



Tipu Munshi, commerce minister, and Abdul Matlub Ahmad, chairman of Nitul Niloy Group, distributor of Tata Motors, cut a ribbon to launch Tata LPT 1212, a commercial vehicle, at InterContinental Dhaka on Tuesday.

TATA MOTORS

Volvo recalls over 200,000 cars to fix fuel leak issue

REUTERS, Stockholm

Volvo Cars, which is owned by China's Zhejiang Geely Holding Group, is voluntarily recalling about 200,000 cars after it found an engineering issue that could potentially cause fuel leakage in the engine compartment over time.

The group said its probe had identified that some vehicles may have small cracks inside one of the fuel lines in the engine compartment, which along with a pressurized fuel system may over time lead to fuel leakage in the engine compartment.

About 219,000 cars of 11 different

models produced in 2015 and 2016 had been affected, the Swedish company said, with the highest number of impacted cars in Sweden, the UK and Germany. The Swedish recall was first reported by daily Aftonbladet.

Volvo sold 503,127 cars in 2015 and 534,332 cars in 2016.

"There are no reports alleging injuries or damages related to this issue. Volvo preventatively recalls the cars to avert any possible future problems," Volvo said in its statement.

The company's fortunes have been revived since Geely bought it in 2010 and its popular new premium models now compete with larger rivals

Daimler and Volkswagen. It sold a record 642,253 cars in 2018.

However, a prolonged US-China trade war has inflated raw materials costs and resulted in a slowdown in Chinese demand for cars. That has forced Volvo to spend to retool its global factories to limit the negative tariff impact and led it to postpone its plans to go public indefinitely.

This month, Geely Automobile, the main listed unit of the Geely empire which owns Volvo, forecast flat sales this year, as China's most successful carmaker struggles with slowing economic growth and more cautious consumers.

India to target about \$11b from state asset sales in 2019-20

REUTERS, New Delhi

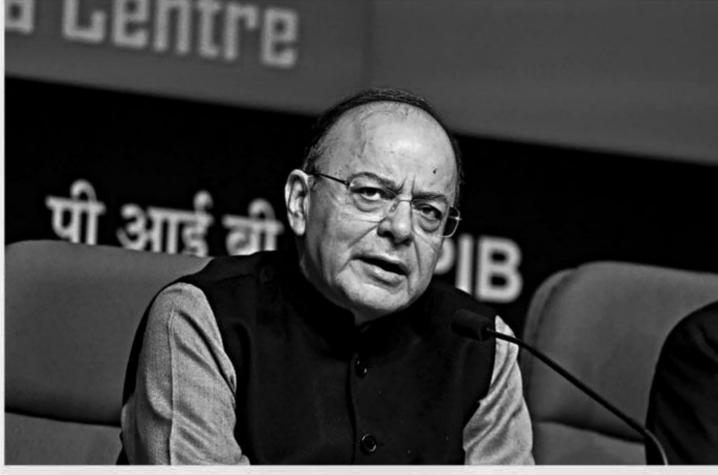
The Indian government is likely to seek to raise about 800 billion rupees (\$11.21 billion) through the sale of state-owned assets in the next fiscal year, beginning April 1, two government sources with direct knowledge of budget discussions told Reuters on Tuesday.

The target, which is the same as for the current financial year, includes proceeds from the expected privatisation of loss-making national carrier Air India, and the sale of an insurer to be created by the merger of three state-owned firms, the sources said. It will also involve the sale of units in an exchange traded fund consisting of minority stakes in about 20 state-owned companies, they said.

Finance Minister Arun Jaitley, who is currently in the United States for a medical check-up, is expected to announce the target while presenting an interim budget on Feb. 1, said one of the sources.

The government could also sell shares in a number of state-owned companies through initial public offerings, the sources said. Possible candidates for these include Telecommunications Consultants India, Indian Railways' subsidiaries IRCTC, RailTel Corporation India and National Seeds Corporation (NSC), they added.

The government has proposed merging three state-owned general insurance companies — National Insurance, Oriental Insurance and United Insurance — and then



Indian Finance Minister Arun Jaitley

listing the single entity.

The government failed to attract bidders for Air India when it tried to sell a majority stake in 2018. But the airline is now being restructured and to make it more attractive just over half of its debt will be placed in another company and will not be part of any future sale, one of the sources said.

The receipts target could change if the government of Prime Minister Narendra Modi gets less of a mandate from voters in

the next general election, which must be held by early May. Modi's ruling Bharatiya Janata Party lost some key state elections at the end of last year, opening up the possibility that it might lose power or only get returned by forming a coalition with some other parties.

"The actual receipts from the privatisation programme will depend how strong is the mandate of the next government, and its commitment to privatisation," said the first official, who

declined to be named as the budget details are not public.

If Modi got a strong mandate, the government could even consider selling majority stakes in some of India's many state-owned banks, the official said.

Any change would be made in a full-year budget, likely to be presented in July.

There are also likely to be concerns about whether the government will be able to reach the goal.

With about two months to go before the current year closes on March 31, the government has so far managed to raise only 351 billion rupees, about 43 percent of the 800 billion targeted.

And some of those receipts are the result of state-owned companies buying their own shares back from the government.

The government sources said they expected there would be significant progress towards this year's target in the next few weeks.

"We have not asked the government to revise down the target this year," said the second official.

The struggle to meet the current year's target has promoted some bankers and credit ratings analysts to suggest the government would likely miss this year's budget target by around 200 billion rupees.

In a note last week, Care Ratings said meeting the share sale target will be challenging for the government this year given the volatile conditions in the financial markets.

Euro zone bond yields fall as markets await direction from ECB

REUTERS, London

Most euro zone bond yields fell on Wednesday after the Bank of Japan set the tone for further easing ahead by warning of rising risks to its economy, and ahead of Thursday's European Central Bank meeting.

Central bank policy was in focus for investors after the Bank of Japan retained its ultra-easy monetary settings, and pushed back expectations that it would exit a vast stimulus programme begun in 2013.

It cut its inflation forecasts and warned of rising risks to the economy from faltering global demand, a new setback for years of efforts to foster durable growth.

Investors will also be looking for direction on future monetary policy, and comment on the euro zone's growth outlook, when the European Central Bank meets on Thursday.

Daniel Lenz, rates strategist at DZ Bank, said the market was being influenced by political risk from the partial US government shutdown and by worries about a "no-deal" Brexit.

"Even more important is whether the world economy suffers a hard or a soft landing, and how much growth rates come down," he added. "We had International Monetary Fund numbers telling us there would be a cooling down of the economy, though not a severe one."

Most euro zone bond yields were around one basis point lower in early trade.

The yield on Germany's 10-year government bond, the benchmark for the region, slipped marginally in early trade to around 0.235 percent, putting it on track for its third straight day of falls this week.

"The ECB will likely acknowledge rising downside risks to the outlook for growth without shifting its policy stance or rate guidance significantly," Florian Hense, economist at Berenberg Bank, wrote in a note on Wednesday.

Money markets are now pricing in a less than 40 percent chance of a 10 basis point rate hike in 2019.



HBM Iqbal, chairman of Premier Bank, and top officials receive the "Fastest Growing SME Bank-2018" award given by the UK-based magazine International Finance at International Finance Awards-2018 at a Dubai hotel recently.

White House denies reports of cancelled trade meeting

AFP, Washington

A top White House aide flatly rejected media reports Tuesday that Washington had cancelled a trade meeting ahead of next week's high-level talks with Chinese officials.

The reports by the Financial Times and CNBC earlier sent US stocks sharply lower, reviving fears that efforts to resolve the US-China trade war could fail.

But National Economic Council Director Larry Kudlow told CNBC that such reports were false.

"With respect, the story is not true," Kudlow said.

"There was never a planned meeting that was cancelled."

Stock prices recovered some of their losses following Kudlow's remarks shortly after 2030 GMT. Wall Street had already been in the red due to downgraded global economic forecasts.

Soy and corn futures also fell on fears Beijing was less likely to resume imports.

According to both media outlets, US officials had cited a lack of progress on some of the thorniest issues in the trade dispute -- including allegedly forced technology transfers and structural reforms to China's economy -- and cancelled plans for a face-to-face preparatory meeting this week.

Chinese Vice Premier Liu He is due to travel to the United States next week as the two sides work to resolve their disagreements by March 1, when a 90-day truce is due to expire, allowing US import duties on Chinese goods to increase sharply.

Last year, the Chinese economy posted its slowest annual growth in nearly three decades, according to official figures published Monday in Beijing.

The trade war has weighed heavily on the outlook for the world's second-largest economy.

Google, Facebook spend big on US lobbying amid policy battles

REUTERS, San Francisco

Alphabet Inc's Google disclosed in a quarterly filing on Tuesday that it spent a company-record \$21.2 million on lobbying the US government in 2018, topping its previous high of \$18.22 million in 2012, as the search engine operator fights wide-ranging scrutiny into its practices.

In its filing to Congress on Tuesday, Facebook Inc disclosed that it also spent more on government lobbying in 2018 than it ever had before at \$12.62 million. That was up from \$11.51 million a year ago, according to tracking by the nonpartisan Center for Responsive Politics.

Google's spent \$18.04 million on lobbying in 2017, according to the centre's data. Google and Facebook declined to comment beyond their filings.

US lawmakers and regulators have weighed new privacy and antitrust rules to rein in the power of large internet service providers such as Google, Facebook and Amazon.com Inc. Regulatory backlash in the United States, as well as



REUTERS/FILE

The outside of the Google offices is seen in Manhattan in New York City.

Europe and Asia, is near the top of the list of concerns for technology investors, according to financial analysts.

Microsoft Corp spent \$9.52 million on lobbying in 2018, according to its disclosure on Tuesday, up from \$8.5 million in 2017 but below its \$10.5 million tab in 2013.

Apple Inc spent \$6.62 million last year, compared to its record of \$7.15 million in 2017, according to centre data going back to 1998.

Apple and Microsoft did not respond to requests to comment. A filing from Amazon was expected later on Tuesday.

Google disclosed that new discussion topics with regulators in the

fourth quarter included its search technology, criminal justice reform and international tax reform. The company is perennially among the top spenders on lobbying in Washington along with a few cable operators, defence contractors and healthcare firms.

Google Chief Executive Sundar Pichai, who testified in December before a US House of Representatives panel for the first time, has said the company backs the idea of national privacy legislation. But he has contested accusations of the company having a political bias in its search results and of stifling competition.

Susan Molinari, Google's top US public policy official, stepped down to take on an advisory role this month.

Facebook said discussing "election integrity" with national security officials was among its new lobbying areas in the fourth quarter. The filing said the company continued to lobby the Federal Trade Commission, which is investigating its data security practices.

Md Abul Bashar, a general manager of Bangladesh Bank; Syed Abdul Momen, head of SME Banking at Brac Bank, and Md Nazmul Hagan, acting head of agent banking department, open an agent banking outlet of the private bank at Teknaf in Cox's Bazar recently.



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