



Mizanur Rashid, chief commercial officer of bKash, and Mohammed Nazmul Hassan, managing director of Leatherex, exchange signed documents of a deal at the former's head office in Dhaka recently facilitating bKash payments at the leather goods company's outlets.

BKASH

French economy ended 2018 on a firmer footing than feared

REUTERS, Paris

The French economy finished 2018 on a firmer footing than expected even after violent "yellow vest" protests that hit retailers especially, but growth still fell short of the government's target for the full year.

Data on Wednesday from the INSEE statistics agency showed the euro zone's second-biggest economy grew 0.3 percent in the final quarter of 2018, the same rate registered in the previous three months.

The growth was driven largely by exports, which helped offset a slowdown in consumer spending as waves of anti-government protests forced many stores in Paris to board up during the crunch pre-holiday period.

The preliminary reading topped

expectations for growth of only 0.1 percent in a Reuters poll of 32 economists.

It nevertheless meant the French economy grew 1.5 percent for all of 2018, short of the government's forecast for 1.7 percent and down from a decade-high rate of 2.3 percent the previous year.

The first half of the year was even weaker than the second, with a tax hike hitting consumer spending in the first quarter and transport strikes weighing on second-quarter growth.

President Emmanuel Macron's government also expects the economy to post 1.7 percent growth this year, which would put France ahead of Germany for the first time in a decade. The German government is expecting only a 1.0 percent expansion.

Desperate to contain the uprising

testing his authority, Macron announced wage increases in December for the poorest workers and a tax cut for most pensioners.

The package of measures, which puts 10 billion euros into consumers' pockets, should give household spending a shot in the arm, a senior finance ministry official said.

"With what people have been saying about growth being much weaker today's figures give us comfort in our growth forecast," the official said adding the 2019 forecast would be updated in April.

The finance ministry estimates that the yellow vest protests, named after the high visibility vests French motorists must keep in their cars, knocked 0.1 percentage points off growth in the final three months of 2018.

Xinjiang is an extreme case of China's growth woes



Ethnic Uighur people walk in front of a giant screen with a picture of Chinese President Xi Jinping in Kashgar in Xinjiang Uighur Autonomous Region, China.

REUTERS/FILE

and professional skills.

There is little evidence that's working. There has been brutal ethnic violence in Xinjiang, and a lack of economic opportunity surely contributes. But a policy encouraging members of the Han majority to migrate to the area means they, not locals, dominate politics, business, and the extraction of its vast energy and mineral reserves, exacerbating inequalities.

Beijing's "Western Development Strategy", put into place in 2000, was supposed address regional imbalances by better connecting impoverished areas to eastern China and overseas markets. The Belt and Road programme should have helped Xinjiang in particular, linking it to neighbouring Kazakhstan, Russia, and ultimately to Europe.

Yet the country's current cool-down has disproportionately impacted the interior. Central bank data shows credit flows into Xinjiang and adjacent Qinghai, home to the Hui Muslim minority, slowed by 70 and nearly 80 percent respectively in the third quarter, compared to the previous year. Tibet and Inner Mongolia also saw numbers plunge. Worse, methodological tweaks introduced in September mean the actual funding figures for all regions could be even more dire. In Xinjiang, after a camp-construction boom in 2017, fixed asset investment fell every month in 2018 and was down by a quarter year-on-year in December, compared to a nearly 6 percent increase in eastern provinces. Officials slashed the area's 2019 GDP target to 5.5 percent down from 7, among the country's lowest.

Rotten morally, Beijing's western policy is bad business too, not least for firms like Alibaba and Starbucks who hoped to tap fresh demand in poorer provinces. China can do better.

German consumers upbeat despite headwinds

AFP, Frankfurt

German consumers are more optimistic heading into February, a key survey showed Wednesday, with a buoyant labour market offsetting concerns about external risks to Europe's top economy.

Market research firm GfK's forward-looking monthly barometer stood at 10.8 points for February, up from 10.5 in January.

The survey of some 2,000 people showed that shoppers were more upbeat about their income expectations and more inclined to make large purchases, thanks to record-low unemployment and high wages.

At the same time, respondents grew more pessimistic about the economic outlook as Brexit uncertainty, US-led trade tensions and slowing Chinese growth weigh on

minds in export-reliant Germany.

"For now, consumers aren't letting the economic slowdown influence their spending," the pollsters said in a statement.

But the mood could change, GfK warned, given that shoppers "assume that the German economy will continue to lose momentum" in the months ahead.

The German economy grew just 1.5 percent in 2018, compared with 2.2 percent in the two previous years.

The International Monetary Fund (IMF) last week downgraded its 2019 growth forecast for Germany to 1.3 percent, 0.6 points lower than its previous estimate.

The German economy ministry is also expected to slash its projections when it unveils its latest forecast for 2019 on Wednesday.



Kazi Jamil Islam, managing director of Express Leather Products, licensee of Lotto Sport Italia, receives an "Asia's Greatest Brands 2018" award on behalf of the company's Lotto brand presented by AsiaOne magazine and United Research Services Media Consulting PL at a Singapore hotel recently. Islam also received an "Asia's Greatest Leaders 2018" award.

EXPRESS LEATHER PRODUCTS

Apple lowers some iPhone prices outside US to offset strong dollar

REUTERS

Xinjiang is becoming an extreme example of the economic woes ailing China's poorest provinces. Beijing says it is de-radicalising the Uighur population in the far-western region with vocational training camps. Mass detentions, however, are not helping businesses or jobs, and investment has tanked. It's the bleeding edge of a damaging capital

retreat from the country's hinterland which has already pushed at least 23 regions to slash 2019 targets: hardly a recipe for revival.

The incarceration of vast numbers of Uighurs, a Muslim minority, has drawn heavy criticism from human rights advocates. The government, however, claims the centres serve an educational purpose. They say members of this economically disadvantaged ethnic group will learn Mandarin

On Tuesday, Cook said Apple will adjust foreign prices in some markets by resetting them at or close to what they were one year before in local currencies. Effectively that means Apple will absorb the cost of the strengthening dollar.

"We've decided to go back to (iPhone prices) more commensurate with what our local prices were a year ago, in hopes of helping the sales in those areas," Cook told Reuters in an interview.

In the company's quarterly earnings call on Tuesday, Cook also highlighted the impact of foreign exchange problems in Turkey, where he said the local lira had depreciated by 33 percent against the dollar and Apple's sales were down by \$700 million from the previous year.

91pc family businesses expect to grow in 2yrs

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Of the family businesses surveyed, 84 percent reported growth in the last financial year. More than half of them have enjoyed double-digit growth.

Although there is a positive outlook on growth, certain challenges like access to skilled talent, increased competition, disruptive technologies, rising prices of energy and raw materials continue to remain the areas of concern for most family businesses today.

These companies feel the need to accelerate innovation to address some of these challenges and meet global standards, according to the survey.

According to the survey, only a fraction of family businesses understand specific technologies, with only 19 percent being aware of the implications of going digital, way lower than the global average of 30 percent. "In this case, hiring skilled talent and empowering the next in line family members could lead to a sustainable business model," the PwC said.

"Family businesses globally are

at the crossroads," said Ganesh Raju K, entrepreneurial and private business leader at PwC India.

"They have to constantly innovate and transform themselves to keep themselves relevant, while holding on to their set of their values, which are at the heart of every such business. It's interesting to see that family businesses in Bangladesh are optimistic about the future." The survey states that 97 percent of the family businesses have a clear understanding of values.

"These have given them a competitive advantage, positive reputation and helped in retaining talent. A strong value system drives growth for family businesses amid disruption fears and the fast-changing geopolitical environment."

Tipu Munshi, commerce minister, said, "Bangladesh's economy is on a positive growth curve and it is expected to be one of the best-performing economies among the developing nations this year."

"Family businesses in Bangladesh reflect the same growth story. Strategic

partnerships, international exposure and adoption of global best practices will help these businesses mature further and drive the economy," he said in a statement of the PwC.

The survey also found that around 72 percent of family businesses have some form of policies or procedures in place, slightly lower than the global average of 84 percent.

Some 63 percent of the business families say conflict is handled within the immediate family. Only 6 percent use a third-party resolution service.

Around 59 percent of the family businesses would consider bringing in private equity to help finance growth. "This is a particularly important point considering that the private equity market is poised to grow with major international players."

Globally, only 26 percent of family businesses would consider going public as against 50 percent of their Bangladeshi counterparts who would consider doing so and 31 percent who consider it the most attractive option. "Family busi-

nesses in Bangladesh seem to have a large appetite for all types of funding, even at the cost of dilution of ownership."

Compared to the global average of 65 percent, Bangladeshi family businesses have more next-gen family members working in the business at 75 percent. In addition, 63 percent of the next-gen working for the business is in leadership teams, which again is higher than the global average (43 percent).

On the other hand, about 34 percent of the next-gen do not work for the company but own shares.

Nearly 78 percent of the family businesses are engaged in philanthropic activities. However, only 38 percent try to measure the impact of the social assets they create.

The PwC is a network of firms in 158 countries with more than 236,000 people.

The survey included case studies of four successful business groups in Bangladesh: Rahimafrooz Group, Transcom Ltd, Ananta Group and the Meghna Group of Industries.

Siemens boss blasts EU over Alstom rail merger

AFP, Berlin

Joe Kaeser, chief executive of German conglomerate Siemens, launched Wednesday a rare broadside against the European Commission, complaining that "backwards-looking technocrats" threatened to block a planned rail merger with France's Alstom.

Green lights for major tie-ups are usually negotiated quietly behind closed doors in Brussels.

But the Siemens-Alstom battle has been fought out in public, with Kaeser and his backers in the French and German governments on one side and EU Competition Commissioner

Margrethe Vestager on the other.

"It will be interesting to see if the future of mobility will be determined by backward-looking technocrats or future-oriented Europeans," Kaeser told reporters at a press conference on the group's first-quarter results.

That sentiment echoed a tweet he directed at Vestager Monday, telling the Danish politician that "it must be bitter to be technically right but to do everything wrong for Europe" -- an apparent acknowledgement the Siemens chief expects the merger to be blocked.

Kaeser is unusual among German bosses for taking strong public political

positions, including against far-right party Alternative for Germany (AfD).

Now, four months ahead of the European Parliament elections, he has turned his ire on the EU.

"Many people complain that Europe is not establishing itself as a powerhouse", faced with new challenges from abroad, he lamented.

Liberal politician Vestager has well-known doubts about whether competition from Chinese rail behemoth CRRC is pressing enough to justify waving through the creation of a European giant, which would have operations in 60 countries and annual turnover of 15.6 billion euros (\$17.8 billion).

Amid Sakif Khan, a director of Runner Automobiles, hands over Tk 1 lakh to Saiful Islam, who won the company's Facebook campaign on purchasing a 150cc Knight Rider motorcycle, at the company's Tejaon showroom in Dhaka on Tuesday.

RUNNER AUTOMOBILES

