



Ahmed Jamal, deputy governor of Bangladesh Bank, and Syed Waseque Md Ali, managing director of First Security Islami Bank, launch the bank's new product, Tasdir, a trade finance solution for Bangladesh's exporters, at a programme on March 20.

# China's new central bank chief pledges steady opening of financial sector

REUTERS, Beijing

China will steadily reform and further open its financial sector while putting "equal emphasis" on preventing risks through regulation and supervision, the new central bank governor said on Sunday.

In his first public speech since becoming central bank chief last week, Yi Gang told the China Development Forum in Beijing that opening up leads to progress, while closure points to backwardness.

"History has proved that areas that are more open are more competitive, and areas that are less open are less competitive and see risks accumulating (as a result)," Yi said in a wide-ranging speech that touched on issues from support for rural communities to potential risks in the financial system. US-educated Yi, 60, a protégé of respected predecessor Zhou Xiaochuan, is widely seen as a safe pair of hands, ensuring policy continuity as China persists with its crackdown on risks and a debt build-up in its increasingly complex financial system.

While Yi is not regarded a political heavyweight like his former boss Zhou, he is expected to play a supporting but important role on China's new economic team helmed by Vice Premier Liu He.

The team includes the recently-anointed banking and insurance regulatory chief Guo Shuqing, who sources told Reuters will soon become the central bank's Communist Party chief.

Yi's speech put much emphasis on risk control, and was in line with the government's

narrative that China's opening up will proceed but at a pace it sets.

Commerce Minister Zhong Shan, in a recent meeting with former US Treasury Secretary Henry Paulson, said China's opening is self-initiated and will not be pressured by any "big stick" from other countries.

"We will put equal emphasis on the opening up of the financial sector and prevention of financial risks," Yi said. "The opening up of the financial sector must be accompanied by the development of financial regulation."

President Xi Jinping, in the twice-in-a-decade Communist Party congress in October, vowed that China will deepen economic and financial reforms and further open its markets to foreign investors.

A month later, China said it will lift the ceiling on foreign equity ownership in joint-venture firms involved in the futures, securities and funds markets to 51 percent from 49 percent, though no timetable was set. China also said ownership limits in many financial sectors will be dismantled after three years.

But raising ownership limits does not mean that there will be no supervision, Yi said. He added that domestic and foreign firms will be treated equally.

The sector's opening up will proceed in coordination with reforms in China's foreign exchange rate mechanism and capital account convertibility, he said.

Yi said China will open its bond market further, and that the second phase of the China International Payments System (CIPS) - a cross-border yuan settlement system - will be rolled

out soon.

The system is expected to allow global firms to settle payments with Chinese businesses more efficiently, replacing a patchwork of networks such as clearing banks around the world.

"We have three major tasks for the financial system. First, implement prudent monetary policy. Second, push forward financial reforms and opening up. Third, win the battle against financial risks," Yi said.

China's financial risks are reflected in its high leverage, Yi said, highlighting indebted state-owned enterprises, hidden local government debt and the relatively rapid growth in household leverage.

A few "rampantly expanding" financial conglomerates also pose risks to the financial system, Yi said, without naming any.

While safeguarding the bottom-line for the prevention of financial risks, China will step up credit support for weak links in the economy, including small firms and the rural sector.

China's economic performance in early 2018 has shown good momentum extending from last year, and the central bank will continue to implement prudent and neutral monetary policy, he said. The People's Bank of China (PBOC) has kept liquidity at a reasonable level, and has stabilized leverage.

"Monetary policy will not be too tight or too loose," Yi said, adding that growth in M2 money supply and total social financing - a broad measure of credit - will be at a reasonable pace this year.

The government hasn't set a target for M2 growth this year.

# Zuckerberg says sorry to Britons with newspaper apology ads

REUTERS, London

Facebook Chief Executive Mark Zuckerberg apologized to Britons on Sunday over a "breach of trust", taking out full page advertisements in British newspapers after a political consultancy got its hands on data on 50 million users.

"We have a responsibility to protect your information. If we can't, we don't deserve it," said the advert, signed by Facebook founder Zuckerberg.

The world's largest social media network is facing growing government scrutiny in Europe and the United States.

This follows allegations by a whistleblower that British consultancy Cambridge Analytica improperly accessed users' information to build profiles on American voters that were later used to help elect US President Donald Trump in 2016.

The plain black text apology on a white background, with only a tiny Facebook logo, appeared in Sunday publications including The Observer - one of the newspapers whose reporting on the issue has sent Facebook's share price tumbling.

Zuckerberg said an app built by a university researcher "leaked Facebook data of millions of people in 2014".

"This was a breach of trust, and I'm sorry we didn't do more at the time," Zuckerberg said, reiterating an apology first made last week in US television interviews.

Cambridge Analytica says it initially believed the data had been obtained in line with data protection laws, and later deleted it at Facebook's request. The consultancy said it did not use the data in work it did for the 2016 US election.

On Friday night, investigators from Britain's data watchdog searched the London offices of Cambridge Analytica for several hours. Zuckerberg, whose firm has lost more than \$50 billion in market value since the allegations, said Facebook would give users more information and control about who can access their data.

"Thank you for believing in this community. I promise to do better for you," he wrote.

Advertisers Mozilla and German bank Commerzbank have suspended ads on the service and the hashtag #DeleteFacebook has been trending online.

On Friday, electric carmaker Tesla Inc and its rocket company SpaceX's Facebook pages - each with more than 2.6 million followers - were deleted after Chief Executive Elon Musk promised to do so.



Tomoaki Moro, managing director of Hitachi Koki India; Dattatraya Joshi, executive director, and Quazi Kamaluddin, executive director of Abedin Equipment, which will represent Hitachi power tool products in Bangladesh, announce the introduction of the products in Bangladesh through a press conference at a hotel in Dhaka yesterday.



Jin Inoue, senior manager for sales, motorcycle and engine company at Kawasaki Heavy Industries, and Dewan Shajed Rahman, managing director of Asian Motorbikes, Kawasaki's local partner, attend the launch of four models of Kawasaki motorcycle in the capital's Gulshan on Saturday.

# Tata Steel offers \$5.4b to take over bankrupt Bhushan Steel

REUTERS, Mumbai

Tata Steel has offered to pay a little more than 350 billion rupees (\$5.4 billion) to lenders of Bhushan Steel & Power to take over the bankrupt steelmaker, a source with direct knowledge of the deal said.

Bhushan Steel's panel of creditors approved the deal on Thursday, pending other regulatory clearances, the company said in a stock exchange filing on Friday without disclosing financial details.

Tata Steel plans to inject more than 90 billion rupees into Bhushan Steel to modernise and ramp up its facilities, the source said, declining to be named because the details had not been made public.

A spokesman for the company declined to comment on the deal value and planned investment in Bhushan Steel.

Bhushan Steel is among a dozen companies pushed to bankruptcy

court last year amid a government drive to clear a mountain of bad loans choking credit at Indian banks.

The company, which was facing \$8.6 billion of claims from banks and other creditors, had received bids from Tata Steel and top Indian steelmaker JSW Steel in an auction conducted by a court-appointed administrator.

Taking over Bhushan Steel will help Tata Steel to increase capacity in India and gives the company an edge in the fast-growing automotive steel market.

With annual steelmaking capacity of 5.6 million tonnes, Bhushan Steel is one of the biggest producers of cold-rolled steel products used to make cars and consumer goods such as refrigerators and washing machines.

Shares in Tata Steel closed 2.5 percent down on Friday in a Mumbai market that fell by 1.2 percent.

# Reliance merges music apps in India

AFP, New York

Indian conglomerate Reliance Industries said Friday it was integrating its music app with sector leader Saavn in a \$1 billion deal that shows the high hopes for streaming in the billion-plus market.

Reliance, a company with holdings from oil to telecoms run by India's richest person Mukesh Ambani, said it would pump \$100 million into the combined platform, one-fifth of it immediately, in hopes to make it "one of the largest streaming services in the world."

Reliance said that it was integrating its own music app, Jio Music, with Saavn and that the combined entity would be worth \$1 billion.

Saavn, based in New York, has sought to tap into the appetite for music by tech-savvy Indians by offering a vast catalog of songs across 15 languages.

But like many streaming apps including global leader Spotify, Saavn has struggled to turn rapid growth into profit. It said last year that it had 22 million monthly users, a sliver of the potential in India.

# Booming online luxury goods sales convert watchmakers to the web

REUTERS, Basel, Switzerland

A boom in online luxury goods sales is finally convincing high-end watchmakers, long sceptical that customers would pay thousands to buy intricate timepieces on the web, to step up their investments in e-commerce.

Courting younger shoppers, brands large and small are joining an online push sweeping the luxury goods world, where web sales are already major growth drivers for fashion labels.

"We didn't realise the speed at which millennials would take to buying cars or watches online," said Jean-Claude Biver, head of LVMH's watch business, in an interview at the Baselworld watch trade fair.

LVMH's Tag Heuer, a label long associated with motor racing, is looking to fully build out its own shoppable sites over the next 18 months, Biver added. Tag already operates online stores in five countries including the United States and Britain, and has a partnership in China with JD.com, the company said.

LVMH sister brands Hublot and Zenith are yet to follow suit.

Many watchmakers have flirted with web sales, though often through one-off collaborations with multi-brand web retailers.

Tech-savvy shoppers in Asia have partly inspired a drive to do more - China overtook the United States last year as the leading source of traffic to luxury watch websites, according to consultancy DLG.

And watchmakers have reasons to take control of their online image, as websites run by unofficial resellers proliferate.

"We want to reassure people, while taking into account that today clients also might like to buy their watch at home in the evening while they drink a glass of wine," said Jerome Biard, chief executive of Corum, owned by China's Citychamp.

The Swiss brand's first e-commerce site will be fully operational in about two months, Biard said.

Web sales are expected to make up a quarter of all global luxury goods sales by 2025, up from around 9

percent last year, consultancy Bain & Co projects. There are notable holdouts - France's Chanel shuns e-commerce for its coveted clothing, quilted handbags or watches.

Watchmaker Rolex, owned by a private foundation, is not known to have any plans to build its own online shop.

But others are stumping up serious cash, betting on online growth. Richemont, owner of Cartier and Baume & Mercier, is offering up to 2.8 billion euros (\$3.4 billion) for full control of multi-brand site Yoox Net-a-Porter.

"There is no taboo with buying online anymore," said Anish Bhatt, a watch enthusiast with 1.7 million followers on Instagram who works with brands such as Rolex, Richard Mille and Chopard on social media campaigns.

Watchmakers were long hobbled by the perception sales could only happen in a certain environment, with "shop assistants wearing silk gloves, while you sipped champagne," Bhatt added.



Asif Mahmood, chairman of ADN Group, and Ruhullah Raihan Alhusain, chief digital business and marketing officer, attend the launch of ADN Digital's new product, ADN SMS, at their Gulshan 1 office in Dhaka on Thursday.