Syed Mahbubur Rahman, CEO of Dhaka Bank, and Md Safiqul Islam, managing director of SME Foundation, exchange documents after signing a prefinance loan agreement at the bank's corporate office in Dhaka yesterday for financing Rajshahi's Kaluhati Footwear Cluster.

DHAKA BANK

Chinese investors drop bid for German machine tool maker

AFP, *Frankfurt*

German machine tool manufacturer Leifeld on Wednesday said Chinese investors had dropped their bid to purchase the strategic company to avoid a veto from the German government.

"I can confirm that the interested party has withdraw its request for clearance from the economy ministry," a Leifeld spokeswoman told AFP, confirming media reports.

The move came just hours before the German government was set to announce whether or not it would block the sale, amid growing unease about Chinese firms buying up German know-how and sensitive technology.

A source close the economy ministry told AFP the government was indeed planning to use its veto powers to stop China's Yantai Taihai Corporation from getting its hands on Leifeld Metal Spinning for security reasons.

But the withdrawal of the Chinese bid means the government's intervention "is no longer necessary", the source added. Yantai Taihai provides services including metal processing and smelting to the civil nuclear power market in China.

Its target Leifeld, the 200-employee firm in the northwestern German town of Ahlen, makes high-strength parts for the car and aerospace industries that also have nuclear applications.

By preemptively pulling the plug on the deal, Yantai Taihai avoids the embarrassment of being the subject of Berlin's first-ever veto of a takeover by Chinese investors for strategic reasons.

The spokeswoman for the Leifeld company, owned by sole shareholder Georg Kofler, said the firm was now looking into a listing on the Frankfurt stock exchange.

"An initial public offering is being considered," she said.

The Chinese pullout comes just days after Berlin took the unusual step of thwarting efforts by other Chinese investors to buy a 20-percent stake in an electricity transmission firm.

Citing "national security" reasons, the German government tasked a public bank with purchasing the stake in 50Hertz itself.

Germany has grown increasingly wary of China's huge interest in recent years, following a raft of investments in sectors ranging from robotics to automobiles to finance in recent years.

A study by consultancy EY found Chinese companies bought 54 German firms last year and invested $13.7 billion in Europe's largest economy.

Domestic intelligence chief Hans-Georg Maassen has said in the past that "one won't need to spy if one simply buys up entire companies."

But Beijing has insisted it has no ulterior motives.

Ahead of the Leifeld decision, China's foreign ministry said it "hoped Germany can take an objective view of Chinese investment".

Huawei overtakes Apple as world No 2 smartphone seller, gains ground in China

REUTERS, *Hong Kong/Singapore*

China's Huawei Technologies overtook Apple Inc to become the world's second-biggest smartphone seller in the June quarter, data from market research firms showed, as it gained ground in Europe and expanded its lead back home.

The estimated rise in market share comes as a slowdown in the world's biggest smartphone market, China, eased. Huawei has also managed to get ahead of rivals by selling more feature-packed phones, analysts said.

"Huawei is shifting to more value-added models, by launching new flagship smartphones with the latest features. Huawei's P20 Pro is the first flagship smartphone model to be equipped with triple cameras, beating competitors to market," IHS Markit analyst Gerrit Schneemann said in a note.

Huawei on Tuesday said overall it had raked in 15 percent higher revenue in the first six months of 2018, steady at levels seen a year ago.

According to IHS and Strategy Analytics, Huawei grabbed more than 15 percent of the global smartphone market over April-June, overtaking Apple's roughly 12 percent and just behind Samsung Electronics Co Ltd's nearly 20 percent share.

Data from Canalys, which estimates industrywide smartphone shipments in China topped 100 million in the second quarter from 91 million in the first, shows Huawei grew its share of the home market by 6 percentage points on year to a record 27 percent.

The Chinese market is key for Huawei as it has come under fire from the United States, Australia and other nations over concerns it could facilitate Chinese government spying.

The company has been virtually shut out from the United States with no major carriers selling its smartphones.

Huawei has denied it facilitates spying and has said it is a private company not under Chinese government control and not subject to Chinese security laws overseas.

Analysts, however, expressed concerns over the whether the improvement in the Chinese market was sustainable.

While the rate of decline has eased, the Chinese market is expected to weaken in the following quarters, Canalys said.

"The larger vendors face a high degree of uncertainty over the current trade situation with the US," analyst Mo Jia said.

"Increasing prices and maintaining market share in the face of a stronger US dollar might be easy for a brand such as Huawei, but will be difficult for Xiaomi (1810.HK), Oppo and Vivo," the Canalys analyst added.

China and the United States are embroiled in a trade dispute with both nations imposing tariffs on billions of dollars worth of goods and fighting over technology and patents.

These duties have not yet targeted Apple iPhones, but Chief Executive Tim Cook said on a conference call on Tuesday that he was looking into whether the company will be hit by tariffs on purchases it must make, possibly related to data centers.

Apple regained some growth in China in the June quarter, where sales rose 19 percent.

Sales there had fallen dramatically in 2016 after Chinese consumers shunned the iPhone 7, whose overall appearance differed little from its predecessor.

Samsung Electronics, the biggest smartphone maker globally but almost a bit player in China, on Tuesday posted its slowest quarterly profit growth in more than a year as its Galaxy S9 lost ground to rivals.

Increasing brand recognition is enabling Huawei to challenge Samsung in many price segments, IHS' Schneemann said.

Huawei said all its businesses, including smartphones, telecom equipment and IT infrastructure services, did well in the first six months of the year.

Revenue rose to 325.7 billion yuan ($47.97 billion), while operating margin rose to 14 percent, from 11 percent a year ago.

The Shenzhen-based firm did not provide a detailed performance breakdown for the period. The company does not release a profit number for the half year.

Huawei's consumer division, which houses its smartphones business, accounted for roughly a third of its total revenue last year. It got half its revenue from its carrier business.

DSE

Swapan Kumar Bala, a commissioner of the Bangladesh Securities and Exchange Commission; KAM Majedur Rahman, managing director of Dhaka Stock Exchange (DSE); Aditi Haldar, a director of Global Reporting Initiative (GRI) South Asia, and Rubina Sen, senior coordinator, attend a workshop on corporate transparency and sustainability reporting jointly organised by the DSE and GRI at the Sonargaon hotel in Dhaka recently.

Profits climb at Lloyds as insurance claims drop

AFP, *London*

Lloyds Banking Group on Wednesday revealed that first-half profits surged 40 percent, buoyed by a sharp drop in claims for mis-sold credit insurance.

Net profits totalled £2.2 billion ($2.9 billion, 2.5 billion euros) in the first six months of 2018 compared with £1.6 billion in the same portion of 2017, LBG said in a results statement.

Underlying pre-tax profit grew seven percent to £4.2 billion.

The institution set aside yet more money to compensate customers mis-sold a controversial insurance product. Lloyds allotted £550 million to compensate for payment protection insurance, but this was roughly half the provision made a year earlier.

The bank's total PPI compensation bill now stands at a staggering £19.2 billion. That is far higher than other UK banks involved in the long-running scandal.

It also took a £377-million hit in restructuring costs as it pushes ahead with a three-year overhaul that will see it focus on digital banking.

Chief executive Antonio Horta-Osorio described the results as "another strong and sustainable financial performance".

However, he also flagged uncertainty on the horizon in the form of Brexit, which is due in March 2019.

"The UK faces a period of political and economic uncertainty in the run-up to the UK's departure from the European Union," Horta-Osorio said.

"However the UK economy remains resilient and, excluding the impact of adverse weather, continues to demonstrate robust growth.

Second Indian interest rate hike in a row

AFP, *Mumbai*

India's central bank raised on Wednesday borrowing rates for the second time in as many months as it seeks to tame inflation in Asia's third-largest economy.

The Reserve Bank of India (RBI) said the benchmark repo rate, the level it lends to commercial banks at, would be increased by 25 basis points to 6.50 percent.

India's retail inflation recently touched 5.00 percent, above the central bank's target of around 4.00 percent, on the back of higher oil prices.

Last month's hike was the first in over four years. Five members of the bank's monetary policy committee voted in favour of the latest increase and one against.

India's economy has shown signs of revival due to a boost in manufacturing and consumer demand after a downturn blamed on a shock cash ban in late 2016.

CBC

Najith Meewawage, chief operating officer of the Commercial Bank of Ceylon (CBC) PLC, and Md Manzurul Karim, general manager for sales and marketing at Esquire Electronics Ltd, attend a deal signing ceremony in Dhaka on Monday. The bank's credit card holders will get zero interest equal monthly instalment facility while purchasing Esquire's products.

Burger on wheels: Saudis try once 'lowly' jobs as economy bites

AFP, *Riyadh*

Dishing out burgers and fries slathered with melted cheese, "One Way Burger" is like any other trendy food truck in Riyadh. But it offers something rare -- the cook behind the sizzling hot grill is a Saudi.

In the once tax-free petro-state, which long offered its citizens cradle-to-grave welfare, blue-collar occupations such as cooking, cleaning and working at gas stations have largely been the preserve of foreign workers, who far outnumber Saudis.

But Saudis are increasingly taking on such "low status" jobs in a new age of austerity when gas is no longer cheaper than water, with the government trimming oil-funded subsidies and tackling sluggish economic growth and high unemployment.

"When I started this food truck two years ago many people said: 'What? You will sell burgers and sandwiches in the street? You come from a big family and big tribe'," said Bader al-Ajmi, the 38-year-old owner of One Way Burger.

"People were surprised," he added, as a Porsche pulled up at the side of his truck to place an order.

Since Ajmi started his business, dipping into his personal savings, owning a food truck has become the trend du jour and attained a level of respectability. Working inside as a cook apparently still has not.

Still, many Saudis, long reliant on the welfare state for secure and undemanding white-collar jobs, are embracing manual labour jobs.

For the first time, a new crop of nationals are working as tea sellers and car mechanics.

Posh Lexus-owners work as Uber drivers for spare cash.

"Will Saudis ever work as street cleaners?" columnist Abdulhadi al-Saadi recently asked in the daily Saudi Gazette.

"Some people will look down at this proposal... They should know that nations only rise on the shoulders of their own people," he wrote.

Last December, residents of eastern Al-Ahsa region feted a handful of young Saudis who swallowed their pride to do another job long deemed dishonourable -- working at a gas station. "There is no shame in this work," a gas station customer said in a Snapchat video.

"Prophet Mohammed used to work as a shepherd."

It remains unclear how many nationals have moved into blue-collar jobs but the trend defies a popular maxim among Saudis: "They (expats) work for us, we don't work for us."

"Saudis are moving into jobs historically dominated by expatriate workers," said Graham Griffiths, senior analyst at the consultancy Control Risks.

"The social stigma surrounding certain types of manual or service-based labour has been strong, but economic necessity is pushing many to take such jobs regardless of their social status."

Cultural attitudes to work are changing amid a major retooling of Saudi Arabia's lagging economy, with the country seeking to wean citizens off government largesse as it prepares for a post-oil era.

Nearly two-thirds of all Saudis are employed by the government, and the public sector wage bill and allowances account for roughly half of all government expenditure.

Saudi economist Abdullah al-Maghlouth said the new economy will push more Saudis to become plumbers, carpenters and tailors, jobs that were acceptable decades ago in the pre-oil boom era.

Meanwhile, the government's push to replace foreigners with Saudi workers -- a policy known as "Saudization" -- as well as a back-breaking expat levy are driving a huge exodus of expats, who hold 70 percent of all jobs.

Official statistics show nearly 800,000 foreign workers have left the kingdom since the beginning of 2017, creating what business owners call a "hiring crisis".

An Indian diner said it was in trouble, unable to secure work permits for its South Asian chefs, leaving its expansion plans in limbo.

AFP/FILE

Bader al-Ajmi, owner of "One Way Burger" serves customers from his truck at a main street in the capital Riyadh.

The exodus has sent the rental property market plummeting and cities like Riyadh are dotted with empty storefronts and shopping malls amid slack customer demand.

Some businesses implementing "Saudization" also complain of a high rate of attrition and a displaced sense of entitlement among more expensive Saudi workers accustomed to different economic realities.

A manager at a refrigerator manufacturing plant that recently hired dozens of Saudi assemblers and technicians said a handful of them were found "sleeping in their cars during working hours".

Many companies are reported to be circumventing the policy by paying Saudi workers small salaries to sit at home, effectively creating bogus jobs in a malpractice termed "fake Saudization".

The contentious policy is not driving down joblessness among nationals. Unemployment among Saudis rose to nearly 13 percent in the first quarter of this year.

The challenge, observers say, is not just to create more jobs for Saudis but also to convince citizens to take them.

Flipping sizzling slabs of meat inside his food truck, Ajmi said in the early days his business was a one-man show. He did everything from dicing vegetables to handling the countertop deep fryer.

He has since hired two more Saudis and two Indian workers, but recruiting Saudis willing to do the late-night job -- from 9:00 pm until midnight -- remains a challenge.

A dazzlingly lit coffee and dessert food truck parked next to his is also owned by a Saudi, but the workers inside are all Filipinos.