

# Firms flock to fast-growing aviation market in China

AFP, Zhuhai, China

Global aviation firms flocked to China on Tuesday to show off their wares as economic development and an expanding middle class promise a bonanza in one of the world's fastest-growing aircraft markets.

Chinese defence companies and the People's Liberation Army's air force are also putting the latest weaponry on parade at the country's premier Zhuhai airshow this week, including the new J-31 stealth fighter and its biggest-ever military transport plane.

For foreign companies, the airshow offers a chance to tap a market in which air travel grew by an annual 11 percent last year to 350 million passengers -- a gold mine for plane makers such as Europe's Airbus and Boeing of the United States.

"China will become the world number one aviation market," Airbus China President and Chief Executive Officer Eric Chen told a news conference.

Just days before the show, Airbus announced a \$10 billion deal for China Aircraft Leasing Co. to buy 100 planes from its A320 family.

Crowds gathered to take photos with the double-decker A380 superjumbo, which Airbus is showing off at the show.

The company says Chinese deliveries already represent 25 percent of its global production.

US rival Boeing forecasts China will need a total 6,020 new airplanes valued at \$870 billion over the next 20 years.

"That's a lot," Kent Fisher, vice president for supplier management of Boeing Commercial Airplanes, told a signing ceremony at which the company announced China's AVIC would produce tips for the vertical fin and horizontal stabiliser of its 777.

But China wants part of the multi-



**A model of Commercial Aircraft Corp. of China's ARJ21 is seen on display at the Airshow China 2014 in south China's Guangdong province, yesterday.**

billion dollar market to go to its homegrown passenger planes.

Commercial Aircraft Corp. of China (COMAC) said Tuesday it has received orders for 30 of its C919 planes -- a narrow-body with 158-168 seats -- as well as 20 of its 78-90 seat ARJ21 regional jets, both of which have yet to enter full commercial production.

It is also seeking suppliers to build a new wide-body passenger plane, the C929, over the next decade, expanding its ambitions and rivalry with Boeing and Airbus, industry officials say.

Despite the optimism, industry officials see problems in the short-term: a slowdown in the economy, strict controls on airspace and a corruption crackdown.

China's economic growth -- which has a direct correlation with air traffic -- eased to 7.3 percent in July-September, the lowest since the depths of the global crisis in early 2009.

"The Chinese economy has been slowing, it has been impacting the development of the civil aviation

industry," said Chen of Airbus.

But he added: "A growth rate of six or seven percent, compared to the other parts of the world, is still very impressive."

Massive flight delays across the country in July, blamed on military exercises, cast the spotlight on another problem -- controls on airspace that leave only 20 percent of China's skies open to civil flights.

"It's so important for China to fix their air traffic management issues because it's starting to have economic impact," Briand Greer, president of aerospace for Asia-Pacific at US conglomerate Honeywell, told AFP.

A crackdown on corruption launched by China's leader Xi Jinping after he came to power in late 2012 has also hit the aviation market.

Government officials stopped flying higher classes, prompting two Chinese airlines to cut or remove first-class seats.

The graft crackdown has also affected the small but growing market for private jets in China, where owning an aircraft is often viewed as a needless luxury.

## Microsoft to unveil first Lumia smartphone without Nokia name

REUTERS

Microsoft Corp said it would roll out its Lumia 535 smartphone this month with an affordable price tag in its key markets, dropping the Nokia name just months after buying the Finnish company's handset business.

Loaded with its latest Windows Phone 8.1 operating system, the Lumia 535 and Lumia 535 dual SIM will be priced at around 110 euros (about \$137) before taxes and subsidies, Microsoft said in a statement.

The phone will feature a wide-angle 5 megapixel front-facing camera and a 5-inch qHD display screen, the company said.

Smartphones run on Microsoft's Windows software, mostly Lumias, captured only 2.7 percent of the global smartphone market in the second quarter, down from 3.8 percent the year before, according to research firm Strategy Analytics.

Microsoft completed its \$7.2 billion deal to buy Nokia's handset business in April. Nokia continues as a networks, mapping and technology licensing company. It owns and manages the Nokia brand and only licenses it to Microsoft.

Microsoft had said in the past it planned to license the Nokia brand for its lower-end mobile phones for 10 years and to use the name on its smartphones only for a "limited" time, without saying how long that might be.



**John T Smith, chairman of the UK-based International Events of the Textile Institute, presents a crest to A Wahed, chairman of DBL Group, at a programme at the group's office in Dhaka recently. The award was given to recognise DBL Group's contribution in establishing sustainable practices in business processes.**



**Officials of mobile operator Robi and hungrynaki.com, a food delivery chain, jointly present a gift hamper to Md Saad Ibne Islam, a customer of hungrynaki.com, for placing the highest order in October, at a programme recently.**

## Indian bank strike may hit trading volumes today

REUTERS, Mumbai

Dealers are bracing for low volumes across all markets in India today as unions at most banks have called for a nationwide strike that is expected to leave trading rooms with minimal staffing but not shut down activity altogether.

The strike is expected to hit all state-run banks, and also some private lenders, and could also impact market functions such as trade settlements to some extent, the dealers said.

Still the Reserve Bank of India will operate as usual and can provide funds via its overnight repo window, traders also said.

"There will be minimum presence in the treasury department to run the necessary functions," said a dealer at a state-run bank.

"So volumes will be affected in government securities, call and forex."

Trade unions have called a bank strike on Wednesday for all state-controlled lenders over a set of demands including for higher wages and a five-day work week.

Vishwas Utagi, one of the leaders of a union representing state-run lenders, said he expected 1 million employees to participate in the strike, although the number could not be independently verified.

## MCCI pushes for boosting investor confidence

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Although the progress made is below potential, the country experienced stable growth, inflation was under control, exchange rate remained stable, and foreign exchange reserves rose and remained at comfortable level.

"Bangladesh's economy is progressing well, but below its true potential, as infrastructure bottlenecks, crisis in power and energy sector, absence of investment-friendly climate and political uncertainty keep it from performing at full capacity."

In July-September, the agriculture sector performed well. But infrastructure deficits and power sector problems undermined the performance of the manufacturing sector, the chamber said.

"The government needs to adopt suitable measures to remove bottlenecks in physical infrastructure and crisis in power and energy supplies in support of agriculture and industry sectors."

According to the review, the services sector is doing well but will need adequate government support to enable it to recoup the losses it incurred during the political crisis last year.

"In order to achieve the government's growth and inflation targets and the medium term goal of achieving a middle-income country status, the political stability has to be maintained."

The MCCI said, without developing new infrastructure and improving the existing ones, Bangladesh cannot hope to become a middle income country by 2021.

Priority should be given to the ongoing road development projects, including the Dhaka-Chittagong four-lane and Dhaka-Mymensingh highways, the double tracking of Dhaka-Chittagong railway, the Padma bridge, and the Dhaka metro rail.

The chamber said immediate actions should be taken to enact the public private partnership law, and award contracts to build special economic zones.

"Attention should also be given to the creation of skilled manpower, the restoration of political stability, and achieving an investment-friendly climate, which are the key factors for higher economic growth."

The chamber said the construction sub-sector perhaps did well in the quarter, sustaining the upward trend of the past fiscal year, with public sector development projects and construction of multi-storied buildings in the private sector being the main drivers.

Broad money recorded a lower growth of 15.01 percent year-on-year at the end of August, while domestic credit posted a higher year-on-year growth of 11.36 percent at the end of August.

In the quarter, the capital market depicted heightened investor confidence amid increasing turnover. Because of the fall in banks' deposit interest rates, the capital market was flooded with excess liquidity and investors continued their buying spree.

During the quarter, exports grew 0.88 percent year-on-year and revenue collection 15.3 percent.

The MCCI projects that the country would continue its steady growth in exports, imports and remittances in the second quarter thanks to calm political scenario.

It forecasts that exports would bring home \$2.69 billion in November and \$2.75 billion in December. Imports spending will be \$3.70 billion and \$3.72 billion in the same two months respectively.

Remittances income will be at \$1.44 billion in November and \$1.45 billion in December.

The chamber said the foreign exchange reserves can be expected to fall in October-December due to payment to the Asian Clearing Union against imports.

Inflation may decline further because of a sharp fall in commodity and fuel prices in the global markets.

## Apple's enterprise assault gets into higher gear

REUTERS, San Francisco

Apple Inc is embarking on its most aggressive expansion yet onto corporate turf, hiring a dedicated sales force to talk with potential clients like Citigroup Inc and working in concert with a dozen or so developers, two sources familiar with its plans say.

Experts say the company hopes to offset a gradual deceleration in growth - highlighted by iPad sales that have declined three straight quarters - by expanding its footprint in the workplace.

Three months after unveiling a partnership with IBM to develop apps for corporate clients and sell them on devices, the iPhone maker's plans to challenge sector leaders Hewlett-Packard, Dell Inc, Oracle and SAP are starting to take shape.

Details remain scant, but some industry experts say that the tie-up with Big Blue gives Apple an opportunity to begin to challenge Hewlett Packard's and Dell's dominance of office IT, and Oracle and SAP's command of work applications. Depending on its progress, it may hamper Microsoft, Samsung's or Google's own efforts in the nascent market for mobile work applications.

Apps developers and other sources familiar with Apple's plans who could not speak publicly provided additional details on how the iPhone maker is working behind the scenes.

The iPhone maker has worked closely with a group of startups, including ServiceMax and PlanGrid that already specialize in selling



**The Apple logo is lit on the first day of sale for the iPhone 6 and iPhone 6 Plus, in Sydney on September 19.**

apps to corporate America. The two people familiar with the plans, but who could not speak publicly about them, say Apple is already in talks with other mobile enterprise developers to bring them into a more formal partnership.

PlanGrid is a mobile app for construction workers to share and view blueprints. ServiceMax is a mobile app that makes it easy for companies to manage fleets of field service technicians by ensuring they have access to the right information.

Apple has been sending dedicated sales teams to talk to chief information officers. At least one financial services corporation, Citigroup, has been in talks to sign on, one of the two sources familiar with the matter told Reuters.

Another person familiar with the developer's plans told Reuters that

ServiceMax, whose existing customers include Procter & Gamble and DuPont, has co-hosted eight dinners with Apple over the past year in locations across the United States. About 25 or 30 chief information officers and "chief service officers" typically show up at these joint marketing and sales events.

ServiceMax declined comment on what they were specifically working on with Apple. PlanGrid also declined comment.

But ServiceMax chief marketing officer, Stacey Epstein, said about 95 percent of its customers use Apple devices. Each new customer will typically order thousands of iPhones and iPads, she added.

"The field service market alone is a \$15 billion market," said Epstein. "One of our accounts may have thousands of field service techni-

cians. It's a huge market opportunity for Apple." Apple declined to comment for this story.

Apple has mostly kept its plans under wraps since July, when it announced the deal with IBM. Their partnership has alternately been hailed as a dream alliance, or dismissed as an uncertain tie-up between two companies with very different philosophies.

Many American corporations already deploy tablets among their workforces, for purposes ranging from pharmaceutical sales to mobile accounting.

"From Apple's point of view the enterprise is really messy, often-times unreasonable or even stupid in its demands," said John Rymer, an analyst at Forrester. "They've never had a business model to deal with any of that. But they do want the penetration and they do want what market share they can get."

Its rivals harbor similar ambitions. A separate source familiar with the matter said Samsung is stepping up its efforts to sell devices to large enterprise clients. The company hired former chief information officer Robin Bienfait to spearhead that effort, and is on the hunt for acquisition opportunities, the person said. The source requested anonymity as they were involved in private conversations.

Apple also needed help to penetrate corporations. It is relying on IBM's predictive software, enterprise-grade security and data analytics to set its upcoming suite of apps apart from rival offerings from Oracle and Microsoft, the two original sources said.



**Mohammed Gofran, additional managing director of Southeast Bank, opens the bank's 108th branch at Kalibari of Narayanganj recently. Muhammad Sazzadul Haque, head of Kalibari branch, was also present.**



**Md Khurshed Alam, head of SME banking at Eastern Bank; Leif Anderson, commercial bank training expert; and Shamsunahar, acting president of For the Women Forum, pose with the participants of a daylong seminar on access to finance, organised by the bank in Dhaka recently.**

## Mahindra & Mahindra hikes passenger, commercial vehicle prices

REUTERS, New Delhi

Mahindra & Mahindra, India's top utility vehicle maker, has increased prices of its passenger and commercial vehicles by an average 1 percent effective this month to offset rising input costs, the company said on Tuesday. The increase will be in the range of 2,300 rupees (\$37) to 11,500 rupees (\$187) depending on the model, it said in a statement to the stock exchange.

"We have been holding back on price hikes for a while but now it has been necessitated to partly offset the impact of rising input costs," said Pravin Shah, chief executive, automotive division & international operations at Mahindra.

The company, part of the \$17 billion Mahindra Group, has also increased the price of its tractors by between 6,000 rupees (\$97) and 10,000 rupees (\$162) to offset an increase in commodity prices and conversion costs.