China to impose import duties on electrical steel from EU

AFP/FILE

Chinese workers load steel onto a truck at a steel market in Yichang, China.

AFP, *Beijing*

China said Friday it would impose import deposits of up to 46 percent on flat-rolled electrical steel products from the European Union, as its domestic producers face growing financial pressure.

China's commerce ministry said that it will levy anti-dumping duties on imports of Grain Oriented Flat-rolled Electrical Steel (GOES) from Japan, the South Korea and the European Union.

Importers will pay deposits ranging from 14.5 percent to 46.3 percent, after an investigation showed the regions were guilty of dumping which damages domestic Chinese industry, the ministry added in a post on its website.

The announcement came as Britain's Prime Minister David Cameron held crisis talks to salvage Britain's steel industry after Indian giant Tata Steel said it was putting its business in the country up for sale, threatening 15,000 jobs.

Tata's decision notably puts at risk Britain's biggest steel plant at Port Talbot in the former industrial heartland of south Wales. The facility is Wales' biggest single employer and closure would have a devastating impact on the local economy.

The Port Talbot plant reportedly produced grain-oriented flat-rolled steel.

China imported about 1.5 million tonnes of steel from the EU in 2014, and exported about 6.5 million tonnes of its steel to the EU, according to the World Steel Association.

Europe's steelmakers called this week for sharply higher anti-dumping tariffs to protect against a flood of cheap Chinese imports. China's own steel sector is also reeling from the effects of massive overcapacity as its economy slows.

Beijing said this year it will slash some 1.8 million jobs in its coal and steel sectors, without giving a time frame.

Reports have said as many as five million state sector jobs could be cut in the next five years.

China makes more steel than the rest of the world combined, and the government plans cuts of up to 150 million tonnes in production capacity over five years.

One of China's largest steelmakers, state-owned Wuhan Iron and Steel, plans to shed up to 50,000 jobs, as the government struggles to reduce overcapacity while growth in the world's second-largest economy slows.

BlackBerry revenue miss puts hardware future in focus

REUTERS, *Toronto*

BlackBerry Ltd plans to make a decision by September on the future of its beleaguered smartphone business, but its Chief Executive John Chen stressed on Friday he remains confident the company will have a profitable hardware segment by then.

The smartphone industry pioneer has been pivoting to focus more on software and services as its smartphone market-share has dwindled, and its shares sank Friday after it reported a larger-than-expected slide in fourth-quarter revenue largely as sales of its new Android-based Priv device missed expectations, due to delays with certain carrier launches.

The Canadian company's shares closed down about 7.5 percent in New York and Toronto as the results raised fresh questions about the viability of its legacy hardware business.

"My number one focus is to stay in the hardware business beyond September, but I'm also a realist, I'm not going to stay in the business and continue losing money," said Chen.

He said BlackBerry plans to release a new mid-range Android-based device before September, and that the company plans to do a better job targeting enterprise clients with its new devices.

Chen said BlackBerry is working on licensing its hardware know-how like its virtual keyboard and security software, moves it sees boosting hardware segment revenue and getting it closer to profitability.

The Waterloo, Ontario-based company recognised revenue on roughly 600,000 devices in the quarter. Chen said three million device sales a year at an average price of around $300 would get the unit to break even. He had previously estimated BlackBerry needed to sell five million to achieve this goal.

Software and licensing revenue for the year came to $527 million, exceeding BlackBerry's target of $500 million. It is targeting 30 percent organic growth in that business this fiscal year.

Many analysts and investors remain sceptical.

"We're looking for even faster growth," said Brian Colello, an analyst at Morningstar, noting BlackBerry needs "exponential software growth" to complete its transformation into a stable, profitable entity.

Overall revenue fell to $464 million from $660 million a year earlier and was about $100 million lower than the average of analyst expectations, according to Thomson Reuters I/B/E/S.

It reported a net loss of $238 million, or 45 cents a share, in the fourth quarter ended Feb. 29, compared with year-earlier profit of $28 million, or 5 cents a share. Excluding one-time items, it lost 3 cents a share, against expectations for a 10-cents-a-share loss.

MTB

Anis A Khan, managing director of Mutual Trust Bank, and Steven Beck, head of trade finance at Asian Development Bank, exchange documents of a "issuing bank" agreement signed under the regional lender's Trade Finance Programme at the ADB Bangladesh Resident Mission in Dhaka. ADB will provide guarantees to the bank for facilitating trade in Bangladesh.

Time Inc considers taking on private equity partner for Yahoo bid

REUTERS

Time Inc is considering partnering with a private equity firm on a bid for Yahoo Inc's core Internet assets, according to people familiar with the matter, as the US publishing company seeks to boost its digital presence.

The deliberations on finding a partner to help fund the potential deal underscore Time Inc's limited resources. Yahoo's web business is estimated to be worth several billion of dollars more than Time Inc's market capitalization of just $1.6 billion.

Time Inc held conversations with buyout firms before signing a non-disclosure agreement with Yahoo recently that forbids bidders in the sale process from communicating with each other, the people said this week.

However, Time Inc is hoping that Yahoo will allow bidders to form consortia after they submit first-round bids that are due on April 11, the people added. Time Inc has not yet selected any private equity firm as a potential partner, the people said.

Several private equity firms are weighing bids for Yahoo's internet assets including Blackstone Group LP, KKR & Co LP, TPG Capital LP, Apax Partners LLP, Warburg Pincus LLC, Bain Capital LLC and Hellman & Friedman LLC, the people said.

A potential deal structure that Time Inc and its investment bankers have been considering is a Reverse Morris Trust, the people said. This could potentially allow Yahoo to divest assets in a tax-efficient manner, the people added. Spokespeople for Yahoo, Time Inc and the private equity firms declined to comment.

Since Time Inc spun out from parent company Time Warner Inc in 2014, its chief executive, Joe Ripp, has been vocal about putting more cash into the business and expanding the company beyond its print roots.

The New York-based company, whose titles include People, Sports Illustrated and its namesake Time magazine, has been on a digital shopping spree in recent months.

In February, it acquired Viant Technology, a New York-based marketing firm that owns Myspace, an early social media company. Last fall, it bought HelloGiggles, a lifestyle website owned by actress Zooey Deschanel, and xoJane, an online magazine geared to women.

Yahoo faces increasing pressure from shareholders and investors to sell its core business instead of going through a spinoff that would separate the company from its stakes in Yahoo Japan and Alibaba Group.

DHAKA BANK

Syed Mahbubur Rahman, managing director of Dhaka Bank, and MA Mannan, chairman of Butterfly Marketing, pose at the signing of a memorandum at the bank's corporate office in Dhaka on Thursday. Dhaka Bank will finance the dealers of Butterfly products under its SME programme.

Anbang's Starwood retreat is setback for China's M&A campaign

REUTERS

Anbang Insurance Group Co's unexpected withdrawal this week of its $14 billion offer to buy Starwood Hotels & Resorts Worldwide Inc is a wider blow to the unprecedented drive by Chinese companies to acquire North American and European assets.

Fresh disclosures by Starwood on Friday showed how Anbang's hard-charging Chairman Wu Xiaohui backed out of the deal even after calling Starwood Chief Executive Thomas Mangas as early as March 29 to assure that the Anbang consortium needed "a couple of days" to finalize its proposal.

Instead, on the afternoon of March 31 a representative of Anbang consortium's legal counsel Skadden, Arps, Slate, Meagher & Flom LLP delivered the unexpected news to Starwood's legal counsel Cravath, Swaine & Moore LLP that the Chinese-led consortium is abandoning the multi-billion dollar bid for Starwood.

That brought down the curtains on two weeks of high drama during which Anbang and its consortium partners JC Flowers and Chinese private equity firm Primavera Capital came within striking distance of owning some of the world's best known hotel brands including Sheraton and Westin hotels.

"Though Anbang has decided to withdraw from the Starwood situation, don't yet count it out," Primavera chairman Fred Hu told Reuters.

From semiconductors and industrial equipment, to financial services and real estate, China's insatiable appetite for Western companies has pushed the country's announced outbound cross-border M&A to $101.1 billion year-to-date, nearly surpassing the full-year record of $109.5 billion set last year.

Yet Anbang's abrupt move, which came after Starwood said on Monday that the Chinese insurer's latest offer was "reasonably likely" to be superior to a cash-and-stock deal with Marriott International Inc, added fuel to concerns that many Chinese companies may not be able to deliver on their acquisition expectations.

"To succeed in the U.S., Chinese companies will have to adapt to American styles of governance and transparency. It will be difficult to close mega deals without a more open style, so we may see more modest deals until China changes," said Erik Gordon, a professor at the University of Michigan's Ross School of Business.

To be sure, the largest M&A deal of this year thus far globally is by a Chinese company: China National Chemical Corp's agreement to acquire Swiss seeds and pesticides group Syngenta for $43 billion. Several Chinese companies, however, are having trouble convincing Western peers that they are a credible M&A counterparty.

Earlier this week, for example, U.S. gene-sequencing products maker Affymetrix Inc rejected an offer by some of its former executives that was financed by a Chinese investment firm, even though they offered more money than an existing deal with Thermo Fisher Scientific Inc, on the basis of financing and regulatory risks.

Anbang's case could make corporate boards in the United States and Europe more skeptical about the ability and motives of Chinese buyers, investment bankers and lawyers said.

Starwood had declared Anbang's previous $78 per share cash offer superior to Marriott's on March 18. This meant that Starwood deemed it to be fully financed, and that it expected it to clear the Committee on Foreign Investment in the United States, an inter-agency panel that reviews deals to ensure they do not harm national security.

Marriott, however, raised its bid on March 21, and Starwood responded with a new $82.75 bid disclosed on March 28. Anbang was expected to firm up that offer in order for Starwood to deem it superior.

Anbang said on Thursday that it withdrew its offer due to "market considerations", without elaborating. One of Anbang's private equity partners, Primavera chairman Hu, said Anbang walked away to avoid a protracted bidding war, even though Marriott had not disclosed a higher offer.

"We have little independent insight into what happened, but based on what Starwood has told us, Anbang did not deliver the same kinds of undertakings or arrangements that would have allowed the Starwood board to conclude that they were credible at $82.75," Marriott Chief Executive Arne Sorenson told investors and analysts on a conference call.

Industrial data shows Brazil recession deepening

AFP, *Brasilia*

The latest data on Brazil's industrial production on Friday showed deepening recession in Latin America's biggest economy, though its trade surplus grew and the currency is rising on prospects of a new government.

Industrial output shrank nine percent over the 12 months leading up to February, government statistics showed, with the car-making, machinery and electronic sectors hit the hardest.

The slide appeared to be accelerating with February production 2.5 percent lower than in January.

Exports also slid, by six percent in March compared to the same month last year, according to the trade ministry.

But that was far overshadowed by a plunge in imports which were down 30 percent.

That fall was partly due to lower costs for shipped-in fuel -- but also because Brazil's belt-tightening population was cutting back on purchases of foreign goods.

US jobs market robust in March

AFP, *Washington*

The US economy posted solid jobs growth in March but the unemployment rate ticked up, though for a good reason: more people entering the labor market.

The Labor Department reported Friday that 215,000 jobs were added in March, slightly easing from February's gain yet still suggesting that the labor market is holding up despite signs of weakening US growth and the global slowdown.

"The labor market continues to improve at a steady pace," said Sophia Koropeckyj of Moody's Analytics. "The average number of jobs created in the first quarter is exactly equal to the average for the past four years, a remarkable run."

There were other encouraging reports Friday on the health of US economy at the end of the first quarter. Manufacturing activity grew in March after five months of contraction, according to the Institute for Supply Management's purchasing managers index.

The March jobs growth beat the 200,000 average analyst estimate. The gains in February and January were revised slightly lower, by a net 1,000 jobs.

The jobless rate edged up a tenth of a point to 5.0 percent as more people entered the jobs market. The rate had held at 5.0 percent from October through December, before dipping for the first two months of the year to 4.9 percent, an eight-year low.

The participation rate in the labor force, which measures those having a job or seeking employment, rose for the fourth straight month to 63 percent, its strongest level since March 2014.

That represents nearly 400,000 people who entered the jobs market and in part explains the slight uptick in the unemployment rate.

IHS chief economist Nariman Behravesh noted two longer-term, "particularly encouraging" trends: Jobs gains in the past two years have been the strongest since 1998-1999, and March marked the sixth consecutive month of large gains in the labor force.

"This is a vote of confidence on the part of workers regarding the health of the US economy," Behravesh said.

The private sector added 195,000 jobs in March, the 73rd straight month of job growth. That was a record streak that added 14.4 million jobs after the economy exited the Great Recession in 2009.

Among the sectors where employment rose were retail trade, including restaurants and bars, health care and construction. Government added 20,000 payrolls.

While mining and manufacturing remained weak spots, most of the labor market expanded. The average monthly jobs gain in the first quarter was a robust 209,000, easing from a 229,000 pace in 2015.

The improving labor market is a key reason for the Federal Reserve's historic interest rate increase in December, a quarter point lift in the federal funds rate pegged near zero for seven years to support the recovery.

Since then, the Fed has lowered its outlook for the future path of rate hikes, citing risks from the sputtering global economy.

Tepid US wage growth, of concern to Fed Chair Janet Yellen because it indicates slack in the jobs market, picked up slightly in March as the work week held steady. Average hourly wages rose 0.3 percent and were up 2.3 percent from a year ago.

ONE BANK

Sayeed H Chowdhury, chairman of One Bank, chairs the 17th annual general meeting of the bank at Police Convention Hall in Eskaton, Dhaka on Thursday. The bank declared 12.5 percent cash and 12.5 percent stock dividends. M Fakhrul Alam, managing director, was also present.