

Mohammad Obaidul Karim, chairman of Orion Pharma Ltd, presides over the company's 53rd annual general meeting at Officers' Club Dhaka yesterday. The company approved 15 percent cash dividend for the year ending on June 30, 2018. Salman Obaidul Karim, managing director, was present.

ORION PHARMA

## German trade surplus narrows amid global tensions

AFP, Frankfurt

Germany's trade surplus narrowed slightly in October, official data showed Monday, as Europe's export powerhouse feels the sting from global trade tensions.

The surplus stood at 17.3 billion euros (\$19.7 billion) in October, down from 17.6 billion a month earlier, national statistics office Destatis said.

Imports over the period climbed 1.3 percent, outpacing a rise in exports of 0.7 percent. The softening surplus comes as Germany's export-oriented firms face considerable exposure to the

multiple trade battles launched by US President Donald Trump.

Trump's tariff war with China in particular has had knock-on effects, disrupting international supply chains and causing uncertainty for investors.

After a weak third quarter, concerns are growing that Europe's top economy will struggle to pick up speed in the final months of the year.

But looking in detail at Germany's latest trade figures, analyst Carsten Brzeski of ING Diba bank said "not all is doom and gloom".

He pointed out that October exports enjoyed a small rebound fol-

lowing a dip in September.

Demand for "Made in Germany" goods in eurozone countries jumped nine percent year-on-year, while the US remains Germany's single most important export destination despite the current headwinds.

Notably, trade with Britain has "lost importance" as German firms brace for Brexit-induced disruptions to commerce, Brzeski said.

"Today's data brings some relief but also shows that there is still a long way to go before the traditional growth engine will be back at full strength," Brzeski added.

## Japan's economy shrinks most in four years

REUTERS, Tokyo

The Japanese economy contracted the most in over four years in the third quarter as companies slashed spending, threatening to chill the investment outlook in 2019 as the export-reliant nation grapples with slowing global growth and trade frictions.

The slump in the world's third-biggest economy adds to signs elsewhere in Asia and Europe of weakening momentum, with recent data in China and Australia showing a slowdown in growth and stoking concerns about the wider impact of the Sino-US trade war.

Japan's gross domestic product shrank at an annualized rate of 2.5 percent in the July-September quarter - the worst downturn since the second quarter of 2014 - from 2.8 percent growth in the second quarter, revised data from the Cabinet Office showed. The slide, in part driven by a series of natural disasters that forced factories to cut production, was deeper than an initial estimate of a 1.2 percent

contraction and against economists' median forecast for a 1.9 percent decline.

The capital expenditure component of GDP fell a sharp 2.8 percent from the second quarter, worse than the expected 1.6 percent decline and the preliminary reading of a 0.2 percent drop.

That was the biggest decrease since the third quarter of 2009, as wholesalers, retailers, and information and communications machinery cut spending, the Cabinet Office data showed.

"Capex is decelerating in areas such as all-purpose machinery, production equipment and automobiles," said Takeshi Minami, chief economist at Norinchukin Research Institute.

"Depending on extent of global slowdown and trade frictions, companies may put off their bullish spending plans or even make adjustments from the latter half of this fiscal year onwards."

That risk - of businesses cutting back on spending - is a worry for policymakers who are counting on capital expenditure to boost growth and inflation. Capex has been a bright spot in the

economy since late 2016, underpinned by investment in automation and labor-saving technology to cope with labor shortages.

The capex slump is particularly worrying as it comes at a time of cooling global growth, a rising tide of protectionism and slowing company profits, all of which are putting a damper on business confidence.

Japanese manufacturers' mood soured for a second straight month in December and is seen slipping further, a Reuters monthly poll showed on Thursday, pointing to declines in the central bank's key tankan survey due out Dec. 14.

While analysts expect the economy to stage a rebound in the current quarter as factories lift production following the natural disasters, there are worries the Sino-US trade war could crimp global growth and hurt export-led Japan.

In October, Japanese robot maker Fanuc Corp - which is highly exposed to the China market - slashed its outlook for the full year, citing slower technology spending and trade friction.

Earnings growth at other Japanese manufacturers is also being crimped by the US-China trade dispute, with Yaskawa Electric Corp, and Canon Inc among companies that downgraded their profit forecasts, reflecting cooling demand.

The revised GDP figure translates into quarter-on-quarter contraction of 0.6 percent in real, price-adjusted terms, against a preliminary reading of a 0.3 percent slide and economists' median estimate of a 0.5 percent decline.

Private consumption, which accounts for roughly 60 percent of GDP, fell 0.2 percent in July-September from the previous three months, versus 0.1 percent drop seen in the initial estimate.

Domestic demand shaved 0.5 percentage points off the revised GDP figure, while net exports - or exports minus imports - contributed minus 0.1 percentage point.

Atsushi Takeda, chief economist at Itochu Economic Research Institute, said global headwinds suggest business spending is on the verge of "leveling off." "There may be a rebound in capex, but it cannot be a driver of the economy in the coming year, given growing uncertainty in the face of trade frictions, global economic slowdown and a planned sales tax hike at home."



REUTERS/FILE

A worker cycles near a factory at the Keihin industrial zone in Kawasaki, Japan.



NRBC BANK

Professor Syed Shahjahan, a noted social worker and educationalist; Nuran Nabi, a director of NRBC Bank, and Khondoker Rashed Maqsood, CEO, open the bank's 64th branch at Agailjhara in Barishal yesterday.

## Australia wants a regulator for Google, Facebook

REUTERS, Sydney

Australia's competition watchdog on Monday recommended tougher scrutiny and a new regulatory body to check the dominance of tech giants Facebook Inc and Alphabet Inc's Google in the country's online advertising and news markets.

The recommendation, in a preliminary report on the US firms' market power, is being closely watched around the world as lawmakers wrestle with the powerful tech firms' large and growing influence in public life, from privacy to publishing.

It comes days after Australia passed laws forcing tech companies to help police access private user data, and amid growing concern from authorities worldwide about the giants' commercial behavior and distribution of so-called "fake news".

"When you get to a certain stage and you get market power, which both Google and Facebook have, with that comes special responsibilities and that means, also, additional scrutiny," Australian Competition and Consumer Commission (ACCC) Chairman

Rod Sims told reporters in Sydney.

He said the companies' enormous market share - Google has a 94 percent share of web searches in Australia - and opaque methods for ranking advertisements gave the firms the ability and incentive to favor their businesses over advertisers'.

"The idea of the regulator role would be to keep an eye on that and proactively bring some transparency," he said, adding the two firms also had outsized influence over news distribution.

Drafting the report had also spurred five investigations into possible consumer or privacy law breaches in Australia, Sims said, without disclosing which firms they concerned. Facebook and Google, in separate statements, both said they will continue to work with the ACCC while the regulator prepares its final report due in June.

The two firms have already promised to do more to tackle the spread of fake news and, in submissions to the ACCC, said they provided users access to global news articles while providing advertisers a cheap way of reaching big audiences.

## Turkey economic growth slows

AFP, Ankara

Turkey's economic growth slowed considerably in the third quarter, official data showed on Monday, reflecting the effects of the currency crisis and high inflation.

Compared to the third quarter of 2017, the Turkish economy grew by 1.6 percent in the three months to September, figures from the Turkish Statistics Institute (TUIK) showed.

The figure was substantially lower than the 5.3 percent -- revised on Monday from 5.2 percent in September -- recorded in the second quarter.

Seasonally and calendar adjusted the economy contracted by 1.1 percent in the third quarter compared with the second.

The Turkish lira traded at 5.3 against the dollar on Monday after 0800 GMT, showing minimal movement from 5.29 before the data release as markets had expected a slowdown.

The latest figures reflect the dramatic fall

in the value of the lira in August, when it briefly breached seven to the dollar during US-Turkey tensions and concerns over domestic monetary policy under Turkish President Recep Tayyip Erdogan.

Since then, Washington and Ankara ties have warmed up following the release of an American pastor from a Turkish prison in October and the lira has rallied.

However, inflation surged to 25.24 percent in October, a 15-year high, before it dropped to 21.62 percent in November.

The rate of increase in consumer prices was 10.35 percent in January this year.

Jason Tuvey, senior emerging markets economist at London-based Capital Economics, warned in a note on Monday that the Turkish economy "has probably entered a technical recession" in the fourth quarter.

A recession is defined as two consecutive quarters of shrinking output based on a quarter-on-quarter comparison.

## Austrian retailers file antitrust complaint against Amazon

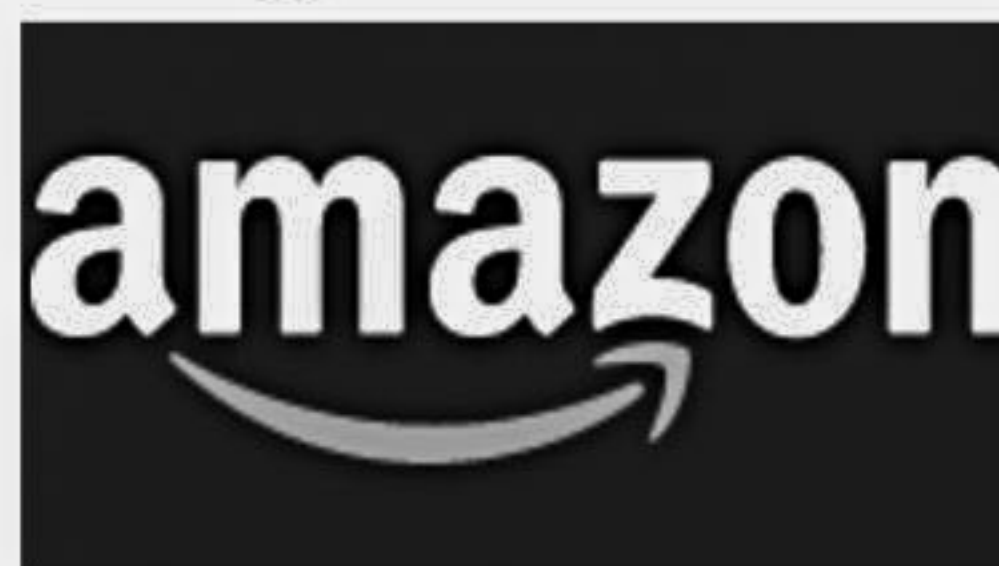
REUTERS, Vienna

Austrian retailers have filed a complaint against Amazon with their national competition authority over the US e-commerce giant's dual role as a retailer and a marketplace.

The European Commission and Germany's antitrust authority are also looking into Amazon's role in the market.

"We have received a complaint. We are examining it," a spokeswoman for Austria's Federal Competition Authority (BWB) said on Monday, confirming a statement by the Austrian Retail Association.

The main grounds for the complaint laid out by Austria's biggest retailers' association is



Amazon's role as both a retailer in its own right and as a marketplace where other retailers' products are sold.

Austrian newspaper Der Standard reported that it had documents showing that the BWB would open an investigation into Amazon.

The spokeswoman, however, said that at this stage the BWB was only examining the complaint.

"Those documents are not ours," she said.

In a statement outlining its complaint, the Retail Association said the "main problem" was Amazon's dual role as retailer and marketplace.

"Amazon can in theory see the prices of the listed retailers (on its platform), undercut their prices and in the long run attract all that business," it said, adding that 93 percent of all Austrian online shoppers have made at least once purchase on Amazon.

Amazon was not immediately available for comment.



SBAC BANK

SM Amzad Hossain, chairman of SBAC Bank; AZM Shofiuddin, a director, and Md Golam Faruque, CEO, open the bank's 72nd branch in Cumilla on Monday.



SHAHJALAL ISLAMI BANK

AK Azad, a director of Shahjalal Islami Bank, cuts a ribbon to open the bank's 120th branch at Sadarpur in Faridpur yesterday. M Shahidul Islam, CEO, was present. An ATM booth was also opened on the branch premises.