



Latifur Rahman, chairman of Transcom Beverages, attends the annual conference of the company at the Le Meridien hotel in Dhaka on Sunday. Directors Shahnaz Rahman, Atiqur Rahman, Arshad Waliur Rahman, Simeen Hossain and Shahzreh Huq; Managing Director Golam Quddus Chowdhury; Executive Director Khurshid Irfan Chowdhury, and PepsiCo's Country Manager Darpan Vashishtha were also present.

### HK pips New York as world's biggest IPO capital

REUTERS, Hong Kong

Hong Kong replaced New York this year as the world's biggest IPO market by the amount of funds raised, buoyed by Chinese banks and other financial firms, with the deal pipeline pointing to a stronger year ahead.

Companies raised \$25 billion via initial public offerings (IPOs) in Hong Kong so far this year, higher than the \$19.4 billion raised in New York, preliminary data from Thomson Reuters data shows.

Many Chinese brokers and banks had rushed to raise funds to finance their margin loan business and boost core capital amid a stock market rally earlier this year. Big Hong Kong IPOs in 2015 included the \$4.8 billion deal by Guotai Junan Securities Co Ltd and a \$2.5 billion capital raising by China Huarong Asset Management Co Ltd.

For New York, which was the world's biggest IPO market for the past three years, IPO proceeds slumped 73 percent this year after surging to \$71.7 billion in 2014, helped in part by Alibaba Group Holding Ltd's record \$25 billion deal.

## Japan PM faces make-or-break test three years later

AFP, Tokyo

**I**T was an irresistible promise: elect me, I'll bring back Japan's once-soaring economy and restore its battered national pride.

Three years later, Prime Minister Shinzo Abe is facing the enormity of his grand ambitions, and the clock is ticking.

Abe, 60, swept to power in December 2012 with a novel recipe for success, energising a one-time global powerhouse that languished in a decades-long slump, overshadowed by regional rival China. The take-charge politician trotted around the globe, inking deals for Japanese firms and selling his eponymous "Abenomics" policy blitz.

"I am back and so is Japan," the two-time nationalist leader declared to an American audience.

Abe's call to action -- including big government spending and massive central bank monetary easing -- had some early successes, as the yen weakened sharply from record highs against the dollar.

The drop was good news for exporters as corporate profits soared and the benchmark Nikkei 225 stock index doubled to the 20,000 level.



Japanese Prime Minister Shinzo Abe reviewing honour guards at the defence ministry in Tokyo.

A fledgling economic recovery appeared to be taking hold.

But as he marks three years in office on Saturday, the scale of Abe's self-appointed task may be coming back to haunt him.

Growth has stumbled, the war on years of deflation is not yet won, and a promised overhaul of the highly regulated economy is far from complete.

"Compared to the magnitude of Abenomics' stimulus, the economy's performance has been feeble," said Ryutaro Kono, econo-

world's number-two economy and assume an increasingly assertive role in Asia.

It also suffered the shock of the March 2011 triple earthquake, tsunami and nuclear disasters, which dealt another blow to the economy. Facing summer elections, Abe's popularity is hovering around 50 percent, relatively strong considering the deep unpopularity of some of his policies.

His bid to bolster Japan's defence posture by diverting from the traditional interpretation of the pacifist constitution -- which could see Japanese troops go into battle for the first time since World War II -- angered neighbours China and the Koreans and was bitterly opposed at home and sparked rare street protests.

An unpopular push to switch on nuclear reactors shuttered after the 2011 disaster has also done little to boost his appeal.

"(Abe's) great advantage is that voters think there is no better alternative," said Robert Dujarric, director of contemporary Asian studies at Temple University's Tokyo campus.

A key reason, observers say, is that a weak and fragmented opposition has been unable to mount a serious challenge.

### Transcom Beverages on path of growth

STAR BUSINESS DESK

Sales of Transcom Beverages multiplied more than 12 times in 15 years since the local company became a franchisee of PepsiCo, according to a statement.

"Transcom Beverages has been leading the soft drink industry of Bangladesh for the last few years," Latifur Rahman, chairman of Transcom Group, said at the annual conference of Transcom Beverages at the Le Meridien hotel in Dhaka on Sunday.

Cricketers Soumya Sarkar and Taskin Ahmed, both brand ambassadors of the beverage brand Pepsi, also attended the event.

Transcom Beverages, an associate organisation of Transcom Group, is the only franchisee of PepsiCo in Bangladesh.

The popular brands of the group include Pepsi, Seven Up, Mirinda, Mountain Dew, Seven Up Light, Pepsi Diet, Slice and Aquafina. Top performers of 2015 received awards during the conference; Shahidul Islam became "the customer executive of the year".

Khurshid Irfan Chowdhury, executive director of Transcom Beverages, was declared as deputy managing director of the company, according to the statement.

Transcom Beverages won the title of the "international bottler of the year" in 2009, the most prestigious award from PepsiCo. The company has also won the "best bottler of the year" title in the India region five times till date, along with the award for the best plant in the entire region.

Also, 7up has been awarded as the best beverages brand six times in a row by Bangladesh Brand Forum.

### Money laundering probe into India's Sahara

REUTERS, Mumbai

Although it has businesses ranging from finance and property to media and Formula One motor racing, India's troubled Sahara has never been very transparent on the source and use of the billions of dollars it has raised from mostly small investors.

Suspicions have swirled for years that many of Sahara's millions of investors are fictitious names.

A team of officials from the Enforcement Directorate, which is responsible for fighting economic crime, last month visited Sahara headquarters in Lucknow to gather data as part of a probe into possible money laundering, said two department officials.

"Since the data is huge we will take time to get the finer details," said one of the officials, who was part of the team. Both the officials declined to be named.

The Enforcement Directorate declined to comment officially to Reuters. Sahara did not respond to Reuters request for comment.

In India, money laundering refers to the practice of routing money into various assets outside the country, without revealing the source to avoid taxation.

Sahara has previously denied the money laundering allegations or that roughly 30 million investors in its 2008-11 financial plan - later ruled illegal by the markets regulator Securities and Exchange Board of India (SEBI) - were fictitious.

It sent a convoy of 127 trucks, purportedly filled with the documents of its investors in its 2008-11 bonds scheme, to SEBI two years ago in an effort to prove that.

India's Supreme Court, which has ordered Sahara to return \$5.4 billion to investors who put money in the 2008-11 plan, in August 2012 questioned the authenticity of Sahara's investors in the 2008-11 plans and whether many of them were fictitious.

Alluding to this suspicion, one of the judges of the Supreme Court had said: "Despite restraint, one is compelled to record, that the whole affair seems to be doubtful, dubious and questionable."

## In China's jewellery hub, gold loses sparkle for wary buyers

REUTERS, Shenzhen/Singapore

**A**S Chinese consumers cut back on gold purchases for a second year in a row, nowhere is the slowdown being felt more than in the country's once-bustling jewellery manufacturing and retail hub of Shuibei.

Gold demand has taken a hit from a slowing economy and Beijing's anti-corruption drive, which has cut demand for luxury products, but there are fears of a more protracted loss of confidence among buyers in the world's top consumer of the precious metal.

With buying in No 2 consumer India also soft, another year of weak Chinese demand would help pile more pressure on global gold prices languishing near six-year lows.

The hundreds of jewellery stores in Shuibei, a district of Shenzhen only a short hop over the border from Hong Kong, have seen business take a downturn since a buying boom peaked in 2013 as once-voracious Chinese consumers turn cautious.

"They don't have confidence in gold now given the weak prices, so demand won't pick up anytime soon," said Wang Zhichang, regional manager of the Glory Gold store, adding revenue was likely to fall a further 10 percent next year on top of a drop of 10-20 percent this year.

Wang, who was among 30 staff in the store at a time when there were no customers, said that a number of jewellery



Staff wait for customers inside an empty gold and jewellery store in Shenzhen's Shuibei district, one of China's biggest jewellery retail and production hubs, in the southern Chinese city of Shenzhen.

factories had closed in the past year in the area.

Big retail chains, including Chow Tai Fook, the top jeweller by market value, are also closing branches and cutting back store openings in the mainland and Hong Kong.

Chow Tai Fook last month reported a 42 percent drop in net profit in the April-September period and said it would open only a net of 60 stores in China in its current financial year ending March, from a previous target of 150.

"Customers have become more rational with their purchases," a company spokesperson said by email.

Illustrating the strains in the industry, Chinese banks have begun to see loan defaults by jewellery manufacturers, hurt by weak sales, Reuters reported last month.

From just 200 tonnes in 2003, Chinese demand for gold jewellery, bars and coins hit an all-time high of more than 1,000 tonnes in 2013, when prices of the metal snapped a 12-year rally.

Demand has since fallen back and with prices now down by more than a third since 2012 Chinese confidence has weakened in gold as an investment.

One of the biggest blows to China's gold consumption has been the pullback of "dama" buying, a Chinese term for middle-aged women known for their love of hunting out a bargain.

They were at the forefront of the 2013 gold rush but many have had their fingers burnt as gold has repeatedly hit multi-year lows.

"The golden period of China's dama demand has passed," said Shu Jiang, chief analyst at Shandong Gold Group, the parent of Shandong Gold Mining Co Ltd.

Shu said unless there was a drastic price drop over a short period of time, the dama were unlikely to return, though others argued that what is really required is a rebound in prices.

"Ironically, what you actually need to see for physical demand to pick up is for prices to rally," said Victor Thianpiriya, commodity strategist at ANZ, who expects Chinese demand to decline next year.

"The confidence in gold as a supposed safe haven or as an investment has been battered over the last few years," said Thianpiriya.

Indian demand has also taken a hit and in the December quarter is likely to fall to the lowest in eight years, hurt by poor investment demand and droughts that have slashed earnings for millions of farmers.