



Saifuzzaman Chowdhury, land minister, and Mohammed Shawkat Jamil, managing director of United Commercial Bank (UCB), attend the bank's Annual Business Conference 2019 at BCDM, Savar on Tuesday.

# China's record \$83b injection heightens worries over ailing economy

REUTERS, Shanghai

China's central bank injected a record \$83 billion into the country's financial system on Wednesday, seeking to avoid a cash crunch that would put further pressure on the weakening economy.

China's policymakers are pledging to step up stimulus measures this year and do more to protect jobs as economic growth cools to 28-year lows.

But a raft of measures last year from big rail projects to tax cuts seem to have had little impact so far, with recent data suggesting activity is cooling more quickly than expected.

"The news is clear - the economy needs help," said Trinh Nguyen, senior economist for emerging Asia at Natixis in Hong Kong.

Wednesday's open-market operation, the bank's largest net single-day injection on record, came a day after China's state planner, central bank and finance ministry all offered reassurances to investors, signalling more spending and other types of policy support.

But shockingly weak December trade data released earlier this week, along with shrinking factory activity, are stirring speculation over whether more rapid and aggressive policy measures are needed to turn the world's second-largest economy around.

Authorities now agree the economy needs more decisive support "and today's large injection reflects that," Nguyen added.

The People's Bank of China (PBOC) said Wednesday's injection

was aimed at ensuring there are ample funds in the financial system, which is facing strains as tax payments peak in mid-January, and as demand for cash picks up ahead of the Lunar New Year holidays starting in early February. "The banking system's overall



Headquarters of the People's Bank of China, the central bank, is pictured in Beijing.

liquidity is falling rapidly," it said in a statement.

While sizable injections are common this time of year ahead of the long holidays, the addition was much heavier than usual and follows a large cut in banks' reserve ratios announced this month, which will free up a total of \$116

billion for new bank lending.

The first stage, a 50-basis-point cut, came into effect on Tuesday. An equal-sized cut is scheduled for Jan. 25.

The move also came a day after money supply data showed several of China's key credit gauges con-

tinued to languish around record lows, despite government efforts to channel more funds to cash-starved companies and lower their financing costs. While authorities have urged banks to keep lending to struggling firms and even dangled incentives, banks are wary of bad

December levels, Nomura noted. Chinese officials have repeatedly pledged more support for the economy while vowing they will not resort to "flood-like" stimulus that Beijing has unleashed in the past, which quickly juiced growth rates but left a mountain of debt.

loans after a long regulatory crackdown on riskier lending.

Many businesses, facing slowing sales, are in no mood to make the fresh investments that Beijing is counting on. New medium- and long-term corporate loans last month fell to less than half of average



REUTERS/FILE

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## McDonald's loses Big Mac EU trademark battle

AFP, Dublin

Irish fast food chain Supermac's announced Tuesday it had won a European Union battle against global giant McDonald's over the use of the Big Mac and Mc trademarks.

Supermac's asked the European Union Intellectual Property Office to cancel McDonald's use of the trademarks in certain fields. The EUIPO said McDonald's had not proven genuine use of the contested trademark as a burger or as a restaurant name.

"As a result, the application for revocation is wholly successful and

the contested EUTM (EU trademark) must be revoked in its entirety.

"The EUTM proprietor's rights in respect of European Union trademark No 62 638 are revoked in their entirety as from 11/04/2017," backdated to the date of Supermac's application, it said. The US-based worldwide chain has the right to appeal against the decision.

McDonald's did not immediately respond to comment when contacted by AFP. In a statement received by AFP on Tuesday, Supermac's accused McDonald's of "trademark bullying, registering brand names which are

simply stored away in a war chest to use against future competitors".

"McDonald's had previously succeeded in putting a stop to Supermac's plans to expand into the UK and Europe on the basis of the similarity between the name Supermac's and the Big Mac," it said.

"This EUIPO judgement means that the main argument put forward by the US company is now gone."

Supermac's managing director Pa McDonagh said: "We wholeheartedly welcome this judgement as a vindication of small businesses everywhere that stand up to powerful global entities."

## Google sending outback tourists off the map Aussie businesses complain

AFP, Sydney

Tourism operators in Australia's vast outback say wild inaccuracies in Google Maps are making remote hot spots appear out of reach, deterring people from visiting the region.

A number of businesses promoting their small towns as remote tourist destinations in the northeastern state of Queensland complain of cases where a typical six-hour drive has been estimated by Google Maps to take up to 11 hours.

The complaints prompted the Queensland government to write to Google, which on Wednesday promised to look into the issue.

"People aren't coming to places because they think it takes too long, or they're missing opportunities to refuel and they're getting sent off on another road that has no fuel," Robyn Mackenzie, of the Eromanga Natural History Museum, told national broadcaster ABC.

"People will get frightened of travelling in the outback because they don't have any confidence in the mapping," the general manager of the small town museum added.

Peter Homan of the Queensland Outback Tourism Association told AFP that people were put off by inaccuracies of "anywhere up to six or seven hours" in the driving times provided by Google Maps.

He said mapping errors in the sparse outback had also directed people off main roads and on to vast private properties that can spread over eight million acres (32,400 square kilometres) -- roughly the size of Belgium.

"Sometimes you can drive for half a day before you actually see anything that is going to alert you that you are not on the road to where you want to go, but that you're on someone's property because it is so big."

The complaints from a region reeling from years of severe drought prompted the state government to write to Google this week.

"We are so dependent on these apps now to get us around cities, to get us around towns and to get us around big states like Queensland," acting Queensland premier Cameron Dick told the ABC.

"We need to ensure that those apps and the information they are providing are as accurate as possible."

Google, which says it takes its mapping data from a variety of sources, including public information and data from users, said it was investigating the concerns.

"Google Maps strives to accurately model and reflect the real world," the company said in a statement.

## Etihad offers to invest in Jet Airways at 49pc discount

REUTERS, Mumbai

Etihad Airways has offered to pick up shares of debt-laden Jet Airways Ltd at a 49 percent discount and to immediately release \$35 million to bail out the troubled carrier if certain conditions are met, CNBC-TV18 reported.

Shares of Jet Airways, in which Etihad already has a 24 percent stake, fell as much as 7.5 percent to 271.75 rupees (\$3.83) in their biggest intraday drop since early December, after CNBC-TV18 reported that Etihad had offered to pay 150 rupees for each share of the Indian airline.

The report cited as its source a letter from Etihad's CEO Tony Douglas to the State Bank of India, Jet's biggest lender, about a restructuring plan for the Indian carrier.

While Jet controls over a sixth of its home market, its margins, like that of other local players, have been eroded

by high fuel taxes, a weak rupee and intense price competition, leaving it with about \$1.14 billion in net debt as at the end of September and a pile of dues to pilots, lessors and vendors.

In fact, some lessors are even exploring the possibility of taking back aircraft, three people familiar with the matter told Reuters last week.

Jet will not be able to continue funding operations beyond the next week, the CNBC-TV18 report cited Douglas as saying in his letter. The Abu Dhabi carrier is willing to inject \$35 million at once if some conditions are met, the letter adds.

The letter also warns of the imminent risk of lessors grounding aircraft, the report said.

Jet and Etihad representatives are due to meet in Mumbai with lenders, led by SBI, later in the day to discuss the proposal that involves Etihad increasing its stake, a source with

knowledge of the matter said on condition of anonymity.

Jet's CEO, Vinay Dube, declined to take questions from reporters on the sidelines of an aviation conference in Mumbai, while an Etihad spokesman declined to comment.

According to CNBC-TV18, Etihad wants Jet's founder and Chairman, 69-year-old Naresh Goyal, to step down from the board and his stake to be slashed to 22 percent from 51 percent.

Goyal's penchant for control has emerged as a major obstacle as the 25-year-old airline tries to negotiate a rescue deal, Reuters reported last month, citing people who have worked with him.

Etihad is also seeking an exemption from the market regulator on preference pricing and open offer guidelines to invest more for the bailout, the report added.

Under India's capital markets regulations, Etihad is required to make an open offer to shareholders for a majority of the shares once its stake goes past 25 percent, unless it obtains a rare exemption from the market regulator.

India Ministry of Civil Aviation Secretary R N Choubey on Wednesday told reporters that the ministry had not received an official request from Jet and Etihad for an exemption.

Rival airline SpiceJet Ltd in 2015 reportedly received a waiver from the regulator that allowed promoter Ajay Singh to rescue its finances without making an open offer.

In Jet's case, there is hope that any regulatory issue could be resolved and a rescue package be finalised within the next month, a source familiar with the matter said.

Mostafa Golam Quddus, chairman of Rupali Insurance Company, and PK Roy, chief executive officer, attend its Annual Conference 2019 at Imperial Convention Center in the capital recently.

RUPALI INSURANCE COMPANY



## Oil steady on supply optimism

REUTERS, London

Oil prices steadied on Wednesday after climbing about 3 percent in the previous session on expectations that Opec-led production cuts will tighten supply and that possible Chinese stimulus might help the global economy.

Brent crude oil futures were at \$60.70 per barrel at 0940 GMT, up 6 cents or 0.1 percent.

West Texas Intermediate crude futures were down 7 cents, or 0.13 percent, at \$52.04 a barrel.

"It seems the oil market is looking at Saudi Arabia's aggressive supply cuts and Chinese aggressive stimulus," said Jonathan Barratt, chief investment officer at Probis Securities in Sydney.

China's central bank on Wednesday made its biggest daily net cash injection via reverse repo operations on record.

Markets took the announcement as evidence that authorities are shifting to a policy of easing to counter a slowdown in the world's second-biggest economy.

On Tuesday, China's National Development and Reform Commission signalled it might roll out more fiscal stimulus.

"Prices climbed very much in line with global stock markets, which received some support from indications by Chinese officials that Beijing is considering an economic stimulus package," consultancy JBC Energy said.

But mounting signs of an economic slowdown in China and across the globe may yet keep oil prices in check.

Earlier this week, China reported poor December trade data, with exports and imports contracting from a year earlier.

White House estimates showed on

Tuesday that the US economy is taking a larger-than-expected hit from a partial government shutdown.

The outlook for the global economy darkened further after Britain's parliament on Tuesday shot down Prime Minister Theresa May's deal to leave the European Union.

Fundamentally, oil markets are receiving support from supply cuts by the Organisation of the Petroleum Exporting Countries, including top exporter Saudi Arabia, and major non-Opec producer Russia.

"Opec production cuts will limit inventory builds to those justified by higher demand, which should settle the market in a sustainable range above \$70 per barrel," Standard Chartered bank said.

However, surging US crude production, which hit a record 11.7 million barrels per day late last year, threatens to undermine the Opec-led efforts.



REUTERS/FILE

Etihad Airways Airbus A320-200 is seen at an airport in Belarus.