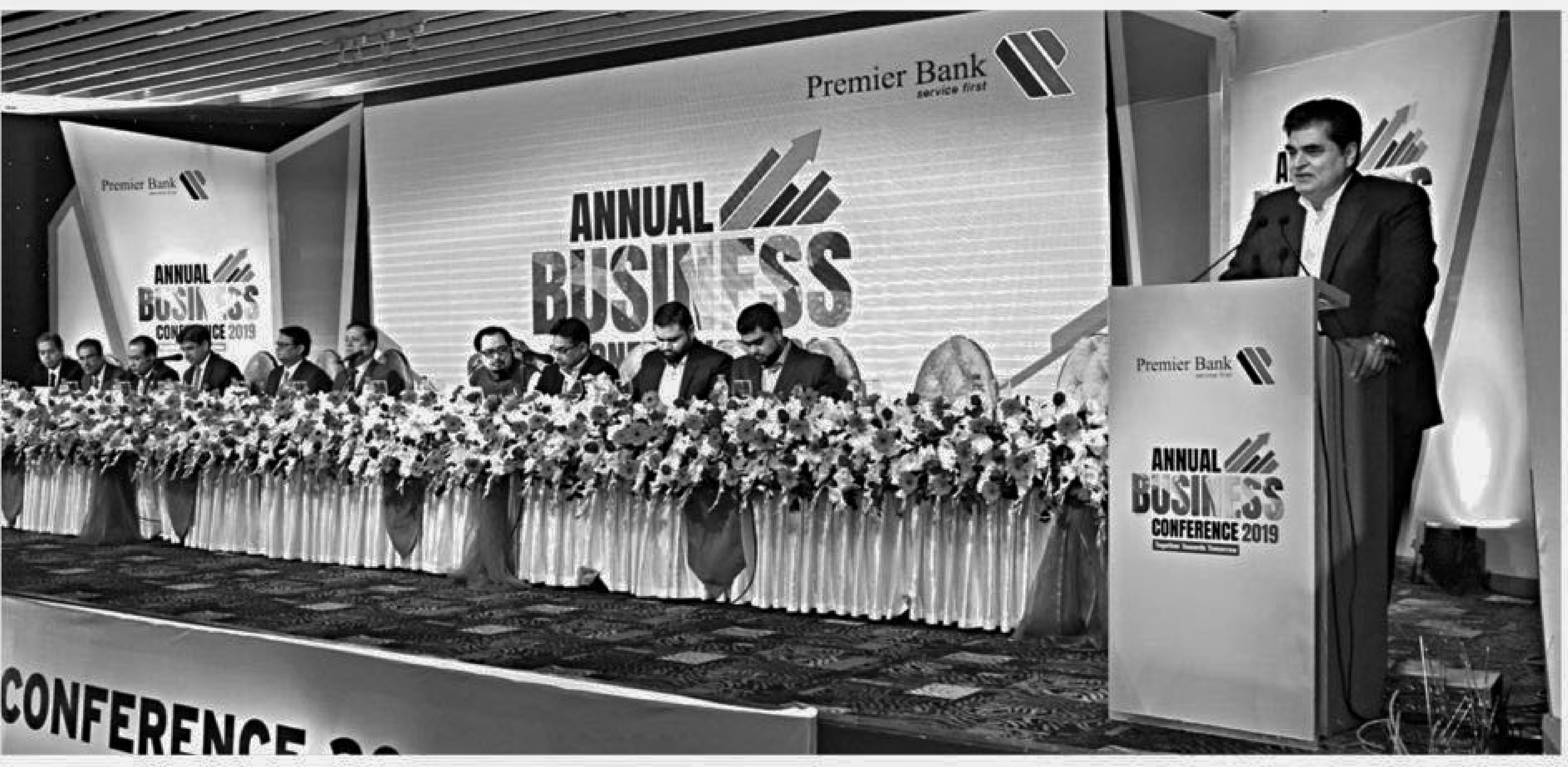


PREMIER BANK

HBM Iqbal, chairman of Premier Bank, addresses the bank's Annual Business Conference-2019 at Radisson Blu Dhaka Water Garden yesterday.

Japan forced to amend budget over faulty jobs data scandal

AFP, *Tokyo*

Japan said Friday it will have to amend its upcoming budget to fund compensation for people whose benefits were underpaid for years because of a scandal involving erroneous labour data.

The labour ministry admitted this week that it has for years failed to collect complete data for its monthly employment report, which is closely watched as an indicator of wages and work hours. The data helps determine various government benefits, including employment insurance.

Officials are supposed to gather data from all firms with 500 or more employees but in Tokyo only about one third of 1,400 such firms were surveyed.

The scandal dates back to 2004 and a total of 53 billion yen ($490 million) will be repaid to 20 million workers, according to the ministry.

"I have received a report from the labour and welfare ministry that they need to provide employment insurance and other payments retroactively," top government spokesman Yoshihide Suga told reporters.

"We will make adjustments to make a necessary budget allocation in the fiscal 2019 budget" for the year starting in April, he said.

He added that the government was now probing dozens of other major data sets. The labour minister has admitted he received a report about the problem as early as December 20.

The ministry nevertheless went ahead and published data on December 21 and January 9 that it knew had sampling problems, raising questions about the reliability of official statistics in the world's third-biggest economy. The monthly labour survey has been watched by the government and the Bank of Japan as a clue for their economic policy decisions. Suga said it was "extremely regrettable" that confidence in the survey was shaken.

Labour Minister Takumi Nemoto voiced "sincere apologies for causing trouble to the people."

Corporate investors pile into electric vehicle startups

REUTERS, *Detroit*

Corporate investors from outside the auto industry are placing increasing bets on electric vehicles, vying with automakers and suppliers to bankroll startup companies working on everything from advanced batteries to charging devices and all-new EVs.

Some 250 startups involved in some aspect of electrification have attracted more than $20 billion in venture capital, notably from a broad array of corporations across multiple industries, according to a Reuters analysis of publicly available data.

"Electrification will set off a number of economic changes in the traditional value chain in and around vehicles," said Reilly Brennan, managing director of San Francisco-based Trucks Venture Capital.

Because of those changes, in addition to funding EV development, investors see revenue opportunities in related markets, such as consumer products and home energy, Brennan said.

Such opportunities are underpinned by steady improvements in lithium-ion batteries' energy, prompting forecasts for a surge in fleet electrification amid global efforts to fight fuel consumption and emissions from traditional internal combustion engines.

Big oil companies such as BP PLC and Royal Dutch Shell PLC see EV-related investments partly as a hedge against dwindling demand for fossil fuels for privately owned vehicles, according to venture investor Evangelos Simoudis, managing director of Synapse Partners.

REUTERS/FILE

The Byton K-Byte, an electric, autonomous-driving concept car, is displayed during an exposition in Las Vegas, Nevada.

But they also see an opportunity to provide electric vehicle charging at fuel stations that now dispense gasoline and diesel.

Simoudis, who advises corporate executives on new mobility innovation strategy, said aerospace companies have a vested interest, too, in startups working on advanced battery systems: "Boeing and Airbus are both working on electric planes."

Large telecommunication companies such as Verizon Communications Inc will play a role in connected electric vehicles, while semiconductor makers such as Intel Corp and Qualcomm Inc see their computer chips being used in an increasing number of applications in future electric and self-driving vehicles, Simoudis added.

Far and away the most active corporate investor in electrification so far is Intel, which has backed battery startups Prieto, Qnovo and Enovix and charging startups WiTricity and Chargifi.

Global automakers are heavily invested in battery startups. The field includes General Motors Co, BMW AG, Daimler AG, Renault SA, Nissan Motor Co, Hyundai Motror Co and SAIC Motor Corp.

Outside the auto industry, corporate investors in battery startups include technology companies Samsung Electronics and Motorola Solutions Inc and energy company Schlumberger NV.

Dozens of the startups focused on EV charging and infrastructure have been funded by many of the same corporate investors, including Chevron Corp and ABB AG.

The greatest interest from investors, however, is in EV startups. There are more than 50 globally, including several high-profile and well-funded Tesla wannabes based in China.

Corporate investment in China's startups has come from big Chinese companies such as automaker FAW Car Co and battery maker Contemporary Amperex Technology Co, which have backed Byton; automaker Zhejiang Geely Holding Group and technology firm Baidu Inc, which have funded WM Motor, and internet giant Alibaba Group Holding, which has invested in Xiaopeng Motors.

In the United States, GM and BMW have backed Proterra, the electric bus maker, while Caterpillar Inc, which is best known for heavy construction machinery, has invested in Henrik Fisker's latest electric vehicle project, Fisker Inc.

Huawei Canada executive leaves post as scrutiny of company grows

REUTERS, *New York/Ottawa*

One of Huawei Canada's top executives on Friday disclosed he was leaving his post after more than seven years with the Chinese telecommunications equipment maker, which is facing heightened scrutiny over security issues from Canada and its allies.

Scott Bradley disclosed his departure as the company's senior vice president for corporate affairs in a post on LinkedIn that did not give a reason for the move. He could not immediately be reached for comment.

Huawei Technologies Co is under intense scrutiny in the West over its relationship with the Chinese government and US-led allegations that its equipment could be used by Beijing for spying.

On Friday, sources told Reuters that Poland arrested a Huawei employee and former Polish security official on spying allegations, a move that could fuel Western concerns about the security of the company's technology.

Bradley was a key public spokesman for Huawei Canada, which has been under the spotlight since Canadian authorities in December arrested the chief financial officer of its parent company at the request of the United States.

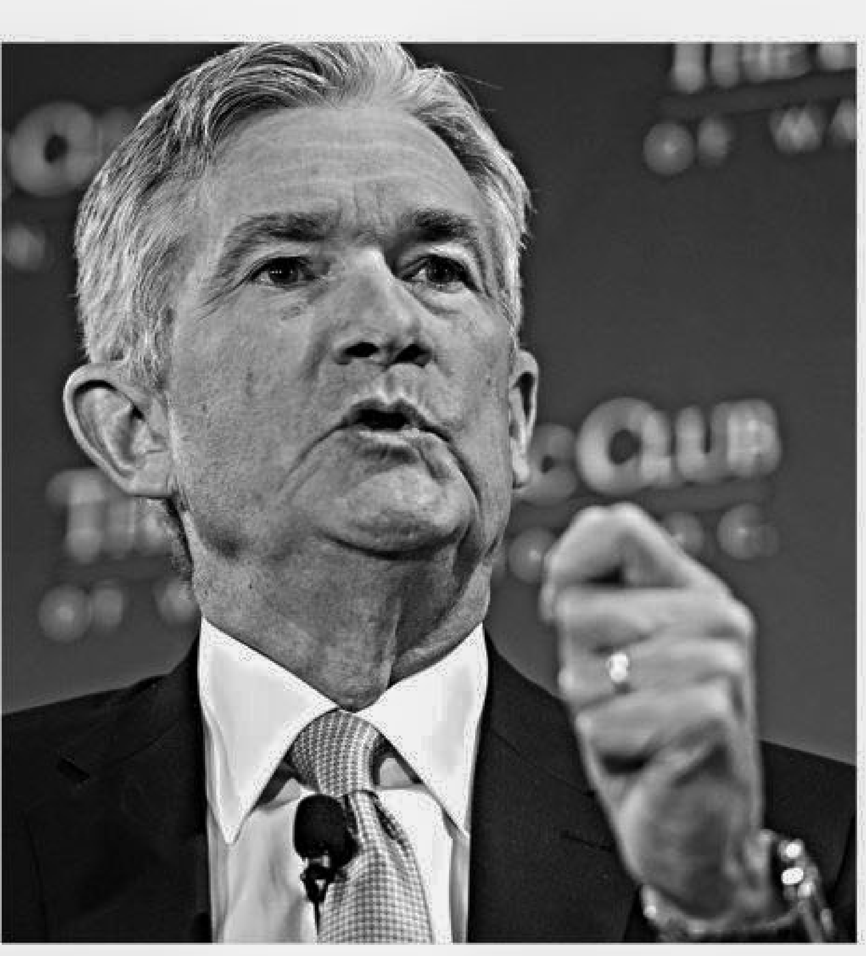
Huawei is a major supplier of telecommunications equipment in Canada, where Bradley had served as chair of the 5G Canada Council, a national trade group promoting adoption of next-generation high-speed wireless technology.

The Canadian government last year launched a new security review of Huawei's 5G technology, which at least two major Canadian carriers have said they plan to test in small-scale pilots.

Bradley will serve as special adviser to the company, assisting the company "as required," Huawei Canada President Eric Li said in a memo to staff that was obtained by Reuters.

"We are saddened to see him leave but grateful for the tireless work he has put in to help us grow our brand and public image, and build various relationships with government," Li said.

Fed's Powell unsettles markets - again


AFP

US Federal Reserve Chairman Jerome Powell speaks during a discussion at the Economic Club of Washington on January 10.

AFP, *Washington*

Already-jittery US stock markets shot lower on Thursday following another remark from Federal Reserve Chairman Jerome Powell.

The central bank chief has been unusually outspoken in recent weeks with comments that seemed to be geared at calming nervous investors but an offhand comment at an event Thursday had the opposite effect.

On Wall Street, after five days of gains, the benchmark Dow Jones Industrial Average dropped more than 250 points from the day's high after Powell said the Fed's large securities holdings should be "substantially smaller" than the current level of just under $4 trillion.

Despite his largely upbeat view on the US economy, and clear signals the Fed will be patient about raising interest rates any higher -- statements that helped equities to recovery -- markets focused on those two words.

Investors worry about that selling off the Fed's securities will tend to raise borrowing costs, even if the Fed's benchmark lending rate is unchanged.

The market recovered most of the lost ground by 1940 GMT but it does not take much for investors to run for the exits, with markets already on edge amid concerns the global economy is slowing just as interest rates are rising and uncertainty about the US-China trade war.

Powell roiled markets in early October when he indicated several more rate increases were likely, and since then he and other senior officials have come out multiple times with more soothing comments.

The Fed chief on Thursday again stressed that policymakers could take time to evaluate the economy before deciding on any additional rate moves.

Asked about the expectations for the Fed's policy meeting later this month, Powell said, "You should anticipate we are going to be patient and watching and waiting and seeing."

Starting after the January 30 announcement, Powell will hold a press conference after every meeting, rather than just four times a year, giving him many more opportunities to try to communicate with financial markets.

He remains upbeat about the US economy, saying inflation is likely to hold near the Fed's two percent target, and does not see a risk of a US recession anytime soon.

However, he acknowledged the concerns reflected in global stock markets and said the Fed had "the ability to be patient and figure out which of these two narratives is going to be the story of 2019."

He also warned the US economy could take a clear hit from the government shutdown if it continued for a long time.

While most previous shutdowns have been fairly short and have not affected the economy in the aggregate, Powell said, "if we have an extended shutdown, I think that would show up in the data pretty clearly."

The US government has been partially shuttered since late December as President Donald Trump has refused to sign a budget agreement unless Congress agrees to allocate more than $5 billion for a border wall.

About 800,000 federal workers, including air traffic controllers and members of the Coast Guard, have been without pay for three weeks.

"In the short term if government shutdowns don't last very long they've typically not left much of a mark on the economy," Powell said.

S&P Global Ratings estimated that the shutdown will trim 0.05 percent off of US GDP each week.

Powell also worried about the lack of key economic statistics during the government shutdown that the Fed uses to take the temperature of the economy, such as retail sales and GDP growth.

Renault audit finds no fraud yet as Ghosn faces key hearing

AFP, *Paris*

The board of French automaker Renault on Thursday said an ongoing audit into executive pay had found no sign of fraud in the last two years, ahead of a new court appearance in Japan for CEO Carlos Ghosn.

Directors gave no hint in their statement of any deliberations into Ghosn's future at Renault, as the once-towering auto boss faces a fresh hearing that could see him face new fraud charges and more time behind bars.

The Renault meeting comes two days after Ghosn made his first court appearance over alleged financial impropriety during his years as head of the carmaker's alliance partner Nissan.

Renault's board said an independent review had looked into the compensation of the group's executive committee during the financial years 2017 and 2018 "and has concluded that it is both in compliance with applicable laws and free from any fraud".

But the board statement added that the audit would continue, with previous years scrutinised as it progresses.

Ghosn, who has been Renault CEO since 2005, has been languishing in a Tokyo detention centre for more than 50 days as he fights multiple allegations of financial misconduct.

The 64-year-old has been formally charged with under-declaring his income by tens of millions of dollars in an apparent bid to quash accusations he was overpaid.

He also faces questioning in connection with alleged attempts to transfer personal investment losses to Nissan and making unnecessary payments to a Saudi associate from company funds.

Ghosn's requests Tuesday to be released before trial were rejected by a judge who declared he was a flight risk.

One of his lawyers later conceded that Ghosn could spend a further six months behind bars before his case comes to trial.

Japanese media reports have suggested new charges could be levied against him on Friday, which could ensure he remains jailed.

He may be accused of understating his salary from 2015 to 2018, three years more than the original charge that he under-reported some five billion yen ($44 million) in income over five years from 2010.

He could also face charges for breach of trust, reports say.

The claims have heightened worries over the viability of keeping him on as Renault's chief executive.

French daily Le Figaro reported Thursday that the board meeting was one of several informal gatherings held regularly since Ghosn's arrest to discuss developments in the case.

Nissan said earlier that its board had also met Thursday, when directors had received "an updated report" on its own investigations into Ghosn's alleged misconduct.

NCC BANK

Md Nurun Newaz Salim, chairman of NCC Bank, attends a two-day Annual Business Conference-2019 for its executives and branch managers at Royal Tulip Sea Pearl Beach Resort in Cox's Bazar recently. Mosleh Uddin Ahmed, CEO, was present.