



Saifuzzaman Chowdhury, state minister for land, opens United Commercial Bank's (UCB) 180th branch at Shyamoli in Dhaka yesterday. Bazal Ahmed, a UCB director, and Mohammed Shawkat Jamil, acting managing director, were present.

## New emission tests brake EU car sales in September

AFP, Frankfurt

Car sales slumped across Europe in September, industry data published Wednesday showed, with the hangover from a sales binge before new emissions tests came into force knocking Volkswagen out of its traditional top spot in monthly sales.

At 1.09 million, passenger car sales were down 23.5 percent in the 28-member European Union last month compared with September 2017, the European Automobile Manufacturers' Association (ACEA) said in a statement.

"This should not come as a surprise, as the introduction of the new WLTP test at the beginning of last month caused an exceptional surge in

registrations in August" as carmakers rushed to squeeze through older models ahead of the cutoff, ACEA commented.

Sales had jumped by nearly a third in August, traditionally a soft month for car sales as many Europeans are on vacation, as carmakers discounted vehicles that hadn't been certified using the new WLTP test.

The new EU-wide test procedure is one front of authorities' reaction to VW's 2015 admission to mass cheating on diesel vehicles, with suspicions since spreading to other manufacturers.

Wolfsburg-based VW manipulated 11 million cars worldwide to meet limits for emissions of harmful nitrogen oxides (NOx) under

lab conditions.

In real on-road driving, they spewed many times the allowed amounts of the harmful gases -- which the World Health Organization (WHO) says aggravate asthma and bronchitis symptoms and are linked to cardiovascular and respiratory disease.

In the event, VW -- Europe's largest car group by sales volume -- was the hardest hit by the introduction of the new tests. It shifted 172,000 cars last month compared with 330,500 in September 2017, ceding the top spot in monthly sales to France's PSA.

The 48-percent sales plunge was much steeper than that for Italy's Fiat, which saw a drop of 31.9 percent and France's Renault which fell 27 percent.

## British annual inflation slides to 2.4pc

AFP, London

UK annual inflation slid more than expected in September on falling food prices, data showed Wednesday, delaying the prospect of Bank of England interest rate hikes until after Brexit.

The Consumer Prices Index fell to 2.4 percent from a six-month high of 2.7 percent in August, the Office for National Statistics (ONS) said in a statement.

Analysts' consensus forecast had been for a dip in the CPI inflation rate to 2.6 percent.

"The largest downward contribution came from food and non-alcoholic beverages where prices fell between August and September 2018 but rose between the same two months a year ago," the ONS said regarding the drop.

"Other large downward contributions came from transport, recreation and culture, and clothing. "Partially offsetting upward contributions came from increases to electricity and gas prices."

The Bank of England last month voted to leave its main interest rate unchanged, as it noted "greater uncertainty" surrounding Britain's departure from the European Union set for March next year.

However, the BoE's Monetary Policy Committee had in August voted unanimously to raise the rate by a quarter-point to 0.75 percent amid Brexit-fueled UK inflation.

It was only the second hike since the global financial crisis a decade ago and was in response to UK annual inflation holding stubbornly



A shopper carries a basket in a supermarket in London, Britain.

REUTERS/FILE

above the BoE's official 2.0-percent target.

"UK inflationary pressure has eased after increasing for two consecutive months," Miles Eakers, chief market analyst at foreign exchange group Centrip, said following Wednesday's data.

"This should be welcome news for the Bank of England, as rising prices could trigger an interest rate increase, something the central bank looks set to avoid until after a Brexit agreement has been

made. "However, this dip in inflation may be short-lived. Basic wages grew at 3.1 percent in August -- the fastest pace in nearly a decade.

"This, in turn, should boost consumer spending, adding to inflationary pressure in the coming months," Eakers added.

Britain looks on course to leave the European Union in March without a divorce deal -- a situation that risks harming the UK economy.

## Netflix surges on user gains, strong profits

AFP, San Francisco

Netflix reported Tuesday a strong jump in profits and better-than-expected growth in users in the past quarter, sparking a rally in shares of the streaming television market leader.

Netflix said it gained almost seven million new users worldwide, to bring its total membership to more than 137 million.

Profit in the quarter more than tripled from a year ago to \$403 million while revenues grew 34 percent to \$4 billion.

Investors pushed up Netflix shares by 12 percent in after-hours trade, following a disappointing second-quarter report that sent the stock reeling.

"Our broad slate of original programming helped drive a solid quarter of growth," Netflix said in a letter to shareholders.

The Silicon Valley company has been ramping up its investment in original programming as it faces increased competition from rivals like Hulu and Amazon, and traditional media firms begin to enter the market for streaming and limit content to outside parties.

"We've come a long way in the five years since launching original content on

Netflix," the statement said.

"In addition to our commercial success, we're ecstatic when the creators we work with are recognized for their inspiring work. This year, Netflix originals led with 112 Emmy nominations spanning 40 of our shows."

Netflix has said it plans to invest some \$8 billion in original content.

"We recognize we are making huge cash investments in content, and we want to assure our investors that we have the same high confidence in the underlying economics as our cash investments in the past," the company said.

"These investments we see as very likely to help us to keep our revenue and operating profits growing for a very long time ahead."

Analyst Paul Verna of the research firm eMarketer said that "Netflix's strong quarter will at least temporarily put to rest questions over the long-term viability of its business and shift focus to the competition, which continues to significantly lag the streaming giant."

According to eMarketer, Netflix accounts for three-fourths of US consumers using a streaming service and is well-positioned to face competition.

## US sets new trade talks with EU, Japan, Britain

AFP, Washington

US officials announced Tuesday negotiations for separate trade agreements with Britain, the European Union and Japan as part of efforts by President Donald Trump's administration to rebalance global commerce.

US Trade Representative Robert Lighthizer said the administration notified Congress of its intent to negotiate the three separate trade agreements.

"We are committed to concluding these negotiations with timely and substantive results for American workers, farmers, ranchers and businesses," Lighthizer said in a statement.

The move follows the Trump administration's renegotiation of the North American Free Trade Agreement with Canada and Mexico, and its push to correct what Trump maintains is an unbalanced trade picture.

In the notifications to Congress on Japan and the EU, Lighthizer cited "chronic US trade imbalances" and said US exporters have been long "challenged" by tariff and non-tariff barriers in Japan and in Europe.

The goal, he said, is to achieve "fairer, more balanced" trade with the US partners.

Lighthizer said the US would seek a trade agreement with Britain as soon as it exits the European Union in 2019.

The letter to Congress said Washington would aim to address tariff and non-tariff barriers and achieve "free, fair and reciprocal trade" with the United Kingdom.

Trump has been playing hardball with US trading partners, using tariffs and threats in an effort to boost American exports and curb the long-standing deficit in merchandise trade, despite warnings from many lawmakers and the International Monetary Fund.

In May, the president had ordered the Commerce Department to investigate the possibility of imposing tariffs of up to 25 percent on foreign autos and auto parts, a prospect that alarmed the industry and could have serious repercussions for Japan and Europe.

"We need to work together to de-escalate and resolve the current trade disputes," International Monetary Fund chief Christine Lagarde said at an IMF and World Bank gathering in Bali last week.

Trump has levied or threatened tariffs on goods from economies around the world, notably China, but also on traditional allies including the European Union. More tariffs and their countermeasures "could lead to a broader tightening of financial conditions, with negative implications for the global economy and financial stability," the fund warned.

The new talks, if successful, would address trade with Europe and Japan but leave the tougher challenge of China, with which in 2017 the US had a deficit of \$376 billion, excluding services, out of a total goods deficit with the world of \$832 billion.

Tensions with Brussels relaxed in late July when Trump and European Commission President Jean-Claude Juncker vowed to work together to eliminate tariffs, trade barriers and industrial subsidies -- excluding the auto sector.

A working group led by Lighthizer and European Trade Commissioner Cecilia Malmstroem has been tasked to work on the feasibility and contours of such an agreement. But both sides have recently indicated they are far from resolving their differences.

The proposed Transatlantic Trade and Investment Partnership has been at a standstill since Trump came to office, with European countries especially fearful of US imports of beef fed growth hormones and genetically modified organisms.

Initial negotiations took place between Lighthizer and Japanese Economy Minister Toshimitsu Motegi in August.



Mahtab Uddin Ahmed, Robi's managing director, cuts a cake at a programme at a hotel in Dhaka on Tuesday when Robi deployed gPlex® solution to power its contact centres.

ROBI

## Exchange rates sour Danone's sales

AFP, Paris

Danone said Wednesday its sales slid 4.4 percent in the third quarter due to the plunge in the value of emerging market currencies, although the French food giant confirmed its annual target of double-digit earnings growth.

The sales figure of 6.2 billion euros (\$7.2 billion) was impacted by the appreciation of the euro compared to Argentina's peso, Turkey's lira and Brazil's real, all of which fell by more than 20 percent.

When sales in those countries were

converted into euros for global accounting, they were considerably lower than in the same quarter last year, dragging down the figure by an estimated 5.2 percentage points.

When the sales were restated at constant exchange rates, they grew by 1.4 percent.

Only the dairy and plant-based unit in North America saw sales growth at current exchange rates, rising 1.4 percent to nearly 1.3 billion euros. Elsewhere, they fell by 8.1 percent.

On a like-for-like basis, the waters

unit showed 6.4 percent growth, but its specialised nutrition unit still recorded a 1.5 percent contraction.

However, chief executive Emmanuel Faber said in a statement the company has "the foundations in place to navigate current emerging market volatility and currency headwinds, which will enable us to continue to deliver sustainable profitable growth."

The company reaffirmed its guidance for the full year, which is double-digit recurring earnings per share using constant exchange rates.



HBL

Kamal Quadir, CEO of bKash, and Erslaan Ahmed, regional general manager of Habib Bank Ltd (HBL) Bangladesh, attend a deal signing ceremony at the bank's country office in Dhaka on Tuesday on bKash availing the bank's cash management services.



EBL

M Khorshed Anowar, head of retail banking at Eastern Bank Ltd (EBL), and S Ayesha Akhtar Jahan, a director of the Chittagong Women Chamber of Commerce and Industry, sign a memorandum of understanding at the bank's corporate head office in Dhaka recently. EBL Women Banking and the chamber will jointly promote women entrepreneurship and financial inclusion of women.