



Omar Farooque, chairman and managing director of Alin Food Products Ltd, and Ali Mohammad Ibrahim Al Anazi of Sanabil Al Forat Trading Est, attend a deal signing ceremony at Hotel Purbani in Dhaka on Tuesday for export of \$26 million worth of Alin branded food products and \$6.5 million worth of fresh vegetables, fruits and betel leaves.

Sanofi hires advisers for European generic drugs unit sale

REUTERS

French drug maker Sanofi has hired advisers for the sale of its European generic drug business, several sources familiar with matter told Reuters, ahead of an auction process which is expected to start after the European summer.

Rothschild, JP Morgan and Morgan Stanley have been asked to organize the long-awaited deal which could be worth more than 2 billion euros (\$2.2 billion), the sources said. Bankers have been vying for a mandate for the past 18 months since Sanofi boss Olivier Brandicourt took charge of the French firm and decided to put the business under review.

A spokesman for Sanofi declined to comment. Rothschild, JP Morgan and Morgan Stanley also declined to comment.

France's largest drug maker, which recently worked with Lazard to finalize a \$20 billion asset swap deal with German firm Boehringer for Sanofi's Meril animal health arm, said in January it was expecting to complete the sale of the European generics business by the end of 2018.

The company started to disentangle the European generics business from its global operations toward the end of last year, after announcing its plans to sell the unit in October.

EU blocks blockbuster merger amid Brexit jitters

AFP, Brussels

The EU blocked the blockbuster merger of the London Stock Exchange with Germany's Deutsche Boerse on Wednesday, snagged by competition concerns and the fallout from Brexit.

The decision was widely expected after the LSE last month said it had refused the European Commission's request to divest its majority stake in Italian trading platform MTS.

The EU's veto came on the day that Britain was to officially trigger its divorce process from the EU in which the fate of the London finance hub is a major concern.

"As the parties failed to offer the remedies required to address our competition concerns, the commission has decided to prohibit the merger," said EU Competition Commissioner Margrethe Vestager.

The commission said the sale of MTS would have prevented a monopoly in the trading of bonds and provided a "clear cut remedy to meet these concerns."

LSE had agreed to offload the French arm of clearing house LCH to European rival Euronext for 510 million euros (\$550 million) in order to allay those fears, but Vestager said this fell short.



AFP

An LSE-Deutsche Boerse merger would have created a financial markets behemoth competing with the likes of the Chicago Mercantile Exchange and ICE in the United States, as well as the Hong Kong stock exchange in Asia.

LSE on Wednesday said it had abandoned the sale of LCH. The companies' refusal to sell MTS came amid reports that the tie-up was put under too big a pressure over fears of the consequences of Brexit.

The massive merger was unveiled to much fanfare last year and vigorously backed by both sides even in face of Brexit.

But concerns grew in Germany after it was revealed that the merged

company would be headquartered in a soon to be non-EU London and not Frankfurt.

"Brexit effectively killed this deal off nine months ago so it's fitting that Vestager delivered the 'coup de grace' just a couple of hours before the UK triggers Article 50," said analyst Neil Wilson from ETX Capital in London.

"The London Stock Exchange's future looks to be, like Britain's, outside of Europe," he added.

The proposed tie-up also drew criticism from France, Belgium, Portugal and the Netherlands, fearful for the future of their own stock exchanges, owned by Euronext.

It is the third time that the Frankfurt and London stock exchanges have tried to tie the knot, following two unsuccessful attempts in 2000 and 2005.

The development could now reignite interest from US-based global markets operator Intercontinental Exchange -- owner of the New York Stock Exchange -- which had decided against bidding for the LSE last May.

Deutsche Boerse, which also operates the Luxembourg-based clearing house Clearstream and the derivatives platform Eurex, said it regretted the decision but still had global ambitions despite the failure.

"We will continue to pursue our growth strategy, to strengthen our innovation capabilities and to even better serve market and customer needs," Carsten Kengeter, CEO of Deutsche Boerse said in an email.

German authorities also helped scupper the deal last month when they opened a probe into suspicious stock purchases by Kengeter, shortly before the announcement of the planned merger with LSE.

Mercedes, VW recall million vehicles in China

AFP, Beijing

German automakers Mercedes Benz and Volkswagen will recall nearly one million vehicles in China, according to the country's quality regulator.

Mercedes Benz will recall nearly 400,000 vehicles of different models produced between May 2015 and February 2017 due to concerns that parts of the ignition circuitry could overheat under some extreme conditions, according to a statement posted on the website of China's General Administration of Quality Supervision, Inspection and Quarantine (ASDIQ) late Tuesday.

In a separate statement it said

Volkswagen would also recall more than 572,000 vehicles in China to address potential problems arising from leaks in the panoramic sunroof.

It came after a recall announced earlier this month affecting nearly 680,000 of VW's premium Audi cars in China over defects in coolant pumps that could lead to engine fires. In January, Volkswagen recalled more than 342,000 cars in the US for the same problem.

VW's business has been under the microscope since 2015, when it was revealed the company had installed software on 11 million cars that allowed them to cheat emissions tests.



BDBL

Md Yeasin Ali, chairman of Bangladesh Development Bank, opens the Brahmanbaria branch of the bank at Paikpara yesterday. Manjur Ahmed, managing director, was also present.

Toshiba's Westinghouse files for bankruptcy as charges jump

REUTERS, Tokyo

Toshiba Corp's US nuclear unit Westinghouse filed for Chapter 11 protection from creditors on Wednesday, as its Japanese parent seeks to limit losses that threaten its future.

A bankruptcy filing will allow Pittsburgh-based Westinghouse, whose nuclear plant projects have been dogged by delays and cost overruns, to renegotiate or break its construction contracts, although the utilities that own the projects would likely seek damages.

For Toshiba, the aim is to mitigate soaring liabilities stemming from guarantees it provided. Toshiba said Westinghouse-related liabilities totaled \$9.8 billion as of December, more than an earlier estimate of around \$6.3 billion.

As a result, the Japanese industrial conglomerate said it may book a net loss of 1 trillion yen (\$9 billion) for the year ending in March, up from an initial forecast of a 390 billion loss.

The move is expected to trigger complex negotiations between the Japanese conglomerate, its US unit and creditors, and could embroil the US and Japanese governments, given the scale of the collapse and US government loan guarantees for new reactors.

Westinghouse, which made the filing at the US Bankruptcy Court for the Southern District of New York, said it has secured \$800 million in financing to fund and protect its core businesses during its reorganization.

Toshiba, whose shares have crashed as Westinghouse's problems surfaced, said in a statement it would guarantee up to \$200 million of the financing for Westinghouse, adding that the troubled unit would be removed from its consolidated books at the end of the month.

The Japanese company said it would hold a news conference at 0845 GMT.

Westinghouse has nuclear projects in varying degrees of development in India, the United Kingdom and China, and the company said that its operations in Asia,

Europe, the Middle East and Africa would not be impacted by the filing.

"We are focused on developing a plan of reorganization to emerge from Chapter 11 as a stronger company while continuing to be a global nuclear technology leader," Westinghouse Interim President and CEO Jos Emeterio Gutierrez said in a statement.

Japan fears that Westinghouse's collapse will incite criticism from US President Donald Trump over the impact it could have on local jobs and finances as a bankruptcy could cost borne by US taxpayers for two nuclear power plants projects in Georgia and South Carolina or even imperil their completion.

The US government has granted loan guarantees totaling \$8.3 billion to the utilities commissioning the Georgia project.

Japan's government spokesman Yoshihide Suga said the two governments were having thorough discussions on the issue. The company, founded by American engineer and inventor George Westinghouse in 1886, employs 12,000 people worldwide, according to its website.

Toshiba has been selling other assets including its prized chip unit - the world's second-biggest NAND chip producer which it values at least \$13 billion - to bolster its balance sheet.

Toshiba will close the first round of bids for its chip business on Wednesday, several sources with knowledge of the issue said, declining to be identified as they are not authorized to speak on the matter.

One said that about 10 potential bidders had shown interest, including Western Digital Corp which operates a Japanese chip plant with Toshiba, rival Micron Technology Inc, South Korean chipmaker SK Hynix Inc and financial investors like Bain Capital.

The government-backed Innovation Network Corporation of Japan, and Development Bank of Japan are unlikely to join the first round, sources said, although they were expected to enter later bidding rounds as part of a consortium.

Foreign stock investors race to India ahead of tax changes but inflows seen slowing

REUTERS, Mumbai

Foreign investors are set for their biggest monthly purchases of Indian equities in four years in March, but analysts expect inflows to moderate after a major overhaul of tax rules kicks in on April 1.

Market participants estimate about one-third of the inflows of \$3.6 billion seen this month - the biggest since February 2013 - were linked to buying ahead of the implementation of the General Anti-Avoidance Rules (GAAR).

The rules will make it harder to avoid domestic duties by routing investments through tax havens.

The magnitude of investment has surprised markets, helping the NSE index hit a record high on March 17.

It is up about 10 percent so far this year.

But exporters have been hit badly as surging capital inflows sent the rupee to its strongest against the dollar since October 2015.

Analysts say they expect more muted investment flows for the rest of the year, saying India still remains appealing to foreign investors due to optimism about an improving economy and Prime Minister Narendra Modi's reform process.

"People would have intuitively accelerated the investments to avoid the provisions of GAAR," said Amit Jain, managing director of private equity firm GTI Capital.

Among steps GTI took was redeeming convertible debt to equity, since GAAR would make it

harder to avoid capital gains taxes of 15 percent for investments held for less than a year.

Investors have also rushed to buy initial public offerings, while private equity investors have also accelerated their purchases, according to market participants.

Those accelerated investments helped add \$1 billion to \$1.5 billion in foreign investments to equities in March, said four traders who handle foreign trades. That would mean that without GAAR as a factor, inflows would have more likely matched the around \$1.5 billion in equity purchases seen in February.

More muted foreign inflows in coming months would ease pressure on the rupee and exporters.

Software services provider Tata Consultancy Services and drug makers such as Sun Pharmaceutical Industries have sharply underperformed the NSE this month as a result of the stronger currency, which has appreciated nearly 5 percent so far in 2017.

But over the long-term India still remains a positive story for many investors, even with GAAR meaning higher taxes for foreign investors.

"India is a market we like," said Fabiana Fedeli, a senior portfolio manager at Robeco.

"The reforms that are happening there are unprecedented and we see these reforms as putting India on a completely different level to other emerging markets and versus its own history."



BANK ASIA

Md Arfan Ali, president and managing director of Bank Asia, and Olaf Nuessner, project delegate of International Federation of Red Cross and Red Crescent Societies, attend a deal signing ceremony at the bank's corporate office in Dhaka on Tuesday, in an effort to provide the people living in remote char areas with emergency funds during natural calamities.