NCC BANK

Md Nurun Newaz Salim, chairman of NCC Bank, opens the bank's 111th branch on Mirpur Road in Dhaka on Thursday. Mosleh Uddin Ahmed, CEO, was present.

Japan factory output turns up in February

AFP, *Tokyo*

Japan's factory output picked up in February while the jobless rate stayed low, official data showed Friday as the world's third largest economy continues a solid expansion.

Factory output rose 4.1 percent month-on-month, according to industry ministry data, falling short of market expectations of a five-percent rise but up from the 6.8 percent plunge in January.

"It has not changed that the Japanese economy continues to recover as the global economy recovers gradually," said Takeshi Minami, chief economist at Norinchukin Research Institute. Minami added that new US metal tariffs were not expected to badly affect the Japanese economy.

"Japanese steel and aluminium products will be spared severe damage as they are not for general purposes but speciality products that user companies are quite dependent on," he told AFP. Separate government data showed the labour market stayed tight.

The jobless rate stood at 2.5 percent in February against 2.4 percent in January, hovering near the lowest level in 25 years.

The ratio of job offers to job hunters logged its first fall in more than five years but was still high at 1.58 in February against 1.59 in January, meaning there were 158 job offers to every 100 job seekers.

The latest data comes as Japan has notched up the longest period of GDP expansion since the "bubble" boom days of the late 1980s.

It also came before the central Bank of Japan's closely watched "tankan" quarterly business confidence survey on Monday.

Manufacturing picks up in China

Reuters, *Beijing*

Growth in China's manufacturing sector picked up more than expected in March as authorities lifted winter pollution restrictions and steel mills cranked up production as construction activity swings back into high gear.

The official Purchasing Managers' Index (PMI) released on Saturday rose to 51.5 in March, from 50.3 in February, and was well above the 50-point mark that separates growth from contraction on a monthly basis.

Analysts surveyed by Reuters had forecast the reading would pick up only slightly to 50.5. The findings add to a growing amount of data which suggest that China's economy has carried more momentum into the first quarter from last year than analysts had expected, which should keep synchronised global growth on track for a while longer even as trade tensions build.

February's print had been the lowest in 1-1/2 years, but many analysts suspected it was due to disruptions related to the long Lunar New Year holidays, not a sharp drop in consumption.

Indeed, the March survey showed manufacturers shifted into higher gear as usual as seasonal demand picked up at home and abroad. The sub-index for output jumped to 53.1 from 50.3 in February, while total new orders rose to 53.3 from 51.0 and export orders climbed to 51.3 from 49.0.

The China Logistics Information Centre, in a commentary on the PMI figures, said it expected first-quarter economic growth to be about 6.8 percent. Early this year, economists polled by Reuters were pencilling in a fade to around 6.6 percent.

Large companies saw a modest pickup in growth, while small firms' activity expanded marginally after shrinking in February.

Helping drive positive sentiment, exports have been better than expected in the first two months of the year, particularly for tech products, the fastest-growing segment of China's industrial sector. Though a sub PMI for hi-tech manufacturing eased in March, growth remained solid. However, a sharp escalation in trade tensions with the United States is clouding the outlook for both China's "old economy" heavy industries and "new economy" tech firms.

The Trump administration slapped hefty tariffs on steel and aluminium imports last week and then targeted China specifically with plans for additional tariffs of up to $60 billion of its goods, likely focusing on tech and telecommunications products.

"Stress tests have shown the new U.S. tariffs will have a relatively small impact on Chinese steel. Chinese steel firms should not be overly worried and should focus on guaranteeing demand from the domestic market and our major exporters," the China Steel Logistics Professional Committee said.

"But it's worth noting that the amount of steel products we supply to U.S. consumers through the global supply chain may well exceed China's direct exports to the United States," it added. "China should proactively oppose U.S. unilateral trade protectionism to maintain the global supply chain." This spring could see a major test of Chinese manufacturers' surprising 1-1/2-year run.

In the first quarter, China's steel companies defied expectations for a winter lull and continued to ramp up output in response to strong sales, while boosting borrowing, capital expenditure and hiring, a survey from the China Beige Book showed on Wednesday.

Production increased further after winter smog controls expired on March 15 in many areas. A separate PMI on the steel sector rose to 50.6 in March from 49.5 in February, the China Logistics Information Centre (CLIC) said.

Huawei's profit rebounds despite US setbacks

AFP

Telecom equipment company Huawei CEO Richard Yu presents the new P20 smartphone at the Grand Palais in Paris on March 27.

AFP, *Shenzhen, China*

Chinese telecom giant Huawei saw it profits rebound in 2017, helped by strong smartphone sales as it ramps up R&D spending despite suffering setbacks in its US ambitions.

The third-biggest smartphone manufacturer in the world behind Samsung and Apple, Huawei Friday announced net profit climbed 28 percent last year to 47.5 billion yuan ($7.3 billion), recovering from a near-stagnant 2016.

The group said it benefited from strong smartphone sales despite fierce competition in China and elsewhere, with 153 million units sold and a 32 percent jump in revenues from its consumer goods business.

Huawei, which is also one of the world's leading telecommunications equipment suppliers, however saw its total turnover falter, with growth halved to 15.7 percent for a total of 604 billion yuan.

Despite this, the Shenzhen-based firm last year increased its research and development spending by 17 percent to $13.8 billion, approaching the level of expenditure by US giants Amazon and Alphabet, Google's parent.

"Opportunities and challenges are popping up faster than ever before, and non-stop open innovation is the only way we can keep ahead of the game," said chairman Ken Hu, referring to the focus on artificial intelligence, cloud computing and 5G.

Facing competition from Scandinavian firms Ericsson and Nokia, Huawei is going all out for 5G, which promises blazingly-fast wireless internet with the first commercial deployments expected this year. Huawei, which is already working with European operators, also promised to launch a 5G-compatible smartphone from 2019.

"Over the next 10 years, Huawei will continue to increase investment in technological innovation, investing more than $10 billion back into R&D every year," and even up to $20 billion, Hu told reporters in Shenzhen.

Huawei's strong investment in R&D comes amid growing concerns in the United States over Chinese competitors in telecoms, especially 5G.

Before President Donald Trump blocked a proposed takeover of Qualcomm by Singapore-based Broadcom, citing "national security" concerns, the US Treasury Department had warned that a takeover might hurt US leadership in 5G.

Huawei itself has suffered stinging commercial setbacks in the United States.

Its sales there are largely paralysed against a background of concerns by US authorities that its equipment could be used for espionage.

The founder of the group is a former engineer in the People's Liberation Army and this has led to concerns of close links with the Chinese military and government, which Huawei has consistently denied. A partnership between Huawei and American operator AT&T to sell smartphones in the US fell apart in January. "For one reason or another unfortunately we are not able to do business over there and we feel sorry for it," said Hu.

"The difficulties in the US market will make us to work harder to seek growth from other regions around the world," he added. "We will invest more in innovation and will have more cooperation with other business partners globally."

While the group's margins are shrinking in the highly competitive smartphone business, in its main market China, Huawei returned to the top spot with 20.4 percent of market share, but with domestic newcomers Oppo, Vivo and Xiaomi snapping at its heels, according to IDC.

EBL

Ali Reza Iftekhar, CEO of Eastern Bank, poses with a trophy as the bank was adjudged the "Best Retail Bank in Bangladesh" by The Asian Banker, a Singapore-based strategic intelligence provider on financial services industry, at the International Excellence in Retail Financial Services Awards 2018 in Kuala Lumpur on March 22. M Khorshed Anowar, acting head of retail banking, was present.

Switzerland at epicentre of cryptocurrency revolution

AFP, *Zurich*

Switzerland has become a global hub for cryptocurrencies and the blockchain technology they are built on, with investors flocking to the wealthy Alpine nation to get in on the virtual action.

The country's largest city, Zurich, set up its first bitcoin ATM four years ago, while the Swiss national rail company has since 2016 provided the possibility of purchasing the virtual currency at over 1,000 distributors across the country.

Just a half-hour drive from Zurich is the small town of Zug, which thanks to a business-friendly taxation scheme has long been a global economic hub and is home to tens of thousands of companies, including large investment firms, pharmaceutical companies and commodity trading groups.

But for the past few years, a new category of company has descended on the town, which in high-tech circles has been dubbed "Crypto Valley".

That is the name of an association set up in Zug in 2013 with the explicit aim of drawing startups dabbling in virtual currency technologies, creation and trading to the town.

The push worked. Out of the world's six biggest Initial Coin Offerings (ICOs) -- an unregulated means to raise funds for new cryptocurrency ventures -- last year, four took place in Switzerland, according to Swiss financial watchdog Finma.

Blockchain technology allows for the development of peer-to-peer payment systems. It runs by recording transactions as "blocks" that are updated in real time on a digitised ledger that can be read from anywhere and does not have a central record keeper.

Zug is currently home to some 200 blockchain companies including the foundation behind ethereum, the second largest cryptocurrency after bitcoin. The town has also since 2016 accepted bitcoin payments for council services.

The southern Italian-speaking Swiss town of Chiasso, which is attempting to compete with Zug as a "CryptoPolis", has meanwhile decided to accept bitcoin payments for some taxes.

Faced with a "sharp increase" in the number of ICOs, Finma last month published guidelines detailing the regulatory requirements for such fundraising schemes.

"Creating transparency at this time is important given the dynamic market and the high level of demand," the regulator said.

It warned that it was in particular important to protect against money laundering, since the risk was high "in a decentralised blockchain-based system, in which assets can be transferred anonymously and without any regulated intermediaries."

Switzerland's famous banking sector has been divided in the face of the flood of new virtual currencies on the markets.

Some Swiss banks were among the first to dive into the cryptocurrency pool.

Vontobel for instance created the first structured bitcoin product, a tracker which allows for investment in shifting values of the virtual currency without purchasing the coins directly.

AFP/FILE

Alpine Mining co-founder and CEO Ludovic Thomas works at company's main cryptocurrency mining site jam-packed with metal racks lined with hundreds upon hundreds of graphic cards in the tiny southern Swiss village of Gondo.

Singapore says Uber-Grab deal may flout competition rules

AFP, *Singapore*

The sale of Uber's Southeast Asian business to Singapore-based rival Grab may have infringed competition rules, a Singapore watchdog said Friday, imposing restrictions on the deal while it carries out an investigation.

The sale announced on Monday ended a bruising battle between the ride-hailing behemoths and marked the US firm's latest retreat from international markets.

But the Competition Commission of Singapore (CCS) said both companies would face interim measures as it probes concerns Grab will have a virtual monopoly on the ride-hailing market -- the first time such a directive has been issued in the city-state.

Under rules which take effect immediately, the companies will not be allowed to integrate their operations until the CCS investigation is finished.

They will have to maintain separate pricing and cannot obtain confidential information from each other like costing or customer and driver details.

This is likely to prove a major stumbling block for the deal, under which Singapore-based Grab is set to take over Uber's ride-sharing and food delivery operations in the region.

In return Uber will receive a 27.5 percent stake in the business, with chief executive of the California-headquartered company Dara Khosrowshahi joining the Grab board.

Singapore has a voluntary merger notification regime and the Commission said it has not received submissions from Uber and Grab as of Friday.

Both companies have indicated they intend to file a formal merger notification, the CCS said.

Uber and Grab did not immediately comment on the decision.