



Khurshed Alam, head for retail finance at LankaBangla Finance Ltd, and Md Mukhlesur Rahman, general manager of DHS Motors, sole distributor of Honda in Bangladesh, exchange the signed documents of a deal at a programme. LankaBangla Finance's card members and customers will enjoy special discount on vehicle price, spare parts and servicing from DHS Motors.

China's big four banks raise billions for Belt, Road deals

REUTERS, Hong Kong
China's largest state-owned commercial banks are raising tens of billions of dollars to fund the country's Belt and Road investment push, according to people familiar with the matter, bolstering Beijing's ambitions as private capital pulls back.

The people said China Construction Bank Corp (CCB), the country's second-biggest bank by assets, was raising at least 100 billion yuan (\$15 billion) for a fund to specifically finance Belt and Road investment.

The people added CCB was raising cash onshore and offshore, and has already been running roadshows with investors.

Bank of China (BOC), another major state bank, aims to raise around 20 billion yuan for a similar fund, according to two of the people.

The other two of China's "big four" banks - Industrial and Commercial Bank

of China Ltd and Agricultural Bank of China Ltd - are considering similar fund-raising plans, two of the people said.

The people could not be identified as they are not authorised to speak to the media. The four banks and the People's Bank of China did not immediately respond to Reuters's requests for comment.

Chinese President Xi Jinping in May pledged a \$124 billion funding boost to help his plan to build a modern Silk Road, connecting China with new and old trading partners. He also said China would encourage financial institutions to expand their overseas yuan fund businesses to the tune of 300 billion yuan.

Beijing is trying to contain overseas deals after some extravagant purchases in recent years, but while private spending on deals has slumped, acquisitions by Chinese companies in countries that are part of the Belt and Road initiative are soaring, totalling \$33 billion as of mid-August.

That compares with a \$31 billion tally for all of 2016, showed Thomson Reuters data. The people said CCB and BOC would raise US dollars for the offshore portion of their funds and yuan from onshore investors.

German investor confidence plunges in August

AFP, Frankfurt Am Main
Confidence among German investors plunged in August, a monthly survey showed Tuesday, as fears for growth prospects in Europe's largest economy made themselves felt.

The ZEW institute's closely-watched barometer fell to 10.0 points in August from 17.5 in July, well short of the 15.0 points predicted by analysts surveyed by data company Factset. "The very significant fall in business expectations reflects nervousness about the future path of growth in Germany," ZEW chief Achim Wambach said in a statement. "Above all, weaker-than-expected growth in exports and the growing scandal in the car industry contributed," he added.

German exports booked an unexpected fall in June, figures released earlier in August showed.

Meanwhile, widening suspicion over diesel emissions cheating has prompted politicians to moot draconian measures to reduce air pollution, casting a pall over the country's vital auto sector. Looking to other elements of the survey, financial players remained happy with Germany's present economic situation, with that index almost flat at 86.7 points.

In the same measure for the eurozone, confidence grew sharply, adding 9.7 points to reach 38.4. But confidence in the outlook in the coming months for the 19-nation single currency area shed 6.3 points to reach 29.3.

"August's fall in investor sentiment probably reflects the euro's continued rise and recent falls in equity prices" rather than underlying economic weakness, Capital Economics analyst Stephen Brown commented.

Coca-Cola, PepsiCo and others agree to cap sugar in drinks in Singapore

REUTERS, Singapore
Seven major drinks companies including Coca-Cola and PepsiCo will limit the sugar content of drinks they sell in Singapore, as part of the city-state's campaign to fight diabetes.

Singapore is one of the first countries in Asia to target sugary drinks, bringing it in line with many Western nations that have sought to mitigate the health risks associated with sugar through measures such as taxes and warning labels.

Globally, beverage firms have been reworking recipes, racing to cut sugar and introduced more options to cater to increasingly health-conscious consumers.

On Tuesday, Singapore's ministry of health said the seven firms had signed an industry pledge to remove by 2020 drinks that contain more than 12 percent sugar from their portfolios of sugar-sweetened beverages.

As well as Coca-Cola and PepsiCo, the companies include F&N Foods, Malaysia Dairy Industries, Nestle, Pokka and Yeo Hiap Seng.

"In addition to this industry commitment, Coca-Cola Singapore is making an additional commitment to reduce the sugar content in our portfolio of sugar-sweetened beverages by 10 percent by 2020," Coca-

Cola said in an email to Reuters.

It said it had been reducing sugar and calories across many of its brands, and offering more new drinks with low sugar content or no added sugar.

Daily sugar consumption per capita from soft drinks has risen since 2010 to 6.08 grams in Asia-Pacific in 2016, with Singapore at 11.99 grams, according to market research firm Euromonitor. Consumption has been trending lower in Europe and the United States, but it is still higher than in Asia-Pacific.

"Governments in Asia are actively promoting healthy consumption, such as Malaysia which launched its Healthier Choices Logo in April 2017," said Euromonitor International analyst Nathanael Lim. "Consumers also have an increasing preference for beverages containing natural ingredients with zero sugar."

The World Health Organization said last year drinking fewer caloric sweet drinks was the best way to curb excessive weight and prevent chronic diseases such as diabetes, although fat and salt in processed foods were also to blame.

Among Asian countries, the Philippines has slapped levies on sugar-sweetened beverages, while Indonesia and India have been considering similar taxes.



Md Ridwanul Hoque, head for retail distribution at Midland Bank, and Sushil Chandra Ghosh, head for sales at Partex Furniture, sign the papers of a deal at the bank's head office in Dhaka on Sunday. The bank's Visa credit cardholders will enjoy equal monthly instalment facility for up to 12 months at zero interest for purchases from the outlets of Partex.



Emranul Huq, acting managing director of Dhaka Bank, and Md Habib Ullah Dawn, managing director of AM Group, exchange the signed documents of a deal at the latter's head office in Dhaka. The employees of AM Group will get payroll banking service from the bank.

Russia settles last Soviet debt

AFP, Moscow

More than a quarter of a century after the Soviet Union collapsed, Russia on Monday announced it had settled the last foreign debt it had inherited from the Soviet era.

In a statement, the finance ministry said the government had paid Bosnia \$125.2 million (106.01 million euros), which was due under trade deals between the Soviet Union and another now-defunct state, Yugoslavia.

"On August 8 2017, the Russian Federation settled the debt with Bosnia-Herzegovina," the ministry said in a statement.

"Bosnia-Herzegovina was the last foreign state creditor of the former USSR... for which the debt was still outstanding."

Russia and Bosnia signed an agreement to settle the debt in Moscow on March 21, it said. The deal took effect on July 20.

Sterling struggles after worst week since early June

REUTERS, London

Sterling edged up against a broadly weaker dollar on Monday, but lost more ground against the euro as doubts around UK economic growth and Brexit talks continued to weigh on the currency.

Britain released another pair of position papers for the divorce talks with the European Union, part of efforts by ministers to head off suggestions that negotiations are going slowly and may be delayed later this year.

Doubts over the government's handling of the Brexit talks and a collapse this month in expectations for a rise in Bank of England interest rates over the next year have pushed the pound back below \$1.30 and 90 pence per euro.

It dipped 0.2 percent to a 10-month low of 91.51 pence per euro on Monday while gaining around 0.3 percent against the dollar to \$1.2909. Both of those moves were largely the result of broader shifts around the dollar, analysts and traders said.

"I wouldn't attribute the price action today to sterling factors," said BNP Paribas strategist Sam Lynton-Brown. "We have seen some movement in the dollar pairs this afternoon, a bit less so on sterling than some of the others."

Analysts remain extremely reticent to call the pound higher after the burst of selling in the past fortnight.

JP Morgan strategists on Friday cut their

targets for sterling for the end of this year and 2018, citing a worsening outlook for economic growth.

"We are downgrading the GBP forecast to reflect less favourable cyclical - the weakest growth in G10, the reduced probability of a near-term rate hike," they said in a note distributed publicly on Monday.

They argued that while the government seemed to have agreed on seeking a transitional deal that would smooth departure from the EU, there was not yet enough clarity on how the final trading relationship would pan out to buy the pound.

A number of analysts stress that London has largely been talking to itself for the past month. In July, the EU's top Brexit negotiator, Michel Barnier, said talks on future relations had become less likely to start in October because of a lack of progress on several non-trade issues.

The release of a swathe of papers this week underlines Britain's desire to counter criticism that its lack of clear positions on many issues is straining an already tight timetable.

"The evidence of the past two weeks reinforces the view that political factors (particularly those that may, even very indirectly, impact the outlook for growth) are now a focus for investors," said Simon Derrick, chief markets strategist with Bank of New York Mellon in London.

BHP returns to profit, to sell US shale assets

AFP, Sydney

BHP reported a return to profit Tuesday as strong commodity prices helped it bounce back from a large loss last year, with the mining giant also flagging the sale of its US shale assets.

The world's largest miner recorded an annual net profit of \$5.89 billion for the year to June 30, just short of forecasts, after a \$6.39 billion loss in the previous period.

"Over the last five years, we have laid the foundations to significantly improve our return on capital and grow long-term shareholder value," outgoing BHP chairman Jac Nasser said.

Underlying profit, which strips out one-off writedowns, was also below forecasts at \$6.73 billion. The Anglo-Australian firm rewarded shareholders with a final dividend of 43 cents, well up from 14 cents last year.

BHP said it had determined its onshore US shale operations were "non-core" to the business and it was "actively pursuing options to exit these assets for value".

The announcement follows a push by New York-based Elliott Advisors, a significant shareholder in the company, for BHP to restructure the busi-

ness, including spinning off its US oil and gas operations.

BHP had previously rejected Elliott's proposals in April.

BHP, like other miners, has benefited from the rebound in key metals prices after a slump caused by supply gluts and a slowdown in growth in the world's top commodities consumer China.

The price headwinds in recent years had led BHP to tighten its belt, and on Tuesday it said it had achieved productivity gains and cost cuts of \$1.3 billion for the reporting period.

"The broad result was under consensus, so a little disappointing, but certainly the absolute numbers compared to 2016 are very good," Fat Prophets resources analyst David Lennox told AFP.

Shares in BHP closed 1.09 percent higher at Aus\$25.98 in Sydney, reflecting investors' support of plans to exit the US shale business, CMC Markets' chief market analyst Ric Spooner wrote in a note.

"The announcement... has been well received. This is a positive indication for BHP's future under the chairmanship of Ken MacKenzie who had an excellent record of creating shareholder value at Amcor," Spooner said.

MacKenzie, who joined BHP as a

non-executive director last year and was the former chief of Australian packaging giant Amcor, was named as Nasser's successor in June. He will assume the chairmanship in September.

BHP spent \$20 billion in 2011 on US shale oil and gas assets, but the sector later experienced a fall in prices, hammering profits.

Chief executive Andrew Mackenzie acknowledged Tuesday the miner's shale acquisitions had been "poorly timed" and BHP had "paid too much", adding that the process of exiting the business would take some time.

The company has also had to address the continuing fallout from a 2015 fatal dam collapse at a Brazilian mine which left 19 people dead and was the South American country's worst environmental disaster.

BHP recorded a loss of \$381 million from the dam failure for the year, and added it was making progress on social and environment remediation programmes.

Operator Samarco, which is co-owned by BHP and Brazil's Vale, faces billions of dollars in legal claims for clean-up costs and damages. The mine's operations were unlikely to restart this year, BHP said in June.



Shubrata Ranjan Das, chief business officer of ACI Motors, sole distributor of Yamaha motorcycles and its spare parts in Bangladesh, opens a five-day "Free service camp" for the Yamaha vehicles, at International Convention City Bashundhara in Dhaka on Monday.