

# Nestle settles months-long pricing scrap with European retailers

REUTERS, Zurich

Swiss food group Nestle has clinched an agreement with European retailers to settle a months-long pricing row and get its products back on sale, the world's biggest packaged food maker said on Wednesday.

"We are pleased that a balanced agreement has been reached and that Nestle products will soon be back on the shelves of the six members of the European retail alliance AgeCore," a company spokesman said, confirming a report by Germany's *Lebensmittelzeitung*.

Nestle, whose brands include KitKat chocolates and Thomy sausages, has for months faced off with AgeCore, a Geneva-based group representing six European retailers.

The group, which included Germany's Edeka and Switzerland's Coop, had boycotted Nestle products as they sought better supply terms.

An Edeka spokesman confirmed the settlement but said details of



KitKat chocolates are pictured in a shop at Nestle headquarters in Vevey, Switzerland.

the accord were confidential. "We are switching back to normal operations with Nestle," he added.

Edeka, Germany's largest supermarket group, had last month recommended its stores expand the boycott of some Nestle products, escalating the pricing row that broke out in September.

Switzerland's Coop had also

broadened its boycott, banishing more Nestle products from its stores.

Coop said on Wednesday it would pass on results of the negotiated deal to customers as it puts Nestle products back on sale in the days ahead.

Coop would launch a two-week sale from mid-May offering up to

30 percent discounts on more than 500 Nestle products such as Nescafe instant coffee, Smarties sweets and Movenpick ice-cream.

Another such Nestle brands promotion was planned for the months ahead, it said.

The dispute was the latest outward sign of tension between European retailers and suppliers at a time of changing consumer tastes and new online competition.

Nestle, under the leadership of new Chief Executive Mark Schneider, last year posted its weakest annual sales growth in at least two decades, which has prompted shareholder pressure to boost revenue and profit margins.

Its first-quarter sales growth was driven almost entirely by volume, illustrating how hard it is for consumer products makers to raise prices in a competitive retail environment.

Nestle shares were down 1.2 percent by midday, while the Stoxx European retail sector index was down 0.4 percent.

# US adds 204,000 new jobs in April

AFP, Washington

Robust job creation continued among private companies in the United States in April but was below the expected pace, payrolls firm ADP reported Wednesday.

The report showed the brisk pace of hiring was likely to continue to drive down the US unemployment rate even further and make qualified labor even harder for employers to find, ADP said.

ADP estimated companies added 204,000 employees last month, slightly below the 225,000 analysts had been expecting.

The Federal Reserve is not expected to raise benchmark interest rates later Wednesday when it announces its decision on monetary policy at the conclusion of a two day meeting.

But economists say the tight labor market, among other factors, means the Fed is increasingly likely to hike rates this year more aggressively than previously expected.

Ahu Yildirim, co-head of the ADP Research Institute, said skilled talent likely

will become increasingly hard to find as jobs markets tighten.

"Job gains in the high-skilled professional and business services industry accounted for more than half of all jobs added this month," she said in a statement.

The construction industry, which also relies on skilled labor, continued its six-month trend of steady job gains as well."

The report showed hiring slowed steadily since December, falling marginally in January, March and April, leaving last month at the lowest point since November.

Mark Zandi, chief economist at Moody's Analytics, which helped produce the report, said the current trend would soon drive unemployment from the current 4.1 percent to below four percent.

That low level "is rarified and risky territory as the economy threatens to overheat."

Companies already have reported having to raise wages to attract workers, and that tends to push up inflation, which will weigh on the Fed's decision making.

# EU set to clear \$23b UTC, Rockwell Collins deal

REUTERS, Brussels

EU antitrust regulators are set to give conditional approval to U.S. aerospace and industrial company United Technologies Corp's \$23 billion bid for avionics maker Rockwell Collins, people familiar with the matter said on Wednesday.

The deal, announced in September last year and the largest in aerospace history, would create a new player in the top echelon of suppliers to Boeing, Airbus, Bombardier and other plane makers.

UTC has offered to sell assets to address the European Commission's concerns, the people said.

## Capital machinery imports refuse to slow down

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"But it is difficult to say if instances of money laundering marked a rise in recent months. If yes, bankers must take the responsibility for it."

He, however, said businesses have recently imported capital machinery to set up new industrial units in the garment, textile, power, and liquefied petroleum gas sectors.

Settlement of letters of credit for capital machinery in the July–February of 2017–18 though decreased to \$3.503 billion from \$3.507 billion a year earlier.

Rahman, who is also the chairman of the Association of Bankers, Bangladesh, a forum of private banks' chief executives and managing directors, went on to advise bankers to

do their jobs diligently this year to thwart any attempts of money laundering.

The import of capital machinery had drastically increased in recent years when instances of money laundering were found, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

Subsequently, he urged the National Board of Revenue to bump up its monitoring to stop money laundering using the trick of over-invoicing.

There is no statistical probe on whether money laundering had occurred in the name of capital machinery import, said Md Arfan Ali, managing director of Bank Asia. "So, it is tough to say whether over-invoicing was done by the businesspeople," he added.

### Government of the People's Republic of Bangladesh Ministry of Power, Energy and Mineral Resources Energy and Mineral Resources Division Bangladesh Secretariat, Dhaka Invitation for Tender (Microbus)

1	Ministry/Division	Energy and Mineral Resources Division, Ministry of Power, Energy and Mineral Resources.			
2	Agency	Energy and Mineral Resources Division, Ministry of Power, Energy and Mineral Resources.			
3	Procuring entity name	Energy and Mineral Resources Division, Ministry of Power, Energy and Mineral Resources.			
4	Procuring entity code	Not used at present.			
5	Procuring entity district	Dhaka, Bangladesh.			
6	Invitation for	Microbus (Govt. Vehicle).			
7	Invitation Ref. No.	28.00.0000.020.26.002.17-773(৩)			
8	Date	02-05-2018.			
<b>KEY INFORMATION</b>					
9	Procurement method	OTM (Open Tendering Method).			
10	Budget and source of funds	Revenue Budget (GoB).			
11	Development partners (if applicable)	Not application.			
<b>PARTICULAR INFORMATION</b>					
12	Project/programme code	Not applicable.			
13	Project/programme name	Not applicable.			
14	Tender package No.	01(2017-18).			
15	Tender package name	Microbus (Procurement of Government Vehicles).			
16	Tender publication date	02/05/2018			
17	Tender last selling date	21/05/2018			
18	Tender closing date and time	21/05/2018, Time: 1:00pm.			
19	Tender opening date and time	24/05/2018, Time: 2:00pm.			
20	Name & address of the office(s)	Address			
	Selling tender document (principal)	Deputy Secretary (Admin-1), Energy and Mineral Resources Division, Room # 102, Building # 6, Bangladesh Secretariat, Dhaka.			
	Selling tender document (others)				
	Receiving tender document	Deputy Secretary (Admin-1), Energy and Mineral Resources Division, Room # 102, Building # 6, Bangladesh Secretariat, Dhaka.			
	Opening tender document	Joint Secretary (Administration), Energy and Mineral Resources Division, Room # 101, Building # 6, Bangladesh Secretariat, Dhaka.			
21	Place/date/time of pre-tender meeting (optional)	Date Time			
		Not applicable Not applicable			
<b>INFORMATION FOR TENDERER</b>					
22	Eligibility of tenderer	Well reputed and financially solvent tenderers (authorised agents/distributors) having office establishment, repairing workshop, manpower, logistic support, stock position, good performance, qualification and past experience of supplying new and good quality vehicles in government sectors within assigned time.			
23	Brief description of goods or works	Microbuses are to be latest model, international standards, brand new, fitted with modern amenities including CNG cylinder, High Efficiency Engine (Heavy Duty min. 4 cylinder/4-Cycle, Water Cooled, SOHC/DOHC Control System-Petrol Engine, CBU by the country of origin with detail specifications (supported by original catalogue/brochure).			
24	Brief description of related services	Not applicable.			
25	Price of tender document (Tk)	Lot-1: Tk 3000/-			
26	Lot No.	Identification of lot	Location	Tender security (Tk)	Completion time in weeks
	1	01 Brand New Microbus 12 Seats	Energy & Mineral Resources Division	2,10,000/-	From ready stock or 15 days from the date of work order
27	Name of official inviting tender	Mohammed Kamruzzaman.			
28	Designation of official inviting tender	Deputy Secretary.			
29	Address of official inviting tender	Deputy Secretary (Admin-1), Room # 102, Building # 6, Energy and Mineral Resources Division, Bangladesh Secretariat, Dhaka.			
30	Contact details of official inviting tender	02-9514165 Fax: 9515110 E-mail: zaman_6910@yahoo.com			
31	The procuring entity reserves the right to reject all or any tender.				
32	Special condition:	This Invitation for Tender notice will be available at Energy and Mineral Resources Division's website: <a href="http://www.emrd.gov.bd">www.emrd.gov.bd</a>			

Mohammed Kamruzzaman  
Deputy Secretary  
Ph: 029514165

GD-1152

## Amazon offers to buy 60pc stake in India's Flipkart

REUTERS, Bengaluru/Mumbai

Amazon.com Inc has made a formal offer to buy a 60 percent stake in Indian online retailer Flipkart, CNBC-TV18 reported on Wednesday, threatening to complicate Walmart Inc's bid to buy a majority stake in the Indian e-commerce player.

Sources told Reuters earlier this month that Walmart was likely to reach a deal to buy a majority stake in Flipkart, Amazon's biggest competitor in India, by the end of June for \$10 billion to \$12 billion.

The deal would be the US retail giant's biggest acquisition of an online business and would kick off a battle with Amazon in an Indian e-commerce market that analysts forecast will be worth \$200 billion a year within a decade.

CNBC-TV18 reported that Amazon had offered Flipkart a breakup fee of \$2 billion to convince it to discuss an offer which analysts say would bring with it substantial antitrust challenges, as Flipkart and Amazon dominate the online shopping space in Asia's third-largest economy. Two sources close to the matter, asking not to be named, confirmed to Reuters that Amazon was interested in buying Flipkart, but declined to give further details.

One of the sources said that Flipkart had vetoed an approach from Amazon for a 51 to 55 percent in the company two years ago, judging its offered price as far too low at the time.

"Now with Walmart in the mix things are different," the source said. "To the best of my knowledge no decision has been made yet. There is no deadline per se."

CNBC-TV18, citing unnamed sources, said Amazon's new bid was likely to be on a par with Walmart's, but that Flipkart's investors and founders continue to favor the deal with Walmart, with founder Sachin Bansal overseeing final negotiations.

A spokesman for Walmart declined to com-



A common myna sits next to the logo of India's e-commerce firm Flipkart installed on the company's office in Bengaluru, India.

ment, while Amazon said it does not offer comments on rumors and speculation.

Flipkart did not immediately respond to an email seeking comment.

Walmart's urgency to stem market share losses to rivals like Aldi or Amazon has also seen it launch talks to merge its UK arm ASDA with Sainsbury, in which it will hold a minority stake.

It also marks a shift in Walmart's traditional approach of building a business on its own.

Overall, sales from Walmart International, which runs about 6,300 stores globally, stood at \$118 billion in the fiscal year ended 2018, down nearly 14 percent from \$136.5 billion in 2014.

This was in large part due to adverse currency movements, which hurt the money repatriated from its foreign arms, but also because of a

series of missteps in major markets.

In an effort to fix its international performance, Walmart in January appointed Chief Operating Officer Judith McKenna to run its international unit and has indicated it will focus on its core North American markets and growth markets like China and India.

Walmart initially entered the Indian market in 2007 through a joint venture with India's Bharti Enterprises, years before Amazon arrived.

That joint venture was called off in 2013 but it still owns 21 wholesale cash-and-carry supermarkets in the country.

In an interview with Reuters on Tuesday, McKenna said India is a "growth market," and downplayed analyst criticism that the company has been slow to move in the country.

## Rakub seeks Tk 224cr as compensation

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The finance ministry forwarded the Rakub's proposal to the central bank for vetting.

A BB official, however, described the demand as illogical as the interest rate on farm loan is still lower than the weighted average rate for lending set by the state and private lenders.

The weighted average interest rate on lending declined to 9.55 percent in February from 13.61 percent in 2013.

Between 2013 and 2017, the weighted average interest rate on demand loan, construction loan, transport loan, consumer loan, and trade and commerce loan, decreased significantly.

This prompted the central bank to adjust the rate on farm loans accordingly, seeing that agriculture is a priority sector.

The BB had cut the interest rate on farm loans from 13 percent to 11 percent in January 2015 and to 10 percent in June 2016. The rate was slashed further in January last year to 9 percent.

Rakub also faced a capital shortfall of Tk 813 crore at the end of December last year.

Last year, Rakub sought compensation of Tk 119.63 crore from the finance ministry, but the demand was rejected after taking the central bank's opinion.

banks have been disbursing farm loans in line with the Agricultural and Rural Credit Policy and Programme of the central bank and no one was allowed such compensation, the BB official said.

"It is true that the rates for both lending and deposit have recently increased, but the time is yet to come to bring down the interest rate on farm loans considering the weighted average rate on lending."

The finance ministry should reject the proposal just by looking at the existing weighted average rate on lending, the BB official said.

He said the reason for Rakub's large losses in recent years is the high non-performing loans: as of December, it stood at 23.48 percent of its disbursed loans of Tk 4,951 crore.

Rakub also faced a capital shortfall of Tk 813 crore at the end of December last year.

Last year, Rakub sought compensation of Tk 119.63 crore from the finance ministry, but the demand was rejected after taking the central bank's opinion.

## Hero MotoCorp fourth-quarter profit rises 35pc, beats estimate

REUTERS