

Kohler eyes big business

The global leader in kitchen and bathroom products wants to expand presence in Bangladesh

STAR BUSINESS REPORT

KOHLER, a global leader in kitchen and bathroom products, aims to strengthen its foothold in Bangladesh by opening more outlets to meet the growing demand.

"Bangladesh is a promising market for upscale sanitary and kitchen products as its economy has been growing at around 6 percent for several years," said Salil Sadanandan, managing director of Kohler Kitchen and Bath for South Asia and Sub-Saharan Africa.

The plumbing industry in Bangladesh is worth around Tk 100 crore a year and is growing rapidly due to a rise in construction of high-end apartments and luxury hotels, he told The Daily Star in an interview in Dhaka recently.

Kohler, a US-based company, has already set up its maiden showroom in the capital and plans to open two more in Dhaka and Chittagong.

As a number of luxury hotels will open in Dhaka, Cox's Bazar and Chittagong in the coming years, it is the right time for Kohler to strengthen its presence in Bangladesh, Sadanandan said.

Kohler will sell its products in Bangladesh through a local distributor, Executive Lifestyle, which also sells BMW, Apple and Acer among other global brands.

"Bangladesh is a growing economy and the number of luxury-loving consumers is on the rise. We collaborate with architects and designers to create revolutionary and dynamic designs for our big projects," he said.

Nowadays, consumers visit global destinations regularly and are aware of the changing trends, he added.

"The affluent consumers in Bangladesh are not very different from those in developed markets, and are ready to spend heavily on high-quality products," Sadanandan said.

Kohler is known for excellence in design, craftsmanship and artistry, and uses its expertise in product innovation to meet the requirements of its consumers, he said.

The company was the first to bring a digital shower



Salil Sadanandan

system that lets users control their shower with the touch of a button. Its interface includes four buttons, and a large, backlit LCD screen. A button allows users to turn on, pause, or turn off the shower.

Founded in 1873 and headquartered in Wisconsin, Kohler has more than 50 manufacturing plants and over 30,000 associates across the world.

US faces \$300b in illicit funds in anti-laundering fight

AFP, Washington

The US has largely blocked terror groups from moving money through banks, but tens of billions of dollars in illicit funds still transit the financial system each year, the Treasury said Friday.

In two new reports on money laundering and terror financing risks, the Treasury said some \$300 billion in illicitly generated funds each year enters the economy, most of it from fraud but large chunks from the drug trade and other activities.

It said efforts to crack down on laundering these funds continue to expand, and for the most illegal activities -- drugs and terror -- have been increasingly successful.

Terror groups have been forced to move to physically transferring money amid crackdowns on their use of banks, money transfer businesses and charities to obtain and move funding, according to the reports.

"Because other more effective funds transmission routes are disrupted, the use of cash smuggling to move funds across US borders -- while slower, less efficient, and more expensive than regulated or unregulated financial institutions -- continues to be employed by a variety of terrorist groups," they said.

But that is "making them more vulnerable," a senior Treasury official said.

BlackBerry move to embrace Android may bring unexpected reward



REUTERS, Toronto

BlackBerry Ltd's move to embrace Android may be aimed at lifting revenue from its software and device management segment, but analysts say it may inadvertently give its device arm a fillip and a new lease on life.

"From the standpoint of marketing, this is a great way for BlackBerry to get visibility. It really doesn't hurt them much, and the upside is high," said Rob Enderle, who runs technology consulting firm Enderle Group.

Enderle and other financial and tech analysts agree that the move by BlackBerry does present its own set of challenges as the company would have to support two platforms and potentially put some resources into marketing an Android device, but with little to lose most agree it comes with little downside.

"If Android has one significant weakness it is security and that's just the thing that BlackBerry can fix, so it could play out pretty well and I am actually quite surprised that they did not try this sooner," said Enderle, adding that BlackBerry has to deliver a compelling device in order for the gambit to work.

Reuters reported on Thursday that BlackBerry was considering a move trial

Android on its upcoming slider device, as part of a bid to convince potential corporate and government clients that its device management system, BES12, is truly able of manage and secure not just BlackBerry devices, but also devices powered by Google's Android, Apple's iOS and Microsoft's Windows operating system.

"In order for BES12 to succeed it has to be viewed by all as platform agnostic, and what better way to demonstrate that other than by doing it yourself," said Ramon Llamas, an analyst with technology research firm IDC.

BlackBerry, which once dominated the smartphone market, has seen its market share drop to under 1 percent, as the iPhone and a slew of Android devices from Samsung have captured market share. John Chen, a turnaround expert brought in to fix its slide, is now pivoting BlackBerry to focus more on its well-regarded software and device management business.

Although the hardware business is becoming less relevant to BlackBerry as it works through its turnaround, the company still needs revenues from hardware as it ramps up new revenue streams.

"It certainly makes sense for BlackBerry's hardware business to experiment with Android," said Morningstar analyst Brian Colello.

India to get 4G services by year-end: Reliance chief



Reliance Industries Chairman Mukesh Ambani, left, and his wife Nita arrive for the company's annual general meeting in Mumbai on Friday.

AFP, Mumbai

India's maiden 4G mobile services will be rolled out in December, the country's richest man Mukesh Ambani said Friday, five years after Reliance Industries first received spectrum for the project.

Ambani told shareholders at the company's annual general meeting that the multi-billion-dollar telecommunications network called Reliance Jio Infocomm would be up and running by the end of the year.

"The combination of Jio's strong initiatives and a supportive global environment gives me the confidence that we will see 4G LTE smartphones in India at prices below 4,000 rupees (\$62) by

December of this year," the Reliance chairman said.

Jio is already present in all of India's 29 states, including 18,000 cities and more than 100,000 villages, Ambani said.

He added that the network would cover 80 percent of India's population initially before aiming to extend to everybody within three years.

The Mumbai-based firm will offer customers monthly packages of between 300 and 500 rupees for the high-speed data services, the billionaire said.

Reliance Industries has spent billions of dollars purchasing wireless spectrum at auction from the government in recent years as it looks to dominate India's cut-throat mobile market of an estimated 952 million users.

Greece dispatches team to secure last-minute debt deal

AFP, Brussels

GREEK premier Alexis Tsipras dispatched a team of his top advisers to Brussels on Saturday to thrash out a deal to avert a default by Greece that European officials now say could be imminent.

The leftist government in Athens will offer its international creditors, the EU and IMF, a latest proposal it says is enough to end a five-month war of nerves to unlock vital bailout funds, avert a default and keep Greece from crashing out of the euro.

"We will have a deal... The fact that the Greek delegation is going to Brussels is a good sign," deputy finance minister Dimitris Mardas told Skai TV in Athens.

Whatever needs to be done "needs to be done quickly", he said, amid reports in Athens that the Greeks would offer concessions on key red lines.

The delegation was expected in Brussels later on Saturday and would sit down with top negotiators from the EU commission, the ECB as well as the IMF.

The urgency increased exponentially on Friday when Europe's top economic officials said they had for the first time ever discussed the prospects of Athens defaulting on their huge debts.

"In discussions, a default was mentioned as one of the scenarios that can happen when everything goes wrong," a eurozone official told AFP on condition of anonymity after talks in Bratislava Friday.

The bombshell came a day after the International Monetary Fund, Greece's most headline creditor, pulled its technical team from Brussels because it was dissatisfied with



Greek Prime Minister Alexis Tsipras, centre, meets with Egypt's Defence Minister General Sedky Sobhi, left, and Greek Defence Minister Panos Kammenos, right, at the premier's office in Athens on Friday.

the state of the negotiations.

The Athens stock market crashed 6 percent when news of the contingency plans emerged, and fears are high that markets could tumble further Monday without signs of progress in talks over the weekend.

The long-running saga over Greece's refusal to agree on reforms demanded by its creditors is set to reach a climax at a meeting of eurozone finance ministers in Luxembourg on Thursday.

A deal to unlock the last 7.2 billion euros (\$8.1 billion) of Greece's international bailout is needed by then to give national parliaments time to approve it before the bailout expires

on June 30. Also on June 30, Greece faces a huge 1.6 billion euro payment to the IMF and a further 3.4 billion euros to the European Central Bank on July 20.

Talk of a plan B if Athens should miss payments has been a huge taboo among Greece's eurozone partners and the switching of gears is the first real sign that they are willing to walk away from the table.

No specifics are known on what such a plan would look like, but it is believed to include the introduction of capital controls in Greece, closure of the banks, and the government issuing IOUs keep the public sector financially afloat.

Record order books turn focus to jetmakers' production

REUTERS, Paris

AFTER years of big-ticket plane orders, next week's Paris Airshow will see rather fewer multi-billion-dollar deals and rather more nervous expressions as planemakers face the daunting task of producing \$1.8 trillion of jets already sold.

The world's biggest aerospace gathering will still have its fair share of announcements, including a potential 100-plane leasing order for Boeing, as well as the showmanship that goes with any public contest with European arch-rival Airbus.

But with almost a decade's worth of production on their books, any new business is likely to be couched in tougher than ever warnings that factories must 'execute' to win long term. And many analysts believe the order party is winding down.

"Given the fact that order books have swelled so large, it is unlikely that the headlines will be about large blocks of orders at

this show and much more about the production process and viability of the supply chain," said aerospace consultant Jerrold Lundquist, managing director of The Lundquist Group.

"Although the battle for market share in orders will always be there, the contest for delivery share is growing, as each player strives to ... ramp up their production output."

Low interest rates and high oil prices created a stampede of orders for new planes and fuel-saving spin-offs of existing ones in recent years, leaving some 12,000 jetliners left to produce and lifting shares across the aerospace sector.

"We are getting to volumes where ... you need to build a single aisle aircraft every 6.5 hours. It is a drumbeat and intensity that is very demanding," Airbus Chief Operating Officer Tom Williams told reporters ahead of the air show.

But French engine maker Safran injected a note of caution this week by saying its priority would be to meet its already record commit-

ments, before thinking about further production increases being explored by some planemakers.

A profit warning ahead of the show from French seats maker Zodiac Aerospace highlighted concerns about tensions in the supply chain, though some suppliers fear jetmakers are raising production too quickly to fuel their own market battles.

"You have to balance market share with execution. A lot of suppliers are worried about making that big investment and watching it all fall down," said aerospace analyst Richard Aboulafia, vice president at Virginia-based Teal Group.

Asked on the eve of the show whether solid production lines were more important than chasing new orders, Airbus CEO Fabrice Bregier told Reuters, "I hope we can do both".

Boeing raised its forecast for jet demand on Thursday and Airbus is expected to follow suit when it outlines its latest market forecasts on Monday.