

Thai junta reaches out to rice farmers with subsidy

AFP, Bangkok

Thailand's junta on Tuesday agreed a \$550 million rescue package for the kingdom's struggling rice farmers, many of whom hail from the political heartlands of the civilian government it toppled.

Rice, Thailand's staple dish and top agricultural export, is a politically delicate area and with the grain prices slumping the junta is desperate to head off potential flashpoints with farmers.

On Tuesday the cabinet signed off extra funds to help farmers suffering from the dip in rice prices, and to hold the grain back from the market for several months to avoid an oversupply glut.

The cabinet "agreed to aid rice farmers in harvesting and improving rice quality for hom mali (jasmine) rice for the crop year 2016/17 with 19.375 billion baht (around \$550 million)" it said in a statement.

Two million farmers will be eligi-

ble for a total subsidy of up to 13,000 baht (\$371) per tonne of Thailand's famed strain.

Prices have slumped to as low as around 6,000 baht per tonne for some farmers, depending on the quality of their harvest.

The cash injection comes just weeks after the junta ordered premier Yingluck Shinawatra to pay \$1 billion in compensation for a rice scheme under her government which it toppled in 2014.

The military says Yingluck's policy, which paid farmers above the market rate for the grain, was a corrupt and a craven effort to buy votes from poor rice farming areas.

She says it was a fair and long-overdue effort to funnel a share of state money to the poor and neglected north and northeast.

Yingluck faces a decade in jail if found guilty of criminal negligence linked to the policy.

The army vowed to abolish popu-

list polices and curb a handout culture for the kingdom's large agricultural sector.

Junta leader Prayut Cha-O-Cha said he hoped farmers would be "satisfied" by the subsidy.

"Please sympathise with government... there are many problems to handle," he told reporters on Tuesday.

He also repeated remarks accusing unnamed politicians of colluding with mill owners to drive down rice prices and foment discontent.

The junta is "investigating the politicians that I told you about yesterday who are behind the plunging rice price," he said, without elaborating.

Thailand's economy has struggled despite a junta pledge to boost growth with spending on infrastructure.

The death of Thailand's revered King Bhumibol Adulyadej on October 13 has plunged the country into intense mourning and is expected to further chip away at growth.

Bank of Japan delays inflation goal in blow to 'Abenomics'

AFP, Tokyo

Japan's central bank on Tuesday again pushed back the timeline for hitting its inflation goal, the latest policy change that has raised questions about its attempt to revive the deflation-plagued economy.

The Bank of Japan has for more than three years embarked on a bond-buying stimulus programme to try to keep interest rates ultra-low and increase borrowing and spending.

The scheme was introduced by BoJ governor Haruhiko Kuroda in conjunction with a government spending drive that Prime Minister Shinzo Abe hoped would drag the world's number three economy out of years of torpor.



Speakers attend a seminar on "professional approach to supply chain management through testing, quality control and colour matching solution for leather, footwear and leather goods industries" at The Daily Star Centre in Dhaka yesterday.

HeidelbergCement wins national award

STAR BUSINESS DESK

HeidelbergCement Bangladesh was awarded the first prize in heavy industry category at the National Productivity and Quality Excellence Award-2015, according to a statement.

The industries ministry gave the award at a ceremony at Hotel Purbani in Dhaka recently.

Syed Abu Abed Saher, director for marketing and sales of HeidelbergCement Bangladesh, received the award from Industries Minister Amir Hossain Amu.

The company said the award reflects a broad spectrum of business enterprises that HeidelbergCement Bangladesh had made by continuous contribution to the infrastructural development of the country.



HAVAS MEDIA

Umme Ahmed Shishir, wife of all-rounder cricketer Shakib Al Hasan, and Vishal Gupta, managing director of Reckitt Benckiser Bangladesh Ltd, exchange documents after signing an agreement at Reckitt Benckiser Bangladesh office in Dhaka recently. Under the agreement, Shishir will endorse the next initiative of the world's leading brand of women's hair removal products. Syed Tanzim Rezwan, marketing director of Reckitt Benckiser Bangladesh, is also seen.

Thomson Reuters to cut 2,000 jobs; profit tops estimates

REUTERS

Thomson Reuters Corp's third-quarter earnings beat analyst expectations on Tuesday and the company said it would cut jobs worldwide, taking a fourth-quarter charge of \$200 million to \$250 million to streamline its business.

Thomson Reuters shares gained more than 4 percent in both New York and Toronto. The restructuring, affecting about 2,000 jobs or 4 percent of its workforce, will take place across 39 countries and 150 locations and would mainly affect the Financial & Risk business and the Enterprise, Technology & Operations Group, the news and information company said. The company employs about 48,000 people glob-

ally, a spokesman said. The changes come as part of its multi-year effort to streamline its businesses, Chief Executive Jim Smith said in an interview.

"It's about simplification and taking out bureaucracy and taking out layers all of which have added complexity and slowed us down," he said. "These actions are not driven by any reaction to market conditions or in any way coming on the back of underperformance."

Thomson Reuters is the parent of Reuters News, which competes for financial customers with Bloomberg LP as well as News Corp's Dow Jones unit. There will be no decline in headcount in the Reuters newsroom, according to a memo from Smith to employees on Tuesday.

UK Nissan pledge offers glimpse into Brexit strategy

AFP, London

Britain's promise to Nissan that the car industry will retain access to the European market has lifted some of the mystery shrouding the government's likely strategy in upcoming Brexit negotiations.

The Japanese manufacturer's announcement last week that it would continue to invest in its Sunderland plant was a coup for Prime Minister Theresa May, but immediately raised questions as to what assurances had been given for when Britain leaves the European Union.

Business Secretary Greg Clark later revealed the government had told Nissan that its objective in Brexit negotiations was "to ensure we have continued access to the markets in Europe and vice versa without tariffs and bureaucratic impediments".

"If you conduct the talks in a serious, constructive and civilised way there is a lot in common we can establish," he told BBC television Sunday, highlighting the value of the British market to continental European carmakers.

The episode was seized upon by business leaders and politicians, who have been desperate for the government to clarify its strategy for negotiating with European leaders and Brussels.

Clark's comments raised suggestions that the government would pursue a branch-by-branch strategy, seeking access to the European market for individual sectors rather than retaining membership of the single market.

Staying in the single market means having to accept free movement of labour, a key objection of Brexit voters.

But May's spokeswoman denied that the Nissan developments showed the government was looking at different deals for different sectors, saying the overriding principle was "that we want to make sure businesses can continue to trade freely".

"It means that as we prepare for the negotiations it's right that we think about the interests of the fishing industry, and how the fishing quotas work, separately for how it works for the automotive industry," she added.

The automobile sector is vital for Britain's economy, responsible for more than 800,000 jobs and 12 percent of total exports, although the country still imports more cars than it ships out.

But European leaders have warned against a sector-by-sector deal, with EU Council President Donald Tusk saying after the June referendum that "there can be no single market a la carte".

"The United Kingdom may favour a sector-by-sector approach during negotiations with the EU, but any free trade agreement must apply to the whole economy," Hosuk Lee-Makiyama, economist and director of the European Centre for International Political Economy, told AFP.

Other branches of the economy could demand the same commitments given to the automobile industry, while British employers' groups have lobbied to avoid a so-called "hard Brexit" and instead retain membership of the single market.

"Barriers to trade create a so-called dead-weight loss; in other words, it's simply not possible to compensate all the losers," Erik Nielsen, chief economist of Unicredit bank, warned in a recent note.

China aircraft market to hit nearly \$1tn in 20 years: Airbus

AFP, Zhuhai

China will need nearly 6,000 aircraft worth \$945 billion over the next two decades, aerospace giant Airbus said Tuesday at the Zhuhai air show.

At that point China will be the world's number one source of air traffic and its top aircraft market, it said in its 2016-2035 Global Market Forecast.

"Domestic passenger traffic in mainland China has quadrupled over the last 10 years, and is set to become the world's number one aviation market," said John Leahy, Airbus Chief Operating Officer Customers.

"In the next 20 years, the greatest

demand for passenger aircraft will come from China."

China accounts for nearly a quarter of the European aircraft maker's deliveries, with 158 delivered to China last year.

It is currently the second-largest aviation market after the US.

Air travel is booming in the world's second-largest economy, as its burgeoning middle class spends more on travel, with overall air traffic growth of over 500 percent from 2000 to 2014, Airbus said.

Despite slowing economic expansion and a challenging transition to a consumer economy, China's market for international air travel is predicted to average 6.7 percent annual growth for the next 20 years, it added.

SEZ planned for British investors

FROM PAGE B1

Many thought that business with the UK will decline after Brexit, the minister said. "However, I do not think so as the UK is already an important trade partner for Bangladesh. Our business will grow even more after Brexit."

Bangladesh is a valued partner of the UK, according to Kennedy.

"The success of Bangladesh lies in the growth of the garments industry that has created employment for many people," Kennedy said.

Based on a strong relationship, brands like H&M, Marks & Spencer and Tesco buy garment products from Bangladesh.

"Actually we want a stronger relationship. That is a very positive message about strengthening the trade partnership," Kennedy added.

The British people can invest in commercial agriculture, IT, garments, pharmaceuticals and petrochemical. He said the establishment of 100 SEZs will help attract more FDI into Bangladesh.

GM sales drop 1.7pc

REUTERS

General Motors Co's sales in October fell a less-than-forecast 1.7 percent as hefty gains for pickups and SUVs offset declines for its sedans but the industry was expected to report a larger drop.

US auto sales in October were seen declining between 6 percent and 8 percent, according to industry analysts, as higher consumer discounts failed to prevent a fall-off from last year's record high.

GM said on Tuesday US industry auto sales will be 17.4 million on a seasonally adjusted annualized rate, slightly weaker than most industry analysts expected.

GM's two full-size pickup truck models, Chevrolet Silverado and GMC Sierra, collectively fell 7.6 percent.

GM's Chevrolet Tahoe, Chevrolet Suburban and GMC Yukon large SUVs collectively gained 69 percent versus a year ago. The vehicles are hugely profitable for GM.

The rate of decline in October from a year ago will not be known until later this week because Ford Motor Co is delaying its sales report due to a fire at its Dearborn, Michigan headquarters on Monday.

Foreign funds in Dhaka stocks soar

FROM PAGE B1

Also known as portfolio investment, foreign investment accounts for around only 1 percent of the premier bourse's total market capitalisation, which stood at Tk 324,018 crore at the close of trade yesterday.

Banks are the foreign investors' preferred sector, but non-bank financial institutions, power and energy, pharmaceuticals, multinationals, telecoms and IT also caught their attention.

Foreign investors include global investment banks like Morgan Stanley, JPMorgan, Goldman Sachs and asset management firms like BlackRock.

Net foreign investment in 2015 was Tk 185.5 crore, up 93 percent year-on-year, according to DSE data.

US merger wave surges ahead of presidential election

AFP, New York

US companies significantly accelerated merger and acquisition activity in October ahead of the finale of a hard-fought presidential election campaign that has financial markets on edge.

In the latest examples of mega deal-making, US telecom group CenturyLink on Monday announced it was acquiring Level 3 Communications for \$34 billion including

debt, while General Electric unveiled plans to merge its oilfield unit into Baker Hughes, with an implied current market value of the merged company of \$45-50 billion.

The two deals, plus a slew of takeovers unveiled earlier in the month, came as the close and contentious US presidential campaign between Republican Donald Trump and Democrat Hillary Clinton entered the homestretch. The outcome could have major implications for key US eco-

nomics policies, including international trade and taxes.

Markets are also gearing up for a likely move by the Federal Reserve to increase interest rates in December, which would raise the cost of debt. Investment bankers highlighted the prospect of higher interest rates down the road as they prodded companies to pull the trigger on deals.

"Now the pitch is 'Fund your deal with debt... Rates will never be lower!'" said a note from Convergenx chief market strategist Nicholas Colas.



SYMPHONY

Edison Group's Senior Director Rezwanul Hoque, Marketing Director Ashraf Haque, National Sales Manager MA Hanif and Head of Sales of Edison Electronics Quazi Jahir Uddin launch the new smartphone Symphony P7 at a programme in Dhaka recently. The retail price of the smartphone is Tk 8,990.