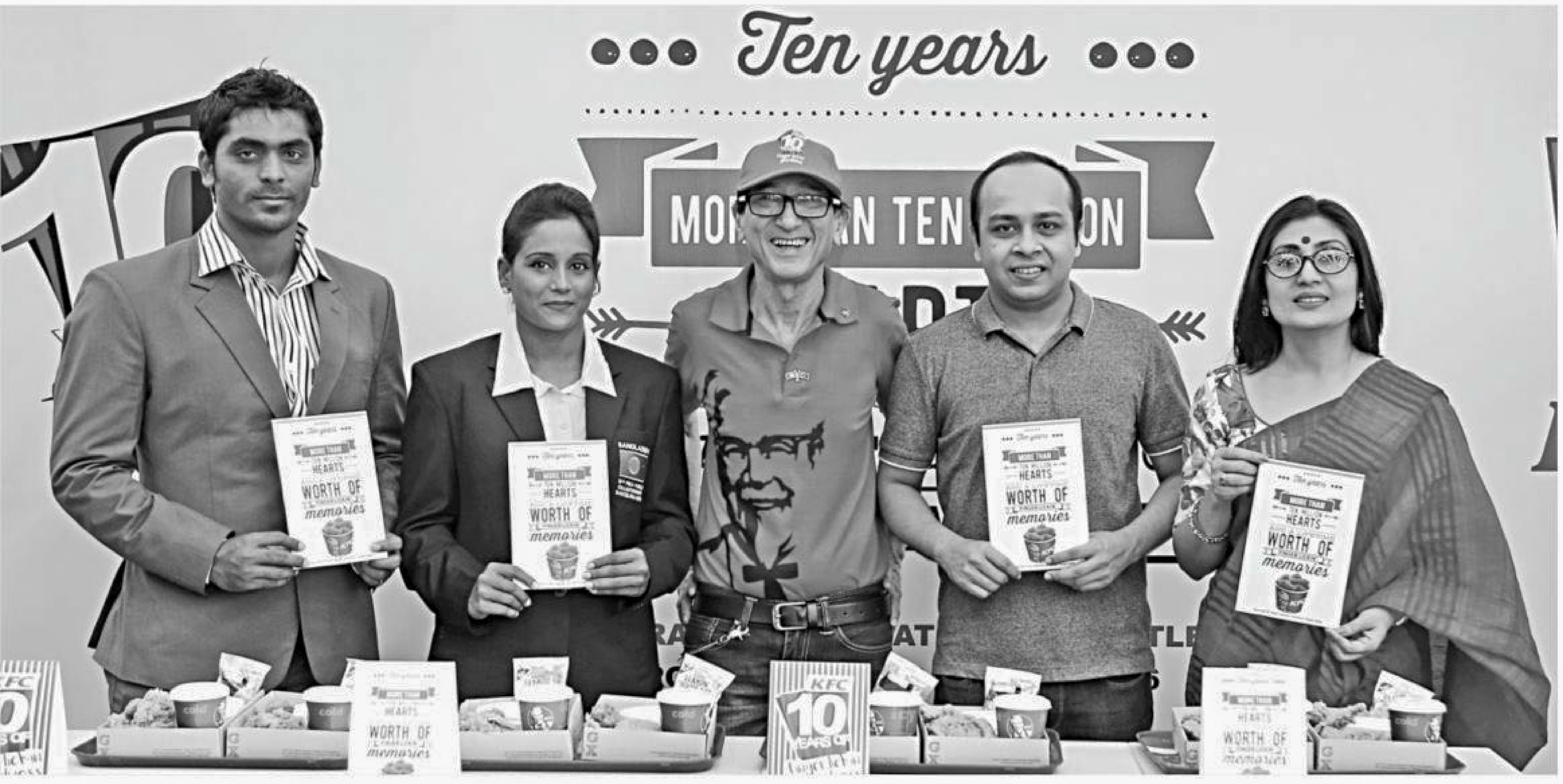


KFC

**Akku Chowdhury, *centre*, CEO of Transcom Foods that operates KFC in Bangladesh; Mahfuza Khatun Shila and Shahjahan Ali Rony, South Asian Games gold medalist swimmers; pose at a programme where Chowdhury announced a six-day event to celebrate the 10th anniversary of operations of KFC in Bangladesh. Actor Bonna Mirza and singer Topu were also present.**

# India's richest man unveils telecoms venture with free calls, cut-price data

REUTERS, *Mumbai*

India's Reliance Industries unveiled its new telecom network on Thursday, touting free calls and rock-bottom data prices that sent shares of established telecom players into a nosedive on fears of an all-out price war.

Reliance's Chairman Mukesh Ambani, India's richest man, told shareholders at the energy giant's annual shareholder meet that services on the new network, dubbed Jio, would be available for free until Dec. 31 as it continues network tests. He did not say when the services would be launched commercially.

Reliance, one of India's biggest business houses which gets most of its revenue from its sprawling oil and gas business, has in the recent years expanded into more consumer-facing markets such as retail and telecom as growth in its core business slows.

The company, which secured telecom airwaves in 2010, has so far invested more than $20 billion on building a nationwide network, and has pledged to offer affordable services to price-conscious Indian customers.

Ambani, who was interrupted by repeated rounds of applause as he took shareholders through Jio's ambitious rollout plans, free countrywide roaming offering and more, vowed to "transform India from a high-priced data market to one with the lowest data rates anywhere in the world."

Jio could make Reliance a big provider of telecoms and internet services across India - a nation of one billion mobile phone subscribers - and is a key plank of Ambani's future strategy even though the business is unlikely to add significantly to consolidated profit any time soon.

Jio will effectively price one gigabyte of data at about 50 rupees for some users, about one-fifth of what rivals charge, Ambani said. Data charges will fall even further for heavier users, he said.

Ambani set a target of 100 million customers for Reliance Jio "in the shortest possible time", without specifying. Shares in India's No. 1 wireless carrier Bharti Airtel Ltd dropped 6.3 percent on Thursday, while smaller rival Idea Cellular fell 10.5 percent, on fears that Jio's aggressive rates will trigger a price war in the sector.

The incumbents have already started lowering data prices ahead of Jio's entry. Reliance Industries chairman Mukesh Ambani says aims for 100 million customers. Still, a telecom analyst, who declined to be named, said Jio would face challenges in luring low-spending phone users to its network. Jio's cheapest plan starts at 149 rupees and offers just 0.3 gigabytes of data and the company's next plan up costs 499 rupees, while a majority of India's phone users who still have basic phones spend less than 200 rupees a month on telecommunications services.

# UK factory activity rebounds in August

REUTERS, *London*

British manufacturing staged one of its sharpest rebounds on record in August as factories recovered from the initial shock of June's vote to leave the European Union, helped by a boost to exports from sterling's post-Brexit slump.

The Markit/CIPS Purchasing Managers' Index (PMI) - a closely watched gauge of factory activity - jumped to a 10-month high of 53.3 in August after tumbling to a three-year low in July after the referendum, which was revised up to 48.3 from 48.2.

The five-point monthly surge was the joint-largest in the manufacturing survey's near 25-year history and far outstripped all forecasts in a Reuters poll of economists. But it also underscored how the weaker currency is likely to fuel inflation.

Data over the past couple of weeks have shown consumer demand held up in the face of the referendum result and Thursday's survey suggests manufacturing, which accounts for 10 percent of Britain's economy, is weathering the initial impact of the vote better than feared.

Sterling soared more than a cent against the dollar and British government bond prices fell to a one-month low after the data.

"Clearly there is a storming recovery in the headline index," Investec economist Chris Hare said. "We would expect manufacturing exports to fare well post-Brexit because they have the benefit to gain from falling sterling, but the surprise is that domestic business picked up too."

Markit, which compiled the PMI said, companies had reported restarting work which they had put on hold in July, as their clients saw business starting to return to normal.

"The domestic market showed a marked recovery, especially for consumer products, while the recent depreciation of sterling drove higher inflows of new business," Markit economist Rob Dobson said.

However the EEF trade body, which represents manufacturers, said the strength may not be sustained.

"Manufacturers ... appear to have their mojo back in August," EEF chief economist Lee Hopley said. "But the heightened volatility in the indicator in the last couple of months still raises questions about whether sentiment has overshot somewhat and ... some moderation is likely."

After Britons unexpectedly voted to leave the EU sterling fell by more than 10 percent against the dollar and the euro, losses that have not been recouped as markets bet on a long-term hit to British economic performance and that the Bank of England will lower interest rates again later this year.

Economists will be keen to see if the rebound in manufacturing PMI is also reflected in figures due to be published on Monday for the far larger, more domestically focused services sector.

The weak PMI surveys of July suggested the economy had begun to contract at the fastest rate since the 2008-09 financial crisis and were a big factor behind the BoE's decision on Aug. 4 to cut rates to a record low and restart bond purchases.

August's manufacturing PMI showed export orders flowed in at their fastest rate since June 2014, though overall order growth was below June's rapid pace. Factories reported that they increased output by the highest amount since January.

A separate survey published last week by the Confederation of British Industry showed export orders rising at the fastest rate in two years in the first part of August, but more subdued domestic demand than the PMI.

In the longer run, Britain's access to European export markets remains uncertain. Prime Minister Theresa May's new government has not said when it will start formal talks to leave the EU and has given no detail on whether it would allow unlimited EU migration in return for continued easy trade access - a likely demand of other countries in the bloc. The flip side of the short-run boost to exports from a weaker currency are signs of rising inflation pressure.

Manufacturers taking part in the PMI survey reported the biggest rise in input costs in more than five years, and said they were also raising the prices they charged customers at the sharpest rate since mid-2011.

The BoE expects higher inflation and lower living standards to be one of the main costs for households from the vote to leave the EU, outweighing gains to trade from a weaker currency.

# Tired of cheap oil, Saudis eye price boost to drive Aramco IPO

REUTERS

**Saudi Arabia's Deputy Crown Prince Mohammed bin Salman attends a meeting with Chinese President Xi Jinping and ahead of the G20 summit, in Beijing, China on Wednesday.**

REUTERS, *Dubai/London*

Two years after triggering an oil price war, Saudi Arabia has seemingly had enough of cheap crude amid budget pressures, fear of a future supply shortage, and as it seeks to offload a stake in state-owned producer Aramco.

The change in tone comes as Opec and other producers such as Russia may resume talks on stabilizing output when they meet in Algeria later this month, after a similar effort to boost oil prices collapsed in April due to Saudi-Iranian tensions.

"The Saudis are going to Algeria for a freeze," said a source in the Organization of the Petroleum Exporting Countries who is familiar with the matter and declined to be identified. "More and more ministers are now talking among themselves to evaluate their production position."

Opec in November 2014 made a landmark policy shift, led by Saudi Arabia, refusing to cut production by itself in the hope that lower prices would discourage higher-cost competitors that had eroded the group's market share.

Further cementing the impression of a production free-for-all, Opec ditched its last remaining supply-management tool, an output ceiling, in December 2015.

From 2014 until earlier this year, Saudi Arabia's then-minister for oil, Ali al-Naimi, offered little verbal support for prices. The market determined them, Naimi said, but he gave no preferred range or any indication of what levels could be sustained in the long term.

Since Khalid al-Falih took over as energy minister, the tone has visibly shifted. He says the world needs oil above $50 per barrel to achieve a balanced market, and raised the prospect of Saudi Arabia resuming its role of balancing supply and demand.

Outwardly, there is no sign yet of a definite change in policy. But behind the scenes, Saudi Arabia has been working towards boosting prices, rather than leaving that job to market forces.

At Opec's last meeting in June, held in Vienna, Falih surprised some of his counterparts by proposing Opec set a new output ceiling, according to several people familiar with the matter.

In Vienna, Falih floated a number of ideas in private meetings on how best to manage the supply glut, and questioned independent Opec analysts during separate meetings as to the possible price impact of a production freeze or even a cut.

At private talks with the Nigerian oil minister before the June 2 Opec meeting, Falih was willing to revive the idea of a production freeze while showing more tolerance towards Iran, which is raising output post-sanctions, sources said.

"The Saudi minister met with the Nigerian minister and discussed a ceiling of 32 million barrels per day with flexibility towards Iran," one source said.

More talks with Iran led by Qatar, which holds the Opec presidency in 2016, took place privately but they failed to get Tehran on board because Iran argued it needed to regain market share lost during years of Western sanctions, the sources said.

On the day of the Opec meeting, Gulf members proposed discussing a ceiling.

"But Iran said no, so the ministers moved quickly to discuss the secretary-general nomination," the source said. Opec agreed to appoint Nigerian Mohammed Barkindo to the position.

Saudi Arabia is by far the largest Opec producer, pumping more than twice as much as the second-biggest, Iraq.

Even so, plunging oil prices since mid-2014 have put stress on Saudi Arabia's finances, causing a big budget deficit last year and forcing the kingdom to seek new sources of income, including taxes and other fees and to cut spending.

The government is trying to boost non-oil revenue and modernize the economy through a reform plan called "Vision 2030", championed by Deputy Crown Prince Mohammed bin Salman, of which the centerpiece is the sale of a stake in Saudi Aramco.

Sources in the oil industry say this partly explains the shift in tone on prices. The Saudis "want higher oil prices for a better Aramco valuation", one industry source said, adding that some think Aramco could be valued as high as $4 trillion.

Prince Mohammed has said he expects the initial public offering (IPO) to value Aramco at at least $2 trillion, but that the figure might end up being higher. Any valuation would account for oil price expectations and the size of Saudi Arabia's proven oil reserves. Another industry source familiar with the matter agreed.

"A stable oil price at a moderate level would help an IPO. I don't know if the IPO is the major factor – but it's certainly a factor," he said.

"Saudi Arabia does not want to crash the price. Their target indeed would be somewhere north of $50 - $60 or so."

Saudi officials have also discussed the possibility that too much future supply could be curtailed by investment cutbacks if prices remain lower for longer, and are wary of the risk of a price spike, the second industry source said.

CITI BANGLADESH

**Md Abu Taher, general manager of foreign exchange operation department at Bangladesh Bank, and Khondoker Rashed Maqsood, country officer for Citibank, NA, Bangladesh, attend a discussion on "Banking landscape of Bangladesh aviation industry: trends, challenges and way forward". Citibank NA Bangladesh organised the event.**

# Samsung mobile recovery suffers blow as Galaxy Notes 'catch fire'

REUTERS, *Seoul*

The recovery in Samsung Electronics Co Ltd's mobile business suffered a blow on Thursday as reports of exploding batteries forced the firm to delay shipments of Galaxy Note 7 smartphones, and knocked $7 billion off its market value.

Investors drove the stock to two-week lows after the global smartphone leader told Reuters late on Wednesday the shipments had been delayed for quality control testing, and that shipments to South Korea's top three mobile carriers had been halted.

Faults with the new premium flagship device could deal a major blow to the South Korean giant, which was counting on the Galaxy Note 7 to maintain its strong mobile earnings momentum against Apple Inc's new iPhones expected to be unveiled next week.

"This is some major buzz-kill for Samsung, especially given all of the hard-earned excitement that products like the Note 7 have been garnering lately," IDC analyst Bryan Ma said.

"The pending Apple launch puts all the more pressure for them to contain this quickly. The timing of this couldn't have been worse."

Samsung did not comment on what problem it was trying to address or whether other markets were affected besides South Korea.

Sister company Samsung SDI Co Ltd said that while it was a supplier of Galaxy Note 7 batteries, it had received no information to suggest the batteries were faulty.


GPH ISPAT

**Mohammed Almas Shimul, additional managing director of GPH Ispat, and Shan Kai, vice general manager of Sichuan Air Separation Plant Group, exchange the signed papers of a deal at the head office of GPH Ispat in Chittagong. A cryogenic air separation plant will be set up at GPH Ispat's factory at Kumira in the port city.**