



Winners of "Symphony Eid E Offer" campaign pose for photographs along with Symphony Mobile's Director for Marketing Ashraful Haque, Director for Corporate Affairs Abdul Maleque Miazee and Senior Director of Edison Electronics Jafrul Alam Khan, at a programme at Symphony's head office in Dhaka.

SYMPHONY

Reckitt sells sauces business to McCormick for \$4.2b

AFP, London

British consumer health giant Reckitt Benckiser has agreed to offload its sauces division to US spicemaker McCormick for \$4.2 billion (3.6 billion euros), the groups said Wednesday.

"Reckitt Benckiser Group plc is pleased to announce that it has entered into an agreement to sell its food business, including the French's, Frank's RedHot and Cattleman's brands, to McCormick & Company Inc.," Reckitt said in a statement after a strategic review.

The price tag reflects "the quality of this highly profitable, growth business".

The deal will hand McCormick a leading position in the condiments sector in the United States. It is currently the tenth biggest player.

The Maryland-based group's top US brands include McCormick, Grill Mates and McCormick Gourmet. It also sells

Schwartz seasoning in Britain and Ducros in France.

RB Food brands include French's mustard and Frank's RedHot sauce, which will now become McCormick's second and third biggest sellers respectively.

RB Food was "a strong complementary fit that we expect will strengthen McCormick's business opportunities as we expand our presence in condiments, a core category for the company in the US and internationally," said McCormick boss Lawrence E. Kurzius in a separate statement.

The divestment follows Reckitt's purchase of US infant and child nutrition specialist Mead Johnson in February for \$16.6 billion.

That deal took Reckitt, whose brands include Durex condoms and Nurofen painkillers, into the baby-food market for the first time -- and targeted rapid expansion in fast-growing Asian markets like China.

Indian banks face \$37b hit from 50 stressed assets

REUTERS, Mumbai

Indian banks may have to write off 60 percent of the value of bad loans from their 50 large stressed asset accounts, or a hit of 2.4 trillion rupees (\$37.31 billion), ratings agency CRISIL said on Wednesday.

The 50 stressed companies, which account for 4 trillion rupees in soured loans, are largely from the metals, construction and power industries and account for nearly half of the total non-performing assets in the banking sector as of the end of March, CRISIL said.

The credit agency, part of S&P Global, estimated that banks have provisioned for only around 40 percent of their exposure to these assets.

Banks had total non-performing loans of about 7.29 trillion rupees, or 5 percent of India's gross domestic product, as of end-March.

Indian builders pledge 'green' homes in race to meet climate goals

REUTERS, Mumbai

India's top builders have pledged to make at least a fifth of their new housing developments sustainable by 2022, as the country looks to tap sectors other than renewable energy to meet its ambitious climate goals.

The campaign is led by the Sustainable Housing Leadership Consortium (SHLC) comprising builders Godrej Properties, Mahindra Lifespaces, Shapoorji Pallonji, Tata Housing and VBHC Value Homes. It is backed by the Ministry of Housing.

Builders will use mainly local and recycled material, and design homes that conserve water and electricity and make best use of natural light and wind patterns, while also pursuing more energy-efficient methods of construction.

"The construction industry has one of the biggest carbon footprints, so it's really important for us to take action to minimise the impact," said Jainin Desai, head of design and sustainability at developer Mahindra Lifespaces.

"This initiative pushes us to incorporate sustainability right from the selection of

the site to the design, the use of materials and in increasing awareness in the industry, as well as among our clients," he told the Thomson Reuters Foundation.

India is the world's third-biggest emitter of greenhouse gases that cause global warming.

As a signatory to the 2015 Paris Agreement on climate change, India is committed to reducing its carbon emissions by a third by 2030.

It is doing so with tougher emission norms, more electric vehicles and giant solar power plants to replace energy generated by coal.

The real-estate sector is responsible for nearly a quarter of the country's carbon dioxide emissions. Those emissions come mainly from energy-intensive processes in making construction materials such as steel, cement and bricks.

As India's economy grows at a fast clip, demand for homes, offices, roads, airports and factories is also rising.

The demand for homes is particularly acute: in urban areas alone, there is a shortage of about 20 million homes.

IMF warns on rates as it issues delayed loan to Sri Lanka

AFP, Colombo

The IMF announced Tuesday it was lending more than \$167 million to Sri Lanka after delaying the loan for months, but warned the island must raise interest rates to reign in credit.

The government of Maithripala Sirisena, which came to power in February 2015, secured the bailout in June last year following a balance of payments crisis.

The third installment of the \$1.5 billion loan -- a sum of \$167.2 million -- had been withheld because Sri Lanka failed to meet its bailout conditions.

In a statement the IMF said Sri Lanka had undertaken "meaningful corrective actions" to achieve its agreed targets despite failing to deliver on tax reforms or shore up foreign reserves.

In releasing the third tranche of the bailout, the IMF advised Sri Lanka consider further interest rate hikes to tackle credit expansion and combat inflation.

"While monetary policy was tightened in March, further tightening is desirable until clear signs emerge that inflation pressures and credit expansion have subsided," the IMF said.



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Sri Lanka's central bank raised its benchmark lending rate by a quarter percentage point to 8.75 percent in March, as year-on-year inflation increased sharply in February.

The government had planned to sell off stakes in its ports and its loss-making

national airline to raise revenue, but stalled amid protests from the opposition and a lack of investor interest.

Official reserves -- resting at \$6 billion at the close of 2016 -- improved to \$6.9 billion at the end of June, up from \$6.7 billion a month earlier.

Target CEO unfazed by Amazon-Whole Foods deal

AFP, Aspen, United States

US retail giant Target's chief executive Brian Cornell on Tuesday played down Amazon's massive deal to acquire grocery chain Whole Foods, arguing that it "validates" his company's business model.

"It wasn't a surprise that that deal took place," Cornell told a forum at the Fortune Brainstorm Tech conference in Aspen, Colorado.

"It really validates what we've been talking about for almost four years now. For Amazon I think there's a recognition that a physical store and proximity is important to the consumer."

Cornell said Target has been focusing on both online and in-store sales, expecting this will help the large Wal-Mart rival navigate the current troubles in retail.

"The landscape is changing, and for me I recognize we need to be thinking about tomorrow -- but tomorrow includes physical stores and a great digital connection," he said.

The \$13.7 billion buyout of Whole Foods stirred fears among retailers that the acquisition could create big changes in the sector.

But Cornell noted that even as many retailers are closing stores, Target is expanding with plans for 100 small-format, urban locations while boosting the ability to buy online.

He said some 90 percent of US retail sales are still done at physical stores and that he expects this figure to remain high for the foreseeable future.

But he said Target will offer customers flexibility.

"The versatility of our model, the multicategory nature and our ability to fulfill that from a physical and digital standpoint is really unique," he said.

The company is working to "embrace innovation," including using its stores as logistics points and adding artificial intelligence to help move goods more efficiently, he said.

At the same conference, the head of Amazon's worldwide consumer operations, Jeff Wilke, said the US tech giant sought out Whole Foods not to crush competitors but because "we're fans."

"It really is about being fans about what Whole Foods has built," he said. "The way they take care of their customers... there's a good match" between the companies.

With new Takata air bag recalls, automakers may face more liabilities

REUTERS, Tokyo

Takata Corp's bankruptcy filing last month was meant to draw a line under the auto industry's biggest safety recall, but last week's announcement of more air bag inflator recalls suggests automakers could face fresh liabilities in the future.

In late-2015, US regulators gave Takata until the end of 2019 to prove that its replacement air bag inflators - which add a drying agent to combat moisture that can set off the ammonium nitrate compound in an inflator, with potentially lethal results - are also safe.

If Takata fails that test - and some industry consultants, explosives experts and former employees question whether the workaround guarantees safety over the long-term - the 100 million or so replacement inflators currently being installed may themselves need to be replaced.

"Absent proof that the other desiccated inflators are safe, they will also be subject to recall," the US National Highway Traffic Safety Administration (NHTSA) said in a statement last week. The agency declined to comment on the risk that additional inflators may be subject to recall.

NHTSA announced last Tuesday that new testing at Takata prompted the Japanese parts firm to declare 2.7 million of the new air bag inflators defective, raising questions about the risk from replacement air bags as moisture can still seep into the propellant of some inflators.

Takata's automaker customers, which have so far borne much of the estimated \$10 billion cost of replacing faulty bag inflators, could be on the hook for future liabilities in the event that Takata fails to prove that the desiccant workaround is sufficient.

Last week's recall is the first to

involve Takata bag inflators that use a drying agent.

Nearly 20 automakers have been affected by the air bag recalls, and some still use Takata inflators for replacements in the recalls. Automakers including Honda Motor Co, Toyota Motor Corp and Nissan Motor Co have said they will stop using Takata inflators for new contracts for future models.

"If NHTSA in the future raises issues about the safety (of desiccated inflators) we will of course comply with their orders," Nissan's chief sustainability officer Hitoshi Kawaguchi told Reuters. "At the moment, our focus is on getting replacement inflators to our customers."

Toyota said it was "working closely with all stakeholders, including Takata, other suppliers and relevant agencies, to assess any potential impact and take action accordingly" on the recall issue.

Honda, Takata's biggest client, declined to comment.

"The automakers... and Takata - they all know that this is a future issue," said Scott Upham, chief executive at Valient Market Research, whose clients include auto parts suppliers. "But I think everybody is concerned about the near-term issues, and the financial arrangements of the bankruptcy."

Takata says it has produced around 100 million replacement inflators containing drying agents: the 2.7 million recalled last week used calcium sulfate, and the rest contain zeolite.

"We still have to prove the safety of our desiccated inflators, but we believe those using zeolite are safer than those using calcium sulfate," said spokesman Toyohiro Hishikawa.

The company has declined to comment further on the testing process or the NHTSA deadline.

Dollar remains hobbled by Trump

AFP, London

The dollar's travails extended into Wednesday as Donald Trump faces a battle to push through his much-vaunted economic agenda, but equity traders took the news in their stride.

The euro eased slightly on Wednesday against the dollar, having surged the previous day to a near 15-month pinnacle at \$1.1583 -- last seen in May 2016.

However, after a blistering rally in the months following Trump's November election win -- fuelled by bets his tax cuts and big spending plans would fan inflation -- the greenback remains hobbled by a congressional logjam and a series of crises engulfing the White House.

A crucial blow was struck Monday

when it was clear his Republican party would not be able to muster enough senators to pass controversial healthcare reforms, throwing into doubt his ability to pass big-ticket measures.

With inflation stuck below the Federal Reserve's two percent target and prospects fading of any economic reforms, traders are questioning whether the Fed will raise interest rates for a third time this year. Just months ago there had been bets on four increases.

"The market has been waiting for the Trump failure cascade to begin and yesterday's health care headlines once again bring into question the administration's ability to enact on their key legislative promises, leaving investors in limbo and the dollar

sagging," analyst Stephen Innes at trading firm Oanda.

The greenback was only marginally up against its major peers but remained stuck near multi-month lows, with the euro enjoying some support from expectations the European Central Bank will soon begin to reduce stimulus.

The bank will hold its next policy meeting Thursday and boss Mario Draghi's statement will be pored over for clues about its timetable as the eurozone economy continues to improve.

"As the ECB meeting gets closer... attention will increasingly focus on the likelihood of any further hawkish commentary from the central bank that could squeeze the euro even higher against the dollar," noted IG analyst Chris Beauchamp.



Subhash Chandra Ghosh, chairman of ABC Real Estate, and Mirza Sajid Ispahani, managing director of Ispahani Group, attend a deal signing ceremony at Banani in Dhaka on Tuesday. ABC Real Estate—a concern of ABC—and Ispahani Group will launch a community residential complex of over 450 apartments "The Oasis at Ispahani Colony" in Moghbazar as a joint venture project.

ABC REAL ESTATE