



Md Arfan Ali, president and managing director of Bank Asia, poses with officials at the opening of a workshop on "Trade Based Financial Crime" organised by the Bank Asia Institute for Training and Development on its premises in Dhaka on Saturday.

Foreign businesses fret as China fast-tracks investment law

AFP, Beijing

China is fast-tracking a foreign investment law at an unprecedented pace to meet Washington's demands on trade, but businesses fear that time to review and raise objections on a crucial piece of legislation has been cut short.

The law will eliminate the requirement for foreign enterprises to transfer proprietary technology to Chinese joint-venture partners.

It also includes other steps to level the business playing field that Western trading partners have long demanded.

China's parliament is expected to vote on the legislation in March -- barely two months after debating a first draft.

"It is indeed unprecedented that the bill is being moved by the NPC (National People's Congress) at such a fast pace," Wang Jianguo, an expert on Chinese law at the National University of Singapore, told AFP.

"Normally it would take one to three years for a bill to be passed and signed into law."

Foreign businesses worry the draft glosses over details and that vague language leaves room for broad interpretation. For example, it gives China the right to expropriate foreign investment "for the public interest", which foreign business groups fear could be abused.

A draft law was first published for comment in 2015 but was quickly shelved until it resurfaced

late last year, Wang said.

It was only submitted to China's rubber-stamp legislature for a first reading on December 23, and made available for public comment until February 24.

The top decision-making body of the legislature convened a special two-day session this past Tuesday to debate another "updated version", state news agency Xinhua reported.

The law will probably be approved during the parliament's roughly 10-day annual session which opens March 5, Wang said.

The clock is ticking on a March 1 US-set deadline for China to address trade concerns and avert an escalation in their tariff war.

"What we feel with this piece of legislation is that it's been squeezed between the normal legal process and the negotiation table (to defuse the trade conflict)," the president of the EU Chamber of Commerce in China, Mats Harborn, told AFP.

"In our view this is a little unfortunate because this is an important piece of legislation that will have an effect... on all foreign companies."

Both the EU and American chambers of commerce in China said they rushed to submit feedback from members this week.

Although the legislation covers several pain points highlighted by US President Donald Trump including safeguarding foreign capital from government "interference", it falls short in other key areas, the business lobbies said.

"The current draft law is high-level and general" and requires more detailed guidelines and implementing measures, the American Chamber of Commerce in Beijing wrote in its feedback report, a summary of which was seen by AFP.

The December version debated by lawmakers is considerably shorter -- by over 130 fewer articles -- than the previous 2015 draft.

A section describing how the government will scrutinise foreign investments for potential national security concerns is limited to two sentences in the December version -- simply stating that China would establish a review process and that decisions would be made according to law.

The earlier version had a beefy five-page chapter detailing how companies could appeal security rulings, plus examples of factors that could trigger a security review, said Jacob Parker, vice president of China operations at the US-China Business Council.

But the latest draft stipulates that all national security review decisions are final, implying no administrative or legal appeals were possible.

Both the EU and American trade chambers are also urging China to consider having a single Company Law to govern both foreign and domestic enterprises, as is common in many countries.

Nissan to cancel plans to make X-Trail SUV in UK

REUTERS, London

Japanese carmaker Nissan is cancelling plans to make the next model of its X-Trail sports utility vehicle in Britain, less than two months before the country is due to leave the European Union, broadcaster Sky News said on Saturday.

Nissan first said four months after Britain voted in June 2016 to leave the EU that it would manufacture a new model of the SUV in Britain, which was seen as a major vote of confidence in the country's manufacturing future.

The main production plant for the current X-Trail is in Japan, while Nissan's plant in Sunderland, northeast England, makes the smaller Qashqai SUV and other models.

"Precise details of Nissan's impending announcement were unclear this weekend, but sources said it was likely to initially involve abandoning the X-Trail production plans which had been announced in the autumn of 2016," Sky reported.

A UK-based spokesman for Nissan declined to comment.

Sky said the announcement due on Monday was not expected to lead to immediate job losses at the Sunderland plant, as the X-Trail is not currently made there, but would raise doubts about further Nissan

investment in Britain.

As well as the X-Trail, Nissan said in 2016 it would build the next generation Qashqai SUV in Britain after receiving government assurances over Brexit, in what was seen at the time as a boost for Prime Minister Theresa May.

British lawmakers 'deeply troubled'

AFP, London

British MPs on Saturday said they were "deeply troubled" by reports that Japanese car manufacturer Nissan is cancelling plans to build its X-Trail SUV in Britain despite Brexit assurances from the government.

Nissan is set to announce on Monday that it has changed plans to build the vehicle at its plant in Sunderland, northeast England, according to Sky News.

Local MP Bridget Phillipson, tweeted that the reports "represent deeply troubling news for the north east economy -- So many jobs and livelihoods depend on Nissan's success."



Md Ahsan-uz Zaman, CEO of Midland Bank, opens a branch on Islampur Road at Kotwali in Dhaka recently.



Mostafa Kamal Pasha, chairman of Shun Shing Group, poses at an "Annual Sales Conference 2019" of the group's concern, Seven Rings Cement, at the Grand Sultan Tea Resort & Golf at Sreemangal in Moulvibazar recently. S Raihan Ahmed, CEO of Seven Rings Cement, was present.

Sony's net profit soars on games, music

AFP, Tokyo

Japanese electronics giant Sony said on Friday that nine-month net profit jumped 63.2 percent on-year, led by its games and music divisions, while tax benefits allowed the firm to raise its annual forecast.

But the electronics and entertainment giant lowered its annual sales forecast, citing slower-than-expected sales in a range of fields including the key semiconductor unit.

The company said its April-December net profit reached 828.4 billion yen (\$7.6 billion), while operating profit rose 13.9 percent to 811.5 billion yen. However, revenue dipped 0.8 percent to 6.54 trillion yen.

While the company said it expected

sales to fall in a range of fields, it added many of its key segments should meet forecasts including its games, music, television and audio operations.

Before the announcement, analysts said the company was expected to continue seeing improvement after years of painful losses.

"Sony remains on a recovery track," Hideki Yasuda, an analyst at Ace Research Institute in Tokyo, told AFP ahead of the announcement. "Its game sector has continued spearheading its recovery although sales of PS4 consoles are gradually slowing down."

Sony's movie segment also drove profits, said Yasuo Imanaka, an analyst at Rakuten Securities.

"Its recent box-office movies are now

generating profit through sales of DVD and Blu-ray discs as well as profits from their television licence fees," he told AFP ahead of the announcement.

In the three months to December, including the all-important holiday shopping season, Sony said it continued to enjoy robust game software sales, although sales of PS4 consoles slowed. EMI Music Publishing, now a Sony subsidiary, also contributed to profits, while the movie "Venom" added to the group's sales.

But Sony said it had to downgrade its overall annual sales target to 8.5 trillion yen from an earlier projection of 8.7 trillion yen owing to lower-than-expected sales of financial services, semiconductors, mobile gadgets and cameras.

Australia banks set for major shake-up

AFP, Sydney

A major shake-up of Australia's massively profitable banking sector is on the cards as a landmark inquiry into abuses in the financial services industry releases its final report Monday.

Sweeping legislative and regulatory changes, a crackdown on the bulging pay packets of bankers and even criminal charges against senior executives could be among the recommendations issued by the royal commission.

Major lenders including the country's "big four" banks -- among the developed world's most wealthy -- have been under scrutiny in recent years, amid allegations of dodgy financial advice, life insurance and mortgage fraud. Some unscrupulous brokers were found charging customers long after they were dead. The wide-ranging inquiry was established in late 2017 to quell public anger over their misbehaviour, and a preliminary report released in September slammed the banks' culture of greed.

"I think there will be some substantive changes... around strengthening the regulators and increasing the punishments (for misbehaviour)," RMIT University's Warren Staples told AFP. Australia's conservative government has been cautious in committing to implement the report's recommendations in advance, while the left-leaning opposition Labor Party said it would adopt the suggestions in full.

But with a federal election due by mid-May, the potentially explosive findings and recommendations are broadly expected to be embraced by legislators eager to cash in on the public's anti-bank sentiments. In the firing line will be the regulators, viewed as

being too soft on corporations, and standards in the home lending, financial planning, insurance and pension sectors. The commission's hearings exposed poor behaviour by financial houses and executives with rules repeatedly breached, personal gains prioritised over clients' interests and loans given to customers who could not repay them.

These sectors are expected to be reined in through tighter standards such as increased penalties for misconduct and greater oversight of behaviour. The recommendations could go as far as banning certain types of sales practices and removing underperforming pension funds.

Regulators the Australian Prudential Regulation Authority (APRA) and Australian Securities and Investments Commission (ASIC) are tipped to be given more powers to chase wrongdoers, while also being subjected to performance reviews.

Shares in the major banks have weakened in recent days ahead of the report's release, but Bell Potter banking analyst TS Lim said investors had priced in any potential bad news. "I think it's probably going to be a limited response... my belief is that they will increase the fines or penalties for companies that engage in misconduct," Lim told AFP.

"I think there shouldn't be too many new laws coming in." With the royal commission coming a decade after the global financial crisis, where rampant misbehaviour by senior banking executives went unchecked and mostly unpunished, Staples said the inquiry needed to go further and clamp down on a key root cause -- performance-based pay.

Iraq, Jordan agree deal over trade of oil and goods

REUTERS, Baghdad

Iraq and Jordan on Saturday agreed a deal over the trade of oil and goods at a meeting between their two prime ministers on the Iraqi-Jordanian border.

Under the deal, Iraq would sell 10,000 barrels per day of oil to Jordan at a special price, transported by tanker from its Kirkuk oilfields, the Jordanian prime minister's office said in a statement. It did not say what the price was or when the oil would be exported.

Iraqi goods imported via Jordan's Aqaba port on the Red Sea would meanwhile receive preferential tariffs, it said.

Iraqi Prime Minister Adel Abdul Mahdi, who said on Tuesday the deal was close to being reached, finalised the agreement at a meeting with his Jordanian counterpart Omar Razzaz.

Aqaba port at the north end of the Red Sea has long been a major transit route for Iraqi imports and exports, and Amman has long relied on Iraqi crude to fuel its economy.

Razzaz's office also said Jordan would begin to export electricity to Iraq within the next two years.



Mosleh Uddin Ahmed, CEO, and Muhammad H Kafi, head of cards, NCC Bank, and Md Mahub Alam, chief financial officer of BRB Hospitals, attend a deal signing ceremony in Dhaka recently. The bank's credit and debit cardholders, employees and their dependents will get discounts and equal monthly instalment facilities at the hospital.

NCC BANK



Maruf Ahmed, global director of OneWorld InfoTech, and Allan Soong, a senior country director at Oracle, attend "OneWorld Tech Summit 2019" organised by OneWorld InfoTech at Gulshan Club in Dhaka recently.

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