

Japan Tobacco appoints new MD

STAR BUSINESS DESK

Japan Tobacco International (JTI) in Bangladesh has appointed a new managing director. Neil Coupland has nearly three decades' experience in the tobacco and related industries such as British American Tobacco, Imperial Tobacco and security solutions provider SICPA, says a press release. He joined JTI in 2008 as general manager of Romania, Moldova and Bulgaria before taking on the role for Poland and Middle Americas.



Neil Coupland

"I am really excited to be in Bangladesh where the country is going through a transformation with a thriving economy, improved investment climate and pulsating energy around," said Coupland. "I am looking forward to work with the different stakeholders in and outside of our business to create JTI in Bangladesh as a role model of foreign investment contributing to the economy, people development and community investment."



BKASH

Moinuddin Mohammed Rahgir, chief financial officer of bKash, and Kazi Azizur Rahman, deputy managing director of Southeast Bank, exchanged copies of an agreement at the former's head office yesterday, facilitating automated payments to distributors of the mobile financial service provider.

Nestle delays all business trips over virus

AFP, Zurich

Swiss food giant Nestle, owner of KitKat and Nespresso, on Tuesday said it was postponing all business trips until March 15 at the earliest because of the new coronavirus epidemic.

"We have asked all of our employees worldwide not to travel for business purposes until March 15 2020. We will review this measure in light of external developments," a company spokesman told AFP, quoting an internal note.

The spokesman said that the company was not calling back expatriate employees but added: "We monitor the situation closely to ensure the safety of our employees." Nestle, which owns a range of household brands including also Nescafe, Maggi and Perrier, employs 291,000 people.

The epidemic, which began in China at the end of 2019, has now spread to dozens of countries and infected tens of thousands of people, killing more than 2,600.

AFP, London

Stock markets and oil prices slid again Wednesday, as major companies began to count the financial cost of the spreading coronavirus.

Heavy selling followed another rout Tuesday on Wall Street where all three main indices lost around three percent after officials said COVID-19 would likely take hold in the United States.

With cases being reported in more countries -- and lockdowns in nations including Austria, Italy and Spain -- traders are growing increasingly fearful about the impact on the global economy.

"Markets continue to retreat as the coronavirus dominates headlines," said IG trading group analyst Chris Beauchamp.

London's benchmark FTSE 100 index dropped below 7,000 points, erasing all gains won over the past year, while oil prices slid to the lowest levels in more than a year.

British drinks group Diageo, the maker of Guinness stout and Smirnoff vodka, on Wednesday said the coronavirus would slash its annual sales by up to 325 million.

Diageo, which produces also Baileys liqueur and Johnnie Walker whisky, said sales for the group's financial year ending June 30 would be impacted by between

Stocks, oil prices slide as virus sweeps globe



AFP

Pedestrians walk past an electronic quotation board displaying numbers of the Nikkei 225 Index in Tokyo yesterday.

225 million and 325 million.

French food giant Danone said it expected to take a hit of 100 million euros (\$109 million) in first-quarter sales.

"What we appear to be seeing is the

realisation that global economic growth could well come to a halt as the combined effects of a flu virus and belated attempts to stem the spread of it across the globe, raise the prospect of an economic sneeze," said

CMC Markets UK analyst Michael Hewson.

The death toll is now at more than 2,700, while the number of infected is approaching 80,000, even if new cases in China, the epicentre, are falling.

With panicked investors seeking out safe havens, the yield on both 10-year and 30-year US Treasury bills are at record lows, while the Japanese yen is gaining.

However, the dollar was being kept in check by speculation that the Federal Reserve could cut interest rates to support markets, although for now officials are saying the US economy remains in rude health.

The VIX "fear" index is at its highest level in more than a year, but gold, usually a main target for those seeking shelter from the turmoil, was subdued.

"To suggest the market is a tad skittish over the coronavirus becoming a pandemic could very well be the understatement of the century with the virus morphing into the market's biggest macro worry of the decade," said AxiCorp's Stephen Innes.

However, Gorilla Trades strategist Ken Berman said that "in light of the quick spreading of the virus, the global economy is likely to suffer, at least, a short-term shock, but should the outbreak slow down during the spring, we could see a swift economic recovery."

Virus may have affected supply chain in Japan: Toyota

REUTERS, Tokyo

Toyota Motor Corp on Wednesday said that operations at its plants in Japan may be affected by supply chain issues linked to the new coronavirus outbreak in the coming weeks, as the global outbreak gathers pace.

The automaker, which operates 16 vehicle and components sites in Japan, said that it would decide on how to continue operations at its domestic plants from the week of March 9, after keeping output normal through the week of March 2.

Plants may be affected by potential supply disruptions in China as some plants in the epicentre of the virus outbreak remain are unable to produce and transport goods, while some plants remain closed under orders by regional authorities.

"We are receiving parts from China as normal for the moment, but we will assess the situation after the week of March 2," a Toyota spokeswoman told Reuters.

Indonesia wants to merge top lender BRI with two state firms: minister

REUTERS, Jakarta

Indonesia's state-owned enterprises minister said on Wednesday the government is looking to merge state-controlled Bank Rakyat Indonesia (BRI) with two state financial firms in June, but the bank's CEO said a final decision on that was still pending.

BRI, the country's largest lender by assets, will be merged with pawnshop chain Pegadaian and Permodalan Nasional

the structure of any combination was not decided yet.

"We're tasked to synergise our works, but we're still discussing in what form," he told reporters, adding that cooperation between outlets and networks in the three companies was another option besides a merger.

The government has set a target to make a final decision by June, said Sunarso, who goes by one name.

Thohir has said he wants to cut back the



REUTERS

Indonesia's state-controlled Bank Rakyat Indonesia (BRI) may get merged with two state financial firms in June.

Madani (PNM), a financing firm focusing on micro businesses, SOE Minister Erick Thohir told an economic forum hosted by CNBC Indonesia.

"We had a meeting with BRI yesterday and I want to make sure in June there will be an extraordinary merger between BRI, PNM and Pegadaian," he said.

"This is so that there is no overlapping and BRI will be an extraordinary bank. Go buy its shares," he said.

BRI Chief Executive Sunarso, speaking on the sidelines of the forum, however, said

number of state companies from about 140 by merging or closing underperforming firms and their units, to improve profitability.

The government owns a 57.3 per cent stake in BRI, whose loan portfolio is dominated by financing for micro, small and medium enterprises. Pegadaian and PNM are fully owned by the state.

BRI shares were down 0.4 per cent as of 0750 GMT on Wednesday, compared with a nearly 1.5 per cent drop in the main index. They are up around 2 per cent so far in 2020.

Analysts are seen at an event titled "Private Sector Meet" organised by SDC-Shomoshti Project of CARE Bangladesh in Dhaka yesterday. The project supports private sector partners in implementing pro-poor business models applying the market for the poor approach. It reaches out to 180,000 rural households, comprising the financially insolvent, disadvantaged and women.

CAREBANGLADESH



Trump economic adviser sees no US recession ahead

AFP, Washington

US President Donald Trump's chief economic adviser said Tuesday he sees no downturn looming for the US economy, even as the coronavirus epidemic hits the Chinese economy and Germany and Japan flirt with recession.

In an interview broadcast on CNBC, Director of the National Economic Council Larry Kudlow replied "yes, we can," when asked if the United States could continue growing should a recession hit the rest of the world.

He also downplayed the economic impact of the coronavirus, saying, "I don't think it's going to be an economic tragedy at all."

"The numbers are saying the US (is) holding up nicely," Kudlow said, adding "China is going to take an awfully big hit." He pointed to indicators from regional central banks and new US consumer confidence figures released Tuesday that show continued economic health and no disruption in supplies

even as production from some Chinese factories is halted over the virus.

He estimated it will take another two to three weeks for the situation

to become clear and welcomed the call by US health authorities for local governments, business and schools to be prepared for an increase in cases of COVID-19.



Trump's chief economic adviser Larry Kudlow

He also downplayed speculation that the Federal Reserve would make an emergency rate cut to support the economy.

"I'm not hearing that either publicly or privately. We're in touch with the Fed people all the time," he said. "I'm not hearing the Fed is going to make any panic move." Speaking at a conference in Washington on Tuesday, Fed Vice Chair Richard Clarida said that "if developments emerge that, in the future, trigger a material reassessment of our outlook, we will respond accordingly." "It is still too soon to even speculate about either the size or the persistence" of the virus's effects on the global economy, "or whether they will lead to a material change in the outlook," he said.

Wall Street closed sharply down for the second day in a row, but Kudlow earlier in the day said he saw no cause for alarm, instead calling on investors to take advantage of low prices, echoing comments by Trump the day before.