



Kaushik Basu, chief economist of the World Bank, poses with David Hasanat, chairman of Viyellatex Group, during his visit to a factory of the garment maker last week. Atiur Rahman, governor of Bangladesh Bank, and Kamal S Quadir, chief executive of bKash, were also present.

Iran, biggest economy outside WTO, says it's ready to join

REUTERS, Geneva

Iran is prepared to negotiate its way into the World Trade Organization, Industry Minister Mohammad Reza Nematzadeh said on Thursday, building on the momentum of a landmark nuclear deal as Tehran restores international economic links after years of sanctions.

"I'm here with an important message," Nematzadeh told ministers of the trade body's 162 members at a two-yearly meeting in Nairobi.

"Now that years of intensive negotiations have finally cleared all the misunderstandings around Iran's nuclear activities, we are taking the next step towards integrating more deeply into the global economy."

Tehran sealed an accord with world powers in July, agreeing to curb sensitive parts of its nuclear programme in return for an easing of international sanctions.

The breakthrough, after more than a decade of deadlock, is prompting keen interest from foreign firms in striking business deals in Iran.

Joining the WTO would involve long and difficult negotiations, but Nematzadeh said Iran was already opening up its trade and investment regime and pursuing bilateral and regional integration with its trading partners.

But regionalism was no substitute for the global system, he said.

"Finalising WTO membership is therefore a priority for the Iranian government. As the largest non-member economy in the world, our full membership will be win-win for all and a significant step towards creating a truly universal organisation."

Despite having some of the world's biggest oil and gas reserves, Iran's economic growth has been slowed by sanctions, low energy prices and high interest rates.

Vilified for drug pricing, CEO Shkreli busted for securities fraud

REUTERS, New York

MARTIN Shkreli, the boyish pharmaceutical entrepreneur who caused a public uproar after he drastically raised the price of a life-saving prescription drug, was arrested on Thursday for engaging in what US prosecutors said was a Ponzi-like scheme at his former hedge fund and a pharmaceutical company he previously headed.

Shkreli, who has become a lightning rod for growing outrage over soaring prescription drug prices, was arrested before dawn at the tony Murray Hill Tower Apartments in midtown Manhattan. Clad in a grey hoodie, the 32-year-old could be seen being escorted by a slew of law enforcement, including FBI, into a car.

It was a dramatic turn of events for Shkreli, who in recent months became a pariah for his controversial remarks in the press and taunts on social media outlets, including to Democratic presidential candidate Bernie Sanders.

Many on social media said Shkreli was getting what he deserved. On Twitter, the top hashtag and keyword related to his arrest was #Karma. But ironically his downfall was not related to expensive drug pricing.

In an odd foreshadowing of events, a video posted last night on his YouTube page shows Shkreli answering a phone call during a live stream in which a caller at 1:22:10 identifies himself as a "special agent" before Shkreli appears to cut him off and hangs up.

Shkreli, who is chief executive

officer of Turing Pharmaceuticals and KaloBios Pharmaceuticals Inc, was charged in a federal indictment filed in Brooklyn relating to his management of hedge fund MSMB Capital Management and biopharmaceutical company Retrophin Inc.

Brooklyn US Attorney Robert Capers said at a news conference that Shkreli "essentially ran his companies like a Ponzi scheme, where he used each subsequent company to pay off defrauded investors in the prior company."

Authorities highlighted what they called the "brazenness" of his actions. Shkreli's efforts to conceal the fraud led him to use the assets of Retrophin to pay off debts from his hedge funds, Capers said.

Shkreli was charged with securities fraud, securities fraud conspiracy and wire fraud conspiracy. The maximum sentence for the top count is 20 years in prison.

"Mr Shkreli is confident that he will be cleared of all charges filed by the US Attorney's Office for the Eastern District of New York (EDNY) and the Securities & Exchange Commission," a representative said in a statement late Thursday.

"(He) also strongly denies the charges regarding the MSMB entities, which involve complex accounting matters that the EDNY and SEC fail to understand," the representative added.

The indictment, the result of an ongoing investigation, also charged Evan Greebel, a former partner at law firm Katten Muchin Rosenman who was Retrophin's outside counsel. Greebel, 42, was also arrested on



Martin Shkreli, centre, chief executive officer of Turing Pharmaceuticals and KaloBios Pharmaceuticals Inc, departs the US Federal Court, in New York on December 17.

Thursday.

Shkreli and Greebel entered pleas of not guilty through their lawyers.

Both were also sued in a related lawsuit by the US Securities and Exchange Commission, which also named New York-based hedge fund MSMB Capital Management as a defendant.

Later, a magistrate approved a \$5 million bond package, allowing Shkreli to go home after processing pre-trial paperwork. During the bail hearing, unshaven Shkreli was wear-

ing a black V-neck t-shirt with blue jeans. He appeared relaxed, smiling at what appeared to be family members in the courtroom.

When Shkreli left the courtroom, he was mobbed by reporters who shouted questions about the allegations. Shkreli did not answer any questions.

The securities fraud investigation predated a separate controversy surrounding Shkreli since September, when reports surfaced that his privately held Turing had raised the

price of Daraprim, a 62-year-old treatment for a dangerous parasitic infection, to \$750 a tablet from \$13.50 after acquiring it.

Asked if Shkreli raised drug prices to pay back investors, Capers said that was not part of the investigation. "I wouldn't want to speculate on his reasoning for trying to increase the price on those drugs," he added.

Shares of KaloBios fell 53 percent to \$11.03 in premarket trade before being halted. Retrophin, which said in a statement that it had fully coop-

erated with the government investigations of Shkreli, closed down 1.9 percent at \$20.94.

Turing and KaloBios declined to comment. Lawyers for Shkreli had no comment.

A lawyer for Greebel did not immediately respond to requests for comment. In July, Greebel had joined the law firm Kaye Scholer, which in a statement noted the "transactions in question predated his arrival to the firm."

Social media lashed out at Shkreli over the Daraprim fiasco. He in turn provoked his critics, and was often vocal on Twitter and other online platforms about his business strategies, politics and even musical tastes.

On Thursday, the online social network was buzzing with hashtags #Shkreli and #Karma trending heavily. Many said Shkreli was getting what he deserved and mocked his \$2 million purchase of a Wu-Tang Clan album.

In recent days, he even said that journalists do not "matter" and asked about a Democratic presidential candidate, "If @BernieSanders was a parasite what would he be?"

Sanders, who advocates a single payer healthcare system to control drug prices, had refused to accept a donation from Shkreli, instead giving the money to a health clinic in Washington, DC.

Shkreli has several live stream YouTube sessions. In one, he can be seen sitting at a computer in a plain white room with two electric guitars and an amplifier visible behind him while he answers infrequent questions from viewers.

Standard Chartered may see white knight takeover on painful recovery



A woman walks down the stairs of the Standard Chartered headquarters in Hong Kong.

REUTERS, Hong Kong

UK bank Standard Chartered (StanChart) could be acquired by a white knight as its recovery could prove to be "challenging", according to broker CLSA, which upgraded shares of the Asia-focused lender on that possibility.

Singapore's biggest lender DBS Group would be the most likely buyer, added CLSA in a note to clients dated Dec. 17. StanChart has seen its shares fall below a forward price-to-book value of 0.5 times this week, making it an appealing target.

The lender, which is in the middle of a restructuring under new CEO Bill Winters, has announced a series of moves to restore its profitability, including axing 15,000 jobs and streamlining the bank's management structure.

"The bank's road to recovery will likely be a challenging multi-year journey. But the worse the situation gets for StanChart, we believe the more likely it is that a white knight will eventually emerge," CLSA

analysts Asheefa Sarangi and Lester Lim wrote in the note.

StanChart declined to comment, while DBS said in a statement there was "no basis to the report, and it is not on our agenda". Singapore state investor Temasek Holdings, the biggest shareholder for both StanChart and DBS, also declined to comment.

CLSA revised its forecasts for StanChart's earnings in 2015, projecting a loss of \$142 million for the year, a first for the bank in at least 13 years.

The bank's shares dipped 0.5 percent in early London trading on Friday after soaring 7.3 percent on Thursday, their biggest one day gain since March. StanChart's stock in Hong Kong closed 3.1 percent higher, compared with a 0.5 percent decline in the benchmark Hang Seng index .HSI. DBS lost 1.6 percent in Singapore.

The slump in StanChart's shares this year has pushed its market capitalization to \$27 billion, an affordable level for several banks with regional ambitions, the CLSA report added.

Luxury brands shower attention on well-heeled Chinese students in US

REUTERS

SELLERS of Western luxury brands eager to capitalize on the new wealth of Chinese consumers are showering attention on mainland students in the United States, even as sales in China falter.

The strategy is paying off for some, such as the Los Angeles Beverly Center mall, which sends buses to pick up Chinese families at the University of California at Los Angeles and the University of Southern California at the beginning of the year, when parents drop off their children, and at graduation.

"We aren't just dabbling here," said Susan Vance, the Beverly Center marketing and sponsorship director. The mall sponsors Chinese student groups with roughly 45,000 members in what she called one of its most successful marketing plans.

Chinese shoppers account for 31 percent of the \$273 billion global personal luxury goods market, according to Bain and Co, and the United States is the biggest market outside of Asia.

As economic growth in China has slowed and as Beijing's anti-corruption drive cuts into sales of high-end goods there, makers of luxury brands are trying to tap this key Chinese customer base when they reach US shores.

Students are snapping up Louis Vuitton and Gucci handbags, Tory Burch shoes, as well as fashions from Fendi, Alexander McQueen,



A visitor from China looks at her mobile phone after shopping at Tiffany & Co. jewelers in New York City.

REUTERS/FILES

Bottega Veneta and Yves Saint Laurent, among others, according to recent interviews with student shoppers in New York.

It is not clear how much of overall luxury sales can be attributed to purchases by students, but some top brand makers clearly see the group as a financial force in its own right and as providing access to a much larger group of well-heeled shoppers - parents and family - making it an important new marketing channel.

Some 29 percent of high net-worth parents in China who send their children abroad for primary school and college choose US institutions, according to the Hurun Report, which publishes an

annual list of China's richest people.

California's tourism bureau found that a majority of visits from China corresponded with back-to-school and graduation and that friends and family visited them often. Australia's tourism agency found Chinese students in university are able to influence up to 14 trips from China during their years in school.

Chinese tourists and visitors have a long tradition of buying for friends and family to avoid taxes and fake goods. In Beijing, Fang Wen, whose daughter studies at Rice University in Houston, said she relies on her to bring back small goods, such as cosmetics, apparel and jewelry.

Companies selling top brands are recognizing that influence and reaching out to students.

In New York, Prada lured students into stores by offering vouchers for leather luggage tags worth about \$200, said Yun Chen, the president of the Chinese Artist Alliance of New York City, an umbrella for Chinese student groups at four of the city's top art schools. A representative for Prada did not respond to requests for comment.

Mulberry Group, a British handbag maker, set up a private sale with cocktails and desserts for students in the Chinese Artist Alliance at a store in Manhattan's SoHo district, inviting the first 100 buyers to a launch party for designer and model Cara Delevingne's handbag collaboration with the brand, Chen said. A representative for Mulberry declined to comment.

"Smart" US brands have been and should be tapping this group, which comprises about one-third of all international students in the United States, Angelito Tan, chief executive of RTG Consulting in China, said in an email, adding that students are "unofficial opinion leaders" for friends and family back home.

"This is a very hermitic group, which means it's hard to access, but once you do, you are inside and can do great marketing actions from within," added Anna Szubrycht, founder of luxury consulting group Chic Being.