



Syed Mahbubur Rahman, managing director of Dhaka Bank, and Shib Narayan Kairy, treasurer of Brac University, exchange documents on the university's campus in Dhaka on Tuesday after signing a deal facilitating tuition fee payments through the bank's branches.

## Indian manufacturing growth slows

REUTERS

Indian manufacturing activity expanded at a slower pace in December as growth in new orders and output waned, despite factories cutting their prices, a private survey showed on Wednesday.

The Nikkei Manufacturing Purchasing Managers' Index, compiled by IHS Markit, declined to 53.2 in December, below November's 54.0 reading and a Reuters poll median of 53.6.

But that was above the 50 mark, which separates growth from contraction, for a 17th month and manufacturing activity registered its strongest quarterly performance since late 2012.

The manufacturing PMI "indicated that the sector ended 2018 on a high, with growth stronger than seen at the start of the year," noted Pollyanna De Lima, principal economist at IHS Markit.

"Output continued to rise strongly, in line with a robust upswing in sales. Companies benefited from rising international demand for Indian goods, as export orders expanded for the fourteenth straight month."

Although new orders and output expanded at a slower rate last month, both have remained well into expansion territory for more than a year, supported by weaker inflationary pressures.

December saw the weakest increase in input costs for nearly three years,

giving factories room to cut their prices for the first time since July 2017.

That increases the likelihood inflation will be benign in coming months. India's consumer price index hit a 17-month low of 2.33 percent in November, remaining well below the Reserve Bank of India's medium-term target of 4 percent for a fourth straight month.

De Lima said that during December "spare capacity was evident, with vendors' delivery times unchanged and input cost inflation softening. These signs of easing inflationary pressures indicate that we're likely to see the RBI adopt an accommodative monetary policy stance in early 2019."

## UK factories build up stockpiles before Brexit

REUTERS, London

British factories ramped up their stockpiling in December as they prepared for possible border delays when Britain leaves the European Union in less than three months' time, a survey showed on Wednesday.

The IHS Markit/CIPS Manufacturing Purchasing Managers' Index (PMI) rose to 54.2 from an upwardly revised 53.6 in November, the highest reading in six months and stronger than all forecasts in a Reuters poll of economists.

Markit said the improvement did not herald a big change in the outlook for Britain's stuttering economy and was caused in large part by manufacturers stockpiling inputs and finished goods, both of which were near record highs.

"Any positive impact on the PMI is likely to be short-lived, however, as any gains in the near-term are reversed later in 2019 when safety stocks are eroded or become obsolete," IHS Markit director Rob Dobson said.

Many manufacturers are building up inventories to protect themselves against the risks of customs delays at the border after March 29 when Britain is due to leave the EU.

Prime Minister Theresa May is struggling to overcome deep opposition to her Brexit plan in her own Conservative Party, raising the risk that no transition period will be provided to ease Britain out of its four decade-long membership of the EU.

"The rush to stockpile goods ahead of Brexit ... is now in full swing. The absence of any New Year joy from the European PMI data also confirms that the near future holds a bumpy ride for UK manufacturers," said Francesco Arangeli, an economist at the EEF manufacturing association.



An employee looks up at goods at the Miniclipper Logistics warehouse in Britain.

REUTERS/FILE

The euro zone manufacturing PMI fell to its lowest since February 2016 last month, and a Chinese PMI contracted for the first time in 19 months.

The average reading for the manufacturing PMI in the three months to December was the weakest since the period just after the Brexit vote.

While the slowdown in Britain's economy since the Brexit referendum in 2016 has not been as sharp as some forecasts made at the time, the country has lagged behind stronger growth in other economies.

Last month, the Bank of England cut its fore-

casts for quarterly growth to just 0.2 percent in the last three months of 2018 and the first quarter of 2019. It has warned that a worst-case Brexit could push Britain into a deep recession.

Wednesday's survey suggested manufacturing output shrank slightly in the fourth quarter of 2018.

Export orders last month were their strongest since May after contracting in November and October, again partly reflecting stockpiling to mitigate Brexit disruption.

On prices, input cost inflation eased to a two-and-a-half-year low in December.

## Google wins US approval for radar-based hand motion sensor

REUTERS, Washington

Alphabet Inc's Google unit won approval from US regulators to deploy a radar-based motion sensing device known as Project Soli.

The Federal Communications Commission (FCC) said in an order late on Monday that it would grant Google a waiver to operate the Soli sensors at higher power levels than currently allowed. The FCC said the sensors can also be operated aboard aircraft.

The FCC said the decision "will serve the public interest by providing for innovative device control features using touchless hand gesture technology."

A Google spokeswoman did not immediately comment on Tuesday, citing the New Year's Day holiday.

The FCC said the Soli sensor captures motion in a three-dimensional space using a radar beam to enable touchless control of

functions or features that can benefit users with mobility or speech impairments.

Google says the sensor can allow users to press an invisible button between the thumb and index fingers or a virtual dial that turns by rubbing a thumb against the index finger.

The company says that "even though these controls are virtual, the interactions feel physical and responsive" as feedback is generated by the haptic sensation of fingers touching. Google says the virtual tools can approximate the precision of natural human hand motion and the sensor can be embedded in wearables, phones, computers and vehicles.

In March, Google asked the FCC to allow its short-range interactive motion sensing Soli radar to operate in the 57- to 64-GHz frequency band at power levels consistent with European Telecommunications Standards Institute standards.

## Jet Airways share slumps after debt payment failure

AFP, Mumbai

Shares in India's second-largest airline Jet Airways fell five percent Wednesday after the company admitted it had failed to meet debt payments to banks.

The airline hit turbulence last year after failing to report its quarterly earnings or pay its staffers including pilots in August.

Subsequently, chief executive Vinay Dube released the earnings and announced a cost cutting programme amounting to 20 billion rupees (\$280 million) over the next two

years.

"Payment of interest and principal installment due to the consortium of Indian Banks on 31st December 2018 has been delayed due to temporary cashflow mismatch," the struggling airline said in a statement.

Jet added that it was in talks with the consortium led by State Bank of India (SBI). After reporting a loss of \$178 million for July-September, the carrier announced last November that it would cut flights on less profitable routes as part of a plan to reduce costs.

## Oil falls to \$53 on economic worries

REUTERS, London

Oil fell to about \$53 a barrel on Wednesday, under pressure from rising output in major Opec and non-Opec producers and due to concerns about an economic slowdown that could weaken demand.

Russian production hit a post-Soviet record in 2018, figures showed on Wednesday.

Earlier this week, official data showed US output reached a record in October and Iraq boosted oil exports in December.

Brent crude fell 72 cents to \$53.08 a barrel at 1055 GMT. On Dec. 26, it hit \$49.93, the lowest since July 2017. US crude slipped 56 cents to \$44.85.

"The omens are far from encouraging," said Stephen Brennock of oil broker PVM, citing rising non-Opec supply and the likelihood of further increases in oil inventories.

"The current bearish bias will therefore continue in the near term and it stands to reason that oil will struggle to break out from its current trough," he said.

Oil fell in 2018 for the first year since 2015 after buyers fled the market in the fourth quarter over growing worries about excess supply and the economic slowdown.

Surging shale output has helped make the United States the world's biggest oil producer, ahead of Saudi Arabia and Russia. Oil production has been at or near record highs in all three countries.

US President Donald Trump celebrated the low prices. "Do you think it's just luck that gas prices are so low, and falling? Low gas prices are like another Tax Cut!" he wrote on his official Twitter account on Tuesday.

Adding to concern about a slowing global economy, a series of purchasing managers' indexes for December mostly showed declines or slowing manufacturing activity across Asia, the main growth region for oil demand.

Independent market analyst Greg McKenna said in a note on Wednesday that it was "difficult for traders and investors to ignore what looks like a genuine global economic slowdown."

Md Ahsan-uz Zaman, CEO of Midland Bank, opens an agent banking centre at Lobon Chora of Khulna yesterday.

MIDLAND BANK



## Hyundai flags tough 2019 as demand stays slow

REUTERS, Seoul

South Korea's Hyundai Motor Group flagged another year of tepid car sales growth on the back of a slow 2018, saying trade protectionism adds uncertainty and major markets such as the United States and China remained sluggish.

In his first New Year address to employees, group heir apparent Euisun Chung said Hyundai Motor Co and Kia Motors Corp would complete a restructuring of South Korea's second-biggest conglomerate, which is widely expected to pave the way for him to formally succeed his octogenarian father as head of the group.

The complicated succession plans come as Hyundai contends with a bunch of problems that have cost it market share in China and the United States and stalled its rise up the ranks of global automakers.

It missed a boom in sports utility vehicles (SUVs), faces potential US tariffs and a US investigation over how it handled a vehicle recall, and lost ground in technological advances such as self-driving cars.

"Business uncertainties are

heightening as the global economy continues to falter. Walls of protectionism are being constructed around the world," Chung, 48, told hundreds of employees at the group's headquarters in Seoul.

"Internally, we face challenging tasks such as stabilizing business in major markets like the US and China, while simultaneously enhancing our responsiveness to

drive future growth."

Hyundai and Kia - together the world's fifth-biggest automaker - set what they called a "conservative target" of 7.6 million vehicle sales in 2019, a 3 percent increase from the 7.399 million vehicles sold last year.

The 2018 sales fell short of the group's target of 7.55 million vehicles, marking their fourth consecu-

tive annual sales goal miss. The duo sold 7.25 million vehicles in 2017.

Morgan Stanley expects global auto production to fall 1 percent in 2019, the first drop in nine years.

In that environment, the group said it would launch 13 new or face-lifted models in 2019, including a premium Genesis SUV and the Sonata sedan.

"Hyundai will be launching new models, but competitors will be also doing so, making it difficult for Hyundai to increase shares in the sluggish markets in China, US and Europe," said Sean Kim, an analyst at Dongbu Securities.

Hyundai shares ended down 3.8 percent and Kia slumped 2.7 percent, while the wider market .KS11 was down 1.5 percent.

Chung said Hyundai would launch a pilot service of its autonomous taxis in South Korea by 2021 and expand partnerships with leading players in that area.

He also pledged to "actively communicate with" shareholders, an apparent reference to US hedge fund Elliott Management Corp which effectively scuttled a previous restructuring plan last year.



KAZI FOOD

Tanvir Haider Chaudhury, CEO of Kazi Food Industries, and Sirajul Haque, manager for sales at Foodpanda Bangladesh, attend a deal signing ceremony on delivering the former's food to customers.



REUTERS/FILE

Chief Vice Chairman of Hyundai Motor Group Chung Eui-sun delivers his speech during the company's new year ceremony in Seoul.