



MMH Fairoz, managing director and CEO of Singer Bangladesh, launches the consumer electronics and home appliances company's new products, Singer Green Inverter Air Conditioner, at a ceremony in Dhaka recently. Priced at Tk 47,990 to Tk 83,990, the air conditioners would save 60 per cent electricity and ensure less carbon emission.

SINGER

US retailers upbeat on 2020 sales despite virus uncertainty

AFF, New York

US retailers projected solid sales in 2020 Wednesday despite uncertainty over the coronavirus that has thrashed global equity markets in recent days.

Global markets have gyrated this week as the virus has spread to additional countries and raised concerns about the economic hit from the sorts of lockdown measures that have limited travel and industrial production in China.

Many companies have warned that their bottom line will feel the impact, at least in the current quarter, but the National Retail Federation forecast sales gains of between 3.5 percent and 4.1 percent to more than \$3.9 trillion for 2020, pointing to a solid labor market and low interest rates that have

been the linchpin of the US economy since the 2008 financial crisis.

"The nation's record-long economic expansion is continuing, and consumers remain the drivers of that expansion," said NRF President Matthew Shay in a press release.

"There are always wild cards we cannot control like coronavirus and a politically charged election year. But when it comes to the fundamentals, our economy is sound and consumers continue to lead the way." At a large toy trade show earlier this week, some companies said their plants in China were still closed or operating at only 20 or 25 percent, constrained by a lack of workers and raw materials.

NRF officials said it was impossible to generalize about the impact of

the virus on retailers, and it remains premature to expect shortages of goods.

Shay pointed to "positive signs from China" in recent days that have raised hopes that supply chain effects will not be prolonged, adding that "the disruption to be less severe than originally expected." NRF Chief Economist Jack Kleinhenz said the US companies have had more time to prepare for the virus than countries that were hit earlier.

He also said it was "fortunate this is occurring where we are, in a fairly solid state of the economy," adding that the damage would have been worse had the epidemic happened between 2007 and 2009 when US unemployment was much higher due to the global financial crisis.

India's GDP seen growing at 4.7pc year-on-year in Dec quarter

REUTERS, New Delhi

Having suffered its weakest expansion in over six years in the September quarter, India's economy probably fared slightly better in the December quarter, before suffering a relapse due to the impact of the coronavirus globally, analysts said.

Gross domestic product data due to be released on Friday will cover up to the end of last year, before the epidemic in China had sparked fears of a pandemic.

The median forecast of a Reuters poll of economists put annual economic growth at 4.7 per cent in the December quarter, marginally higher than 4.5 per cent in the previous quarter thanks to a small rebound in rural demand, private consumption and government spending.

"The economy showed some signs of recovery in December quarter due to higher government spending and external factors, but faces a risk of relapsing in the current quarter mainly due

to the coronavirus," said N.R. Bhanumurthy, an economist at National Institute of Public Finance and Policy (NIPFP), a Delhi-based government funded think tank.

Even achieving 4.5 per cent annual growth this quarter would be a challenge, Bhanumurthy added.

In its annual budget presented earlier this month, the government estimated economic growth in the current fiscal year ending in March would be 5 per cent, the lowest for 11 years.

And the government only targeted a slight recovery in growth to 6 per cent for 2020/21, well below the levels required to generate jobs for the millions of young Indians entering the labor market each month.

Analysts expected growth would pick up gradually driven by a favorable base effect, a cut in corporate tax rates last September and increased government spending.

But, the central bank earlier



REUTERS/FILE

A labourer sleeps on sacks as traffic moves past him in a wholesale market in the old quarters of Delhi.

this month warned that the downside risks to global growth have increased as a result of the coronavirus epidemic, the full effects of which are still uncertain and unfolding.

"Although number of cases of COVID-19 (coronavirus) in India

are less, the economic impact is expected to accrue from supply chain risk," Soumya Kanti Ghosh, chief economist at State Bank of India citing problems in supply of raw materials from China for pharmaceuticals and other exports.

Standard Chartered's 2019 pre-tax profit rises to \$4.2b

AFF, Hong Kong

Standard Chartered said Thursday its pre-tax profit rose to \$4.2 billion last year but warned growth for 2020 would likely be dented by the coronavirus outbreak.

The Asia-focused British bank said pre-tax profit surged eight percent in 2019 despite what the group's chief executive Bill Winters described as "an increasingly challenging external environment".

In a statement attached to the results, Winters said the bank faced low interest rates, a slowing global economy, the US-China trade war and several months of pro-democracy protests in Hong Kong last year.

And now coronavirus is wreaking growing economic havoc.

"These external challenges will mean that income growth in 2020 is likely to be lower than our anticipated 5-7 per cent medium term range," said Winters, although he described the economic headwinds in 2020 as "transitory".

The results showed greater China and North Asia fared well with three percent growth while Africa and Middle East surged 29 percent and was the bank's fastest-growing market.

Bank chairman Jose Vinals said geopolitics and societal change have become "more uncertain than ever".

"This means that instability and rapid change are becoming the new normal," Vinals added.

Last week, Asia-focused HSBC axed 35,000 jobs and posted a third of pre-tax profit slump in the 2019 annual profits to \$13.3 billion.



LOTTO

Lotto Bangladesh Managing Director Kazi Jamil Islam, Marketing Consultant Kazi Javed Islam, TVS Auto Bangladesh Ltd's Managing Director Biplob Kumer Roy and Actor Ferdous Ahmed attend a ceremony in Dhaka yesterday, where the companies organised a raffle draw for their 'Shoe Kinun, Bike Jitun' campaign.



TRUCK LAGBE

Bashir Ahmed, proprietor of New Bangla Motors, a star dealer of BP Lubricants, and Mir Hossain Ekram, chief operating officer of Truck Lagbe, a truck hiring app, sign the documents of an agreement in Dhaka on Tuesday. Users of the app now can purchase BP Lubricants online at market price.

Virus-hit stocks shed \$3tn; safe havens thrive

REUTERS, London

Stocks resumed their plunge, wiping out more than \$3 trillion in value this week alone, and US Treasuries yields hit record lows on Thursday as the coronavirus spread faster outside China and investors fled to safe havens.

The number of new coronavirus infections in China - the source of the outbreak - was for the first time overtaken by fresh cases elsewhere on Wednesday, raising pandemic fears.

The pan-European STOXX 600 index opened 2.3 percent lower and Italy's blue-chip index sank. Dozens of European companies have warned about potential damage to their profits.

In the United States, Microsoft became the

second trillion-dollar company to warn about its results after Apple. X. Its Frankfurt-listed shares were down 4 per cent.

Global equities have now fallen for six straight days. Wall Street's so-called fear gauge was near its late 2018 highs.

Spot gold rose 0.5 percent to \$1,649 per ounce and silver gained 1 percent to \$18.03 an ounce. Gold prices hit a seven-year high at near \$1,688 per ounce on Monday.

"Safe-haven currencies are doing very well and gold is heading back higher, and unless we see a slowdown in the coronavirus cases outside China, risk sentiment will continue to be undermined," said Peter Kinsella, global head of FX strategy at UBP in London

Meanwhile, the yield on U.S. Treasuries, which falls when prices rise, dropped below 1.3 per cent US10YT=RR and the yield curve continued to send recession warnings.

Markets are pricing a roughly even chance of the Federal Reserve will cut interest rates next month and have almost fully priced in a cut by April.

Yields on benchmark German 10-year maturities fell to -0.5140 percent. Italian debt underperformed as Europe's worst flare-up of the virus in that country raised fears of a recession there.

E-mini futures for the S&P 500 were down 0.3 percent ES1 and oil, sensitive to global growth, fell more than 1 per cent to its cheapest in over a year.

Govt wants deeper trade ties with the US

FROM PAGE B4

The industrial policy provides extensive incentives and facilities to attract foreign direct investment anywhere in Bangladesh, especially at the export processing zones, Humayun said.

"Bangladesh has liberalised trade regime and reduced non-tariff restrictions significantly."

There is scope to lift GDP growth to double-digit and even more and this can create huge opportunities for domestic and international investors, according to the minister.

Currently, Bangladesh is the 52nd largest trading partner of the US.

But Humayun believes the trade show would contribute to the widening of the existing commercial ties between the two countries and stimulate greater understanding about each other's economic potential and opportunities.

"The trade show comes at an important moment for US-Bangladesh trade and investment ties," said JoAnne Wagner, deputy chief of mission of the US embassy.

The exhibition is an opportunity to witness how vibrant the US business community is in working together with the people of Bangladesh, to the benefit of both countries, said JoAnne Wagner, deputy chief of mission of the US embassy. "US companies are working in

developing infrastructures that contribute to economic development," she said.

Excelsite Energy used state-of-the-art technology to build Bangladesh's first liquefied natural gas terminal in 2018, which provides clean energy, makes power supplies more reliable and promotes industrial development throughout the country, she said.

American firms tend to hire local workers and ensure worker's rights, the diplomat said.

"US companies meet international standards on working conditions for the workers and maintain quality in terms of safety, workers' rights and security."

As the government's lead agency for coordinating reforms for the ease of doing business, the Bangladesh Investment Development Authority (BIDA) is working hard to enhance business climate, said Md Sirazul Islam, executive chairman of the agency.

"We are working hard to support the transition towards industries based on knowledge and technology. That is why we would like to invite American investors to come to Bangladesh and create enduring value in the many potential sectors," he said.

Syed Ershad Ahmed, president of the AmCham, and Syed Mohammad Kamal, vice-president, also spoke.

Meghna Group's Tk 4,000cr investment plan ready for action

FROM PAGE B1

Lecithin is a fat that is essential in the cells of the body. It can be found in many food items, including soybeans and egg yolks.

Similar to its plans for the sugar refinery, MGI intends to export the ingredients to South Asian countries, Europe, India, and China after meeting local demand. Meghna Ball Pen and Accessories, which employs 300 individuals, would manufacture about 8 lakh ball pens a day.

The Meghna Noodles and Biscuit factory will guzzle out 40,000 tonnes of biscuits, 1,900 tonnes of cake, 20,000 tonnes of noodles, 4,000 tonnes of wafer, 8,000 tonnes of chocolate, 12,000 tonnes of Bombay mix, 6,500 tonnes of candy and 4,000 tonnes of various other snacks per annum. Currently, there are 4,000 people

working at the factory.

MGI set up the factory with Chinese, Japanese and European technology.

Meanwhile, the Sonargaon Printing and Packaging Industries was set up to meet the demand for the printing and packaging materials required by all plants under MGI. The factory uses Chinese and Indian technology to manufacture 442,000 carton packing materials per day and employs about 450 people.

Some 1,000 tonnes of woven system welding electrodes and 400 tonnes of flux-cored arc welding are made at the MGI's Fresh Welding Electrodes and Wire factory, which generated 100 jobs.

Meghna Fresh LGP, one of the biggest industries under MGI, processes 300 tonnes of liquefied petroleum gas using European equipment daily. At

present, there are 350 people working at the factory, where it takes 4,000 12kg cylinders to store the mixture of hydrocarbon gases. Besides, there is also a 10,000 tonne capacity storage warehouse for the product.

The Ship Builders and Dock Yard, has a yearly capacity to manufacture 5,000 deadweight tonnage (DWT) oil tankers, cargo ships, bulk ships, gas ships and container ships. The factory features both Chinese and European technology.

The second manufacturing unit of the Fresh Cement Industry, which has a production capacity of 10,000 tonnes of cement per day, will also be inaugurated. The company has created employment opportunity for about 1,000.

The factory was set up to meet the growing local demand and also to export to northeast India, the MGI official added.