

China cash curbs to hit European football clubs

AFP, Shanghai
China's crackdown on overseas investments is expected to herald a slowdown in splurging on European clubs and impact teams where it hurts fans the most -- on the pitch.

It is unlikely that supporters in Italy, Spain and England were aware earlier this month when China's State Council, or cabinet, moved to restrict Chinese companies from investing in foreign sports clubs, the latest salvo in a wider campaign by Beijing to curb capital outflows.

But fans of the dozen European clubs that are Chinese-owned or part-owned may want to pay attention, especially if they are expecting lavish spending on players before the transfer window closes in most of Europe on Thursday.

"I think it will have an impact on current ownership. Most of them will have to make continued significant investment into playing staff and all other areas of the football club in order to compete," said Ji Zhe, director at London-based sports marketing firm Red Lantern and an expert on Chinese football.

"This impact could then have a knock-on effect to the clubs as investment dries up. Chinese owners could realign their focus and the clubs can suffer both on and off the pitch."

Chinese football has been on a roller-coaster since President Xi Jinping declared soon after coming to power in 2012 that he wanted to make the country a football power.

Wealthy Chinese began investing in or simply buying up some of the biggest clubs in football including Atletico Madrid, AC Milan, Inter Milan and Manchester City.

A swathe of teams in the Midlands area of England fell under Chinese control: former European champions Aston Villa, Premier League side West Bromwich Albion, Wolverhampton Wanderers and Birmingham City.

In China, clubs that many football fans across the world had never heard



Chinese football has been on a roller-coaster with President Xi Jinping in power.

of began shelling out huge amounts of money to lure the likes of Oscar, who moved from Chelsea to Shanghai SIPG for 60 million euros.

"But the mood music has changed dramatically in the past three months," said Ji, pointing also to how Chinese clubs were reined in during the recent domestic transfer window, which fizzled to a close last month after a 100 percent tax was slapped on foreign players.

"The Chinese government has put a firm brake on the football boom as it continues to tackle the outflow of money," Zhang Qing, chief executive of Beijing-based sports consulting firm Key-Solution, agrees there will be an impact on future potential purchases of clubs and existing Chinese ownership.

"Companies will be more cautious and they have to consider the difficulties of buying clubs," he said.

"I think current owners may ease

up on adding more investment or will be more cautious," he added, saying that will benefit Chinese football -- one of President Xi's priorities. "I think they might exert more effort in developing the domestic market."

Even with Beijing putting the brakes on debt-fuelled overseas investments, some will find a way to get around the restrictions, analysts say.

A case in point: days before the State Council announcement, Chinese businessman Gao Jisheng snapped up 80 percent of Southampton for a reported £200 million (\$260 million) in what was described as a personal investment.

Simon Chadwick, professor of sports enterprise at Britain's Salford University, said the Gao acquisition was "very surprising".

"There was already a clampdown taking place on the outflow of currency from China," said Chadwick.

"For me that (the Gao takeover)

suggests one of two things: either he is very close to the Communist Party, in other words the government, and the government permitted him personally to do that.

"Or that Gao used money that he already had offshore so didn't need to go through the process of applying to get currency out."

Supporters should not anticipate their Chinese benefactors spending big money on new players in the final days of the transfer window, Chadwick said.

"It's a bit like a Chinese state-enforced financial fair play -- you can only spend what you earn," he said.

"So the likes of West Brom or Aston Villa fans or Nice (in France) or Granada (in Spain) shouldn't expect massive spending sprees on players because that's what the controls are intended to prevent -- wild expenditure without any financial or economic return."

New general manager for Pan Pacific Sonargaon Dhaka

STAR BUSINESS DESK

Paul Joseph Flett has recently been appointed as the general manager for Pan Pacific Sonargaon Dhaka, the hotel said in a statement yesterday.

Prior to the appointment, he was the acting general manager of Parkroyal Darling Harbour in Sydney, Australia.

Flett also worked at Rydges Hotel in Sydney, Duxton Hotel in



New Zealand, Radisson Hotel and Suites in Sydney.

Flett obtained his diploma in hotel and hospitality management from Northland Polytech in Northland, New Zealand in 1985, and finished the hospitality executive development programme from Cornell University, School of Hotel Administration in 2014.

Oppo launches A71 for Bangladesh market

STAR BUSINESS DESK

Mobile maker Oppo is all set to launch its latest Selfie technology through its new camera phone A71.

The smartphone is equipped with an octa-core CPU, a 3GB RAM and a 3000 mAh battery, the company said in a statement yesterday.

The mobile phone has core Oppo photography technology with Beautify 4.0 on the front camera and optimised rear camera, according to the statement.

The set with slim metallic uni-body will be available in Bangladesh from tomorrow

across all Oppo offline stores in gold and black colours at Tk 16,990.

"This phone will bring the best consumer delight among our mid-range customer group," said Damon Yang, managing director of Oppo Bangladesh.

"Oppo's Selfie feature is also accumulated with various exciting features in this phone. We believe people will love this phone."

The upgraded 64-bit octa-core CPU enables smoother multitasking and switching between apps and a triple-slot card tray extends the in-built 16GB storage capacity of the mobile phone to 256 GB.

Samsung Electronics to invest \$7b to boost China NAND chip output

REUTERS, Seoul

Samsung Electronics Co Ltd expects to invest \$7 billion over the next three years to expand its NAND memory chip production in China's northwestern city of Xi'an, the South Korean tech giant said on Monday.

In a regulatory filing Samsung said it approved \$2.3 billion of the expected investment of \$7 billion on Monday.

In early July, when Samsung announced an investment of \$18.6 billion in South Korea, it said it would add a production line at its NAND plant in Xi'an, but did not set an investment amount.

A Samsung Electronics spokesman declined to comment on the amount of capacity to be added by the approved or planned investment.

The firm accounted for 38.3 percent of global NAND flash memory chip revenue in April-June, the latest data from researcher IHS showed.

China is trying to develop its own memory chip producers but it is likely to be several years before they can compete with existing makers, analysts said.

Samsung Electronics said a memory chip boom that propelled it to record profit in the second quarter was likely to continue in the July-to-September quarter.

Euro rises on bets for ECB tightening

AFP, Paris

The euro held its gains on Monday as traders bet that the European Central Bank would start to wind down its crisis-era stimulus programme, while lower expectations for further tightening in the United States weighed on the dollar.

While ECB boss Mario Draghi made no mention of the bank's plans for its bond-buying scheme in a much-anticipated speech Friday, analysts said his optimism about the eurozone economy was enough to fuel euro buying.

"Mr. Draghi provided investors an opportunity to keep adding to long positions," said market strategist Hussein Sayed FXTM online foreign exchange brokerage.

WB gives \$515m for healthcare project

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The total cost of the second programme implemented between 2003 and 2011 was Tk 37,384 crore.

A surprising 84 percent of the fourth programme's money would come from the government's own budget, while development partners, including the WB, would provide Tk 18,847 crore.

Of the \$515 million, \$500 million will come from the International Development Association, the WB's concessional lending arm, which is interest-free and repayable in 38 years, including a six-year grace period, and will carry a service charge of 0.75 percent.

A \$15 million grant will come from the Global Financing Facility, which is a multi-stakeholder partnership that supports country-led efforts to improve the health of women, children, and adolescents.

58pc bank branches have no fund transfer policy: BIBM

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"The pricing is also necessary for proper treasury and liquidity management, on which the bank's profitability depends," Chowdhury said.

In Bangladesh, banks do not follow unit banking but branch banking. In that case, if a branch has excess liquidity it is transferred to another branch or head office.

If proper interest is not given, the branch plunges into loss. If a bank has more loss-making branches, the bank's overall health suffers. Only seven banks do reporting following the global reporting initiatives guideline; 34 banks do not follow it at all, according to another report of the BIBM that was presented at the seminar.

Exporters now struggle with air shipments too

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Exporters take 1,000 tonnes of goods to the airport a day, of which nearly 700 tonnes are apparel items, industry insiders said. The EU, where more than 54 percent of Bangladesh's exports are headed, has declared the Hazrat Shahjalal International Airport a 'red zone' due to insufficient safety and security measures, following the lead of the UK, Australia and Germany.



Green Delta Insurance CEO Farzana Chowdhury and Bangladesh Association of Software and Information Services (BASIS) President Mustafa Jabbar exchange signed documents of a memorandum of understanding at a programme yesterday. The BASIS member organisations will get tailored health insurance products for their employees.

Crop insurance gains popularity

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Crop insurance scheme is very popular in India, where the government pays 70 percent of the premium as subsidy. Sri Lanka, Indonesia, Thailand and the Philippines have also introduced subsidised crop insurance programmes.

In Bangladesh, crop insurance was introduced in 1989 but it did not continue after 1995 due to manipulation by both insurers and policyholders in loss measurement.

There was no scientific method to measure the adversity of weather, which eventually led to the failure of the scheme.

But now there is huge potential for crop insurance because the loss is measured in a scientific method, said Hoq, also a deputy general manager of SBC.

Under the ongoing pilot project, 20 automated machines for observing the weather have been installed on the roofs of upazila parishad buildings.

Crop insurance is not becoming successful because the cost is high for farmers, said Khondkar Ibrahim Khaled, a former deputy governor of the central bank.

A government initiative will be needed to reduce the premium cost for farmers, he said at a programme at the Bangladesh Institute of Bank Management in Dhaka recently.

The fifth phase of the piloting ends in December this year. The government will take a decision on whether it would roll out the product across the country based on the success of the project and recommendations.

BB staff protest incentive bonus

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"There is no ground for giving bonus according to the previous scale when all the facilities are being given using the new scale," they said.

Besides, the use of 2015's pay scale will deprive those who have been serving the banking regulator from 2016, they added.

At one point during the course of the day, a group of the agitated employees met with BB Governor Fazle Kabir demanding the use of the current pay scale.

At the board meeting on Sunday, three of the four board members present were against the idea of extending incentive bonus based on the new pay scale, said an official of the central bank seeking anonymity due to sensitivity of the matter.

The new pay scale, they said, did not afford any special benefit to government employees.

The board approved five incentive bonuses, each being the basic pay. Also at the meeting, the central bank's annual report for fiscal 2016-17 was approved. The regulator's operating profit last fiscal year stood at Tk 541 crore, down 30 percent from a year earlier.

The BB's earnings from foreign currency accounts soared 48.36 percent to Tk 2,813 crore, while earnings from local currency accounts slumped 31 percent to Tk 1,107 crore. Its annual expenditure surged 24 percent to Tk 3,379 crore, the report shows.

40pc garment factories yet to pay Eid bonuses

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In the meantime, owners of two factories in Gazipur have gone into hiding without making payments to their workers.

The leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) are trying to pay the workers either by selling machinery of the troubled factories or by managing a loan from banks, said the labour leader.

The BGMEA is monitoring the situation at factory level, said Siddique Rahman, president of the association.

"The factories have been advised to pay the bonuses on time. If any factory fails, the BGMEA will try to pay the workers before Eid through negotiation with the troubled factories," he said.

At present, about 4.4 million workers are employed in 4,000 garment factories. Most of the workers are migrants from rural areas and they prefer heading to their village homes to celebrate Eid festivals with their loved ones.

US broadcaster CBS to buy Australia's Ten Network

AFP, Sydney

American broadcaster CBS has secured a deal to buy Australia's third-largest television network, Ten, the embattled station's administrators said Monday.

The Ten Network was placed in voluntary administration in June after two billionaire backers refused to continue guaranteeing a key loan of Aus\$200 million (US\$159 million).

CBS -- one of Ten's key content providers -- will fund the purchase by refinancing existing secured debt arrangements in full, the administrators said in a statement.

The agreement came after CBS in July claimed debts of Aus\$843 million from Ten in a submission to the network's administrators, Fairfax Media reported.

"Network Ten has played a significant role in Australia's media landscape over many decades, and the sale of the business to CBS will allow the iconic broadcaster to move into a new chapter on a strong and stable footing," Ten receiver and PPB Advisory Partner Christopher Hill said in a statement.

The deal includes Channel Ten, digital channel One, digital platform Tenplay, and digital channel Eleven -- of which CBS already owns a 33 percent stake.

CBS said it would also launch its digital on-demand service CBS All Access in the Australian market.

work Ten) at a valuation that gives us confidence we will grow this asset by applying our programming expertise in a market with which we are already familiar," CBS chairman and chief executive Leslie Moonves said in a statement. The deal needs approval from Australia's Foreign Investment Review Board.

Media analyst Peter Cox said CBS' challenge would be to try to keep a third commercial network in Australia viable, adding that a third broadcaster in Britain and New Zealand had not worked.

He added that local programming would be key to Ten's success as the top rating shows were all Australian.

"The question is can CBS understand the Australian market and be able to pick the programmes that are going to work, particularly the reality programmes, and whether they can become competitors with (the other commercial broadcasters) Seven and Nine," Cox told AFP.

The announcement came just days after Ten's former billionaire backers -- Lachlan Murdoch, the son of media titan Rupert, and Bruce Gordon, who owns regional network WIN -- secured regulatory approval to bid for the network.

But any takeover by Murdoch's investment company Illyria and Gordon's Birketu, which would have given them each a 50 percent share, was dependent on the government changing media laws to allow ownership across multiple platforms.