the escalation of the bilateral trade dispute.

The coronavirus epidemic that emerged late last year in China has raised concerns about its ability to meet the purchasing targets, however. Authorities throughout the country imposed major restriction on travel and transportation to curb the spread of the virus, which has killed nearly 1,900 and infected more than 70,000 in the country.



REUTERS/FILE

**A dollar banknote and a Chinese banknote are seen in this picture illustration.**

The containment efforts have kept factories shut or operating with drastically reduced staff, hitting production. The public has also been discouraged from leaving their homes or going to public places, also stunting consumption.

White House adviser Larry Kudlow said earlier this month that Chinese President Xi Jinping told US President Donald Trump during a recent call that China will still meet its Phase 1 trade deal purchasing targets.

Beijing's announcement on Tuesday emphasized that Chinese firms will submit applications for tariff exemptions based on market

conditions and commercial considerations. "Unless the state forcefully asks firms to apply for tariff exemption and buy US soybeans, crushers would still go for Brazilian beans, based on market free will," said a trader, adding that Brazilian beans are of good quality and price this year.

Other products subject to exemption on additional tariffs imposed include denatured ethanol and wheat, corn and sorghum. Some medical devices and metals including copper ore and concentrates, copper scrap and aluminum scrap are also subject to exemption.

Pharmaceutical products such as recombinant human insulin and some antibiotics are also among US products eligible for tariff exemptions.



PUBALI BANK

**M Azizul Huq, chairman of Pubali Bank, and Md Abdul Halim Chowdhury, CEO, attend the bank's annual managers' conference at a hotel in Cox's Bazar recently.**