

# UK companies and shoppers send recovery signals for economy

REUTERS, London

British businesses have reported their fastest upturn in five years and shoppers pushed their spending back to near pre-lockdown levels, a survey and data published on Friday showed.

An early flash reading of the IHS Markit/CIPS UK Composite Purchasing Managers' Index (PMI) shot up to 57.1 in July from 47.7 in June, above the 50 threshold for growth for the first time since lockdown began in March.

The figure, its highest since June 2015 and above the euro zone's reading for this month, was better than all forecasts in a Reuters poll of economists.

The surge suggested Britain's economy would return to growth in the third quarter after shrinking by more than 25% in March and April, Chris Williamson, chief business economist at PMI compiler IHS Markit, said.

"Even with the July rebound, there's a long way to go before the output lost to the pandemic is regained and, while businesses grew more optimistic about the year ahead, a V-shaped recovery is by no means assured." Separate official data showed retail sales jumped back almost to pre-coronavirus



People wearing protective masks look at a market stall at Columbia Road Flower Market after its reopening following the coronavirus disease outbreak, in London, Britain.

lockdown levels in June, when non-essential stores in England reopened.

Sales volumes in June leapt by 13.9% from May, above all forecasts in a Reuters poll of economists, as spending on clothes and home improvements jumped.

But economists said the shopping bounce was probably at

the expense of spending on other things, such as eating out or going to the cinema, which remain hit by worries about the virus.

While the PMI indicated a quickening of growth, it did not signal a return to normal levels of output across businesses, which some economists think could take years.

A Reuters poll this week suggested

the economy could contract by more than 9% this year, its biggest downturn since the 1920s.

The PMI's gauge of employment worsened in July, chiming with other indicators that suggest a wave of job cuts is on the way. Government budget forecasters have warned the jobless rate could rise to its highest since the mid-1980s this year.

On Thursday, Bank of England interest-rate setter Jonathan Haskel said Britain's economic recovery from the coronavirus crisis could be slow and it would depend on whether people felt confident that it was safe to go out.

Consumer sentiment is still below its level before the coronavirus struck, but employers have turned positive about hiring and investment for the first time since February, separate surveys showed earlier on Friday.

The PMI for services, representing most of Britain's economy, rose to 56.6 in July from 47.1. But IHS Markit said demand was weaker than expected for some businesses after the lockdown lifted for bars and restaurants on July 4.

Factories also reported a better July. The factory PMI rose to 53.6 from 50.1 in June, its highest level since March 2019.

# Boeing to delay 777X as demand drops for big jets

REUTERS, Seattle

Boeing Co is preparing to delay its all-new 777X jet by several months or up to a year, three people familiar with the matter said, as the COVID-19 crisis exacerbates a drop in demand for the industry's largest jetliners.

Boeing hopes to bring the jet to market as passenger travel rebounds after a downturn caused by the pandemic. It would also hope for a detente in a trade war between Washington and Beijing, which has sidelined crucial Chinese aircraft buyers.

But stretching out the development opens up fresh risks for Boeing, such as losing engineering attention and momentum, and tougher scrutiny from the U.S. Federal Aviation Administration during the years-long certification process.

Delay could also cause problems in Boeing's supply chain.

An announcement of the delay could come as early as next week when Boeing announces earnings, one of the people said.

Boeing declined to comment on the 777X timeline. It said it was continuing flight tests and "working closely with our customers around the world as they continue to adapt to the evolving COVID-19 situation."

Boeing has been working to get the 777X, a larger version of the 777 mini-jumbo, into the hands of customers in 2021. That's already a year later than originally

scheduled after snags with its General Electric GE9X engines among other issues.

Now Boeing is preparing to delay the timeline by perhaps a year, two of the people said. A third said a delay was likely but that Boeing wanted to get production "going hard" to put planes in the air by 2022-2023.

"There are so many widebody aircraft being retired, mothballed," the third person said. "If air travel comes back to 2019 levels, many new planes will be needed." The 777X will be the first major jet to be certified since the role of software flaws in two fatal 737 MAX crashes prompted accusations of cozy relations between Boeing and the FAA.

The 777X - composed of two models, the 777-8 and the larger and more closely watched 777-9 which seats 406 passengers and is due to be delivered first - competes with the Airbus A350-1000, which seats about 360 passengers.

Modern twinjets are displacing older four-engined Boeing 747s and soon-to-be-axed Airbus A380s. Boeing has told suppliers the last 747-8 will roll off assembly lines in around two years.

Experts had expressed worries about demand for large jets due to overcapacity and economic weakness, even before COVID.

While Boeing says it has sold 309 777X planes - worth \$442 million each at list prices many in the industry have questioned its dependence on Middle East carriers which are scaling back orders.

# AmEx profit slumps as lockdowns hit spending, defaults loom

REUTERS

Credit card issuer American Express Co reported an 85 per cent slump in quarterly profit on Friday as spending using its card collapsed during global lockdowns imposed to contain the coronavirus.

Shares were down 1.7 per cent before the bell, even as the group managed to eke out a small profit rather than report a loss as expected by analysts.

American Express, one of the largest corporate card issuers in the United States, has been hit especially hard by cuts in large corporations' spending on travel and entertainment after the pandemic brought that sector to a virtual standstill.

Global commercial services group, which issues proprietary corporate and small business cards, suffered a \$60 million loss in the second quarter, compared with a net income of \$561

million a year ago.

In all, consumers and businesses cut their spending on travel and entertainment by 87 per cent in the quarter, with overall spending down by more than a third.

"Spending volumes, which declined to their lowest point this quarter in April, gradually improved in May and June, with small businesses being the most resilient," chief executive officer Stephen Squeri in a statement.

# A 'youth cell' under PMO is in order

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Integrity is highly needed to ensure quality education for the youth, he said. It is the young population who go abroad and send a good amount of remittance every year, said Md Nazibul Islam, additional secretary of the expatriates' welfare and overseas employment ministry.

An increase in budget would not ensure proper utilisation of the allocation, so proper use of the money set aside is important, he said.

"We are giving training to the youth and the number of trained hands is increasing fast. But most of them are failing to succeed in life after the completion of the trainings."

Local institutions should collaborate with the foreign ones to upgrade the training system to achieve better output, he noted.

A connection should be established

between the madrasah students and technical education, said Md Omar Faruque, joint secretary of the technical and madrasah education division under the education ministry.

Around 60 per cent of the education system needs to be technical knowledge-based for a nation to develop, he said. Now the enrolment of technical education reached only 17 per cent against the target of 21 per cent by 2020 while in 2001 it was only 1 per cent, he said.

The ministry is working with young women for their skills development to let them get involved in economic growth, said Ferdousi Begum, deputy secretary of the women and children affairs ministry.

Khadiza Nazneen, deputy secretary of the social welfare ministry, said they not only focus on the disabled and distressed people, but also the

youth.

"We should find out what the youth wants," said Abu Eusuf, professor of the Department of Development Studies of Dhaka University.

A needs assessment is required to find out why the number of departments is increasing in universities, he said.

"We need to concentrate more on demand-based technical education instead of generating general graduates."

A follow-up is needed to check whether the trainees are utilising the knowledge they gained through the trainings, he said.

Selim Raihan, executive director of Sanem, chaired the discussion where Farah Kabir, country director of ActionAid Bangladesh, and Sayema Haque Bidisha, research director of Sanem, also spoke.

# LDC graduation assessment could be delayed

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of those items," Rahman added.

He made these comments while speaking at the 5th dialogue of Resurgent Bangladesh, a virtual meeting on 'International Trade in Covid Times: Impact and Way forward for Bangladesh', organised by the Dhaka Chamber of Commerce and Industry (DCCI).

Various lawmakers, exporters, businesspersons, trade body representatives, economists and researchers participated in the meeting.

Resurgent Bangladesh is an economic recovery initiative organised by the Metropolitan Chamber of Commerce & Industry (MCCI), DCCI, Chittagong Stock Exchange Ltd, Business Initiative Leading Development (BUILD), and Policy Exchange.

While the country's bright image is an important aspect for attaining higher export growth, addressing the public health issues currently prevalent in the country is more crucial, said Syed Nasim Manzur, managing director of Apex Footwear.

Manzur also urged the authorities to reduce both the cost and ease of doing business in Bangladesh.

"Creating more demand in the domestic market is vital as well," he said, adding that most of the roughly 11 million people employed by the country's wholesale, retail and tourism industries are financially suffering due to the ongoing pandemic.

Abul Kasem Khan, chairperson of BUILD, suggested that Bangladeshi suppliers should tap into the export potential of China as the Chinese government offered duty-free benefits for 8,256 locally made products.

The Asean market is very important for Bangladesh, he said, adding that Bangladesh has a strong claim for entering the intergovernmental organisation as the country has already sheltered more than one million Rohingya people.

While moderating the meeting, DCCI President Shams Mahmud said many international retailers want to shift their orders and investments away from China, which is a big opportunity for Bangladesh.

Mahmud said that the authorities should negotiate with the leaders of various export destinations in order to avoid any restrictions on products while development of the country's port infrastructure, such as container terminals and Bay terminal, needs to be expedited.

He also urged the government to accelerate the procedure to secure an Asean observer status.

Mahmud went on to call upon the concerned authorities to address the issues of the para-tariff and non-tariff barriers with India and other Saarc countries.

Nihad Kabir, president of MCCI, suggested holding periodic discussions between businessmen and the prime minister so that major trade barriers can be effectively removed.

There are other issues though, such

as the automation of the National Board of Revenue, which have been hanging for over a decade even though these initiatives were taken far earlier, she said.

M Masrur Reaz, chairman of Policy Exchange, said that Bangladesh should consider the potential of the Japanese market alongside the Chinese one as well.

Asif Ibrahim, chairman of the Chittagong Stock Exchange, said capital should be taken from the stock market instead of banks.

The government should disburse export incentives in the proper sectors as export-oriented industries could create more jobs in the domestic markets, said Zaidi Sattar, chairman of the Policy Research Institute.

Humayun Rashid, managing director of Energypac Group, said opportunities have been created in the Indian market for transformer producers. His company has been exporting a good quantity of electrical transformers to India over the last two years.

Meanwhile, Tofail Ahmed, chairman of the parliamentary standing committee on the ministry of commerce, said Bangladesh could potentially export \$2.5 billion in goods to China thanks to the market's zero-duty benefit on numerous Bangladeshi goods.

Bangladesh has enjoyed such benefits under the LDC criteria, however, the government has been slow in signing FTAs with other countries, he said.

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Memo .... Dated:

## Invitation for e-Tender

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of following works given below:

Sl No.	Tender ID	Invitation Reference No.	Name of works	Tender closing date & time
01	480647	PWD/Baril/Cancer/WD-1	Construction of Cancer Hospital Building 15-storied Building with 17-storied foundation having 2 (two) basement at Barishal	24-08-2020 13.00pm

This is an online tender, where only e-Tenders will be accepted in the National e-GP Portal and no offline/hard copies will be accepted.

To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (Email: [helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

Gerald Oliver Guda  
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GD-1191

# Fair Group announces car assembly tie-up with Hyundai

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"In Bangladesh, we have no position right now but within the next few years, we want to cater to a good portion of the market, which we are expecting," Uddin said.

Fair Technology has fixed two top priorities -- best quality in after-sales service and availability of parts -- and they were putting massive efforts to ensure those.

It has developed a training module for mechanics across the country such that customers can easily access support from them.

It also has plans to establish a recycling industry in Bangladesh so that customers do not face any hassles on resale issues, Uddin said.

The company has initially targeted Dhaka and then to Chattogram. After that, it will set up shop in other cities.

Fair also plans to provide hybrid cars as the demand is gradually increasing alongside that of electric cars, both of which will lead the car market in the coming years, Uddin said.

# Germany plans reforms to prevent Wirecard scandal repeat

AFP, Berlin

Germany's finance minister has drawn up reforms to give financial regulator Bafin more powers, according to a draft seen by AFP Friday, after the collapse of disgraced fintech group Wirecard exposed gaps.

Under minister Olaf Scholz's plan, Bafin will be given the power to intervene directly, bypassing the current two-tier system that splits supervision between a private-sector watchdog and the markets regulator.

Auditors would also have to be replaced every ten years instead of the 20 years currently. "There will never be a 100 percent protection against criminal behaviour in

the financial market," said the draft. "At the same time, criminality must be countered through all legal means... that includes preventing such violations through sufficiently strict controls and oversight."

"The German fintech company crashed in June after admitting that 1.9 billion euros on its balance sheets likely didn't exist."

Prosecutors said Wednesday they have arrested the former chief executive and two former board members of Wirecard for "commercial fraud" reaching 3.2 billion euros (\$3.7 billion), saying investigations show that the financial scam was already happening in 2015.

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Memo No. 46.02.4753.000.99.010.20-485 Date: 23/07/2020AD

## Invitation for Tender (Works)

### e-Tender Notice No. 01/2020-21 (NOTM)

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of following works. Details are given below:

Sl. No.	Tender ID	Package No.	Name of work	Tender last selling (date & time)	Tender security last submission (date & time)
1	479472	e-Tender/PEDPA/KL/NK01/2019-2020/W14.0857	Construction Boundary Wall including Gate of 1) Antaburki GPS, 2) Kalta GPS, 3) Laka GPS, 4) Shilar Al. Adabaha GPS	18-Aug-2020 17:00	19-Aug-2020 11:00
2	479466	e-Tender/PEDPA/KL/NK01/2019-2020/W14.0480	Construction Boundary Wall including Gate of 1) Kharai GPS, 2) Kholol Rawson Ara Alabans GPS, 3) North Madirabai GPS	18-Aug-2020 17:00	19-Aug-2020 11:00
3	456316	e-Tender/PEDPA/KL/NK01/2019-2020/W14.0479	Construction Boundary Wall including Gate of 1. 03 No. Kalta Community GPS, 2. Baria GPS, 3. Masjid Kur GPS	18-Aug-2020 17:00	19-Aug-2020 11:00

This is an online tender where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender registration in the National e-GP System Portal have to be deposited online through any registered bank. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

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