



Raquibul Kabir, managing director of Compustar PVT Limited (CPL), a unit of Union Group, the authorised dealer of iPhone in Bangladesh, and Md Moniruzzaman, business manager, launch three iPhone outlets in Gulshan Avenue, North Tower Uttara and Bashundhara City yesterday.

UNION GROUP

Linde, Praxair mega merger crosses finish line

AFF, Frankfurt Am Main
Germany's Linde and US rival Praxair on Friday cleared the final regulatory hurdle to complete their hard-fought mega merger, creating the world's largest industrial gas maker.
They will now officially be run as one combined company after finalising the last asset sales required to satisfy US competition concerns, Linde PLC, as the new group will be known, said in a statement.
The two companies had already won a conditional green light for their tie-up back in October but had to continue operating as separate entities until the divestments of nine American business units were completed.

Those restrictions "have been lifted" now that the group has met the demands of the US Federal Trade Commission, Linde said.
"The company will now fully integrate its business globally."
With joint annual revenues of 24 billion euros (\$28 billion), some 80,000 employees and a market capitalisation of 78 billion euros, the group overtakes France's Air Liquide to become the industry's global leader.
But the tie-up, first announced in 2016, came at a steeper-than-expected cost with global regulators demanding more divestments than Linde and Praxair had originally planned for -- eating into their projected savings and making the deal more painful.

US companies adapt to 'endless' China tariffs

REUTERS
US manufacturers are accelerating their shift out of China, coming to terms with a new reality: the Trump administration's tariffs will not go away any time soon.
US President Donald Trump's lead trade negotiator, Robert Lighthizer, warned lawmakers on Wednesday that the United States would need to keep the threat of stiff tariffs on China in place for years, even if a trade deal is inked, as part of an enforcement mechanism that would include frequent reviews of whether China was abiding by any agreement.
That confirms what many companies have already concluded.
Even if the hot phase of this trade war passes, tensions will linger and continue to reshape the economic relationship between the world's two largest economies.
"As you look at the way these negotiations are shaping up, you must certainly think: not only will it take a while for the talks to reach their full conclusion, but there's going to be enforcement mechanisms," said Steve Lamar, executive vice president of the American Apparel and Footwear Association.
"I would imagine punitive tariffs are going to be with us for a while."
Apparel and footwear manufacturers have been shifting their production mix to factories in other countries like Vietnam, Indonesia



The Chinese and US national flags are seen before the start of a conference in Beijing among China, France, Russia, Britain and the US.

and Egypt for much of the past decade, but the push has intensified due to the trade war, Lamar said. The United States has not hit most finished apparel and footwear with punitive tariffs, but "even if the threat (of more tariffs) never materializes and it's always out there, who wants to live with that threat?" he said.
It will take years, however, for large manufacturers and retailers to build new supply networks. Many companies have held off raising prices to offset tariffs, in hope that they would go away.
As it becomes clear that the risk of tariffs will linger, more compa-

nies are taking steps to mitigate them and accepting trade conflict with China as a new fact of life, according to businesses and trade groups interviewed by Reuters.
One company already moving some production out of China is Bissell Inc., the vacuum maker. CEO Mark Bissell said long before tariffs, he was looking for alternatives due to rising costs in China.
Tariffs, he said, are the "burning platform" forcing him to jump. Bissell expects to have some of the company's China production shifted to Vietnam, Malaysia and Mexico by the end of the year, and

said Lighthizer's comments confirm what he was already doing.
"The geopolitical issues between the two countries will continue to be large and with so much at stake, the relationship will be touchy going forward," Bissell said in an email. "Diversifying the supply chain makes continued sense and I don't see a reversal of course."
Jacob Parker, vice president of China operations at the US-China Business Council in Beijing, said even in the event of a trade deal, it was possible the persistent threat of tariffs would continue to push US companies' supply chains out of the country. Similarly, Chinese firms are likely reconsidering their reliance on US companies, he told Reuters.
It remains unclear whether the United States will prevail in its trade war against China. Lighthizer, testifying to the US House Ways and Means Committee, said a great deal of work remains to hammer out a deal, including agreeing on how it would be enforced. Many companies are stuck in a wait-and-see mode, but the realization that there will not be a quick fix is growing.
"The longer it goes on, the more likely (the China trade battle) becomes more permanent," said Todd Stucke, senior vice president of marketing, product support and strategic projects at Kubota Tractor Corp., the US arm of Japanese tractor maker Kubota Corp. "I'm hoping it doesn't."

India's growth may decelerate further despite polls spending



A mobile crane carries a container at Thar Dry Port in Sanand in the western state of Gujarat, India.

REUTERS, New Delhi/Mumbai
Billions of dollars of pre-election spending by the Indian government and political parties in the next two months is unlikely to stop the nation's economy from slowing further, economists said.
Asia's third-largest economy lost momentum in the final quarter of 2018, as the annual rate of growth slipped to 6.6 percent, much lower than expected and the slowest pace in five quarters.
But the worst may not be over.
Indian Prime Minister Narendra Modi, who will be seeking a second term in elections due to be held by May, in an interim budget last month introduced populist spending measures worth 1.8 trillion rupees (\$25.37 billion) and modest tax cuts in the current fiscal year ending March 31 in an attempt to win the votes of farmers and the urban middle

class. That is on top of additional spending at state government level.
The political parties are also likely to spend nearly 500 billion rupees during the election campaign, according to estimates of CMS, a Delhi-based think tank.
But weakening global growth, rising oil prices in recent weeks, slowing growth in government spending on infrastructure and delays in investment decisions because of uncertainty about who will form the next government could more than offset the extra election-related spending.
An expected deceleration in economic growth in major economies around the world, including China and the United States, is expected to hurt trade growth.
"We don't expect any election-spend related upside to growth for the next two quarters," said Soumya Kanti Ghosh, chief economist at State Bank of India, the country's largest state-run bank.

Advertisement for bKash workshop on Technological Innovations and its Impact on AML&CFT Practices in MFS. Includes photo of participants and text: Abu Hena Mohd Razee Hassan, head of Bangladesh Financial Intelligence Unit (BFIU), and Masud Rana, joint director, attend a daylong workshop on "Technological innovations and its impact on AML&CFT Practices in MFS" at Hotel Purbani International in Dhaka yesterday. The BFIU, bKash and Bangladesh Bank jointly organised the event for the senior officials of bKash.

Messy Brexit could have 'significant consequences': IMF's Lagarde

REUTERS, Lisbon
A messy Brexit could have "significant consequences" and represents the biggest short-term risk to the British economy, although all Brexit outcomes imply costs, IMF chief Christine Lagarde told Portugal's state council on Friday.
Lagarde was invited to participate in the state council, which is the Portuguese president's highest consultative body, which was held on Friday to discuss Brexit.
"A disorderly Brexit could also have significant consequences," Lagarde told the council, according to a copy of her speech provided by the IMF.
"All likely Brexit outcomes will involve net costs for the UK economy. But the higher the impediments that arise in the new relationship with Europe, the higher the cost," she added.
Just a few weeks remain before Britain is due to leave the European Union at the end of March, but the government of Prime Minister Theresa May is still seeking changes to her Brexit deal in order to win backing from parliament.
Lagarde said the "most significant near-term risk to the UK economy" was leaving the EU without a deal and a framework for the future relationship with Europe.
She added that others in Europe will be affected by Brexit to "varying degrees."
"Ireland, of course, and others such as the Netherlands, with a close relationship to the UK," she said.
Portugal, whose largest tourist market is Britain, would also be hit if Brexit is disorderly.



IMF Managing Director Christine Lagarde attends MSC Women's Breakfast during the annual Munich Security Conference in Munich.

"Important trade and tourism links could be disrupted, and a loss of financial market confidence outside your borders could lead to higher sovereign and bank interest rates, which would weigh on growth," Lagarde told the council.
Turning to the global economy, Lagarde repeated previous statements that the expansion is slowing down faster than expected.

Canada economy slowed at end of 2018 raising recession fears

AFF, Ottawa
Canada's economy slowed in the last three months of 2018 to only 0.4 percent, according to government data released Friday, raising concern it is on the brink of a recession in an election year.
The gross domestic product (GDP) figure was lower than the 1.0 percent expected by analysts, following 2.0 percent growth in the previous quarter.
This slowing pace closed out the year with a total annualized economic growth rate of 1.8 percent, slightly more than half the previous year's 3.0 percent and the United States's 2.9 percent growth in 2018.
"The 'R' word (for recession) will be on minds as Canada's economy barely skirted the start of a recession in Q4," CIBC Capital Markets chief economist Avery Shenfeld said in a research note.
He pointed to a "weak handoff"

from December to the new year, that he said will likely prompt the Bank of Canada to back off plans to raise interest rates in the short term.
"If not for a huge employment gain in January (+67,000 jobs) we'd be worried about an outright recession, but at this point, its best described as a stalled engine," Shenfeld concluded.
Either scenario is bad news for Prime Minister Justin Trudeau's Liberals as they head into elections in October looking to hold onto their parliamentary majority.
The Trudeau Liberals' popularity slipped amid allegations by his former attorney general of political interference in the criminal prosecution of engineering giant SNC-Lavalin.
The Montreal-based company was charged in 2015 with corruption for allegedly bribing officials in Libya between 2001 and 2011 to secure government contracts during former

strongman Moamer Kadhafi's reign.
For the first time, the ruling Liberal Party has found itself trailing the opposition Conservatives led by Andrew Scheer in the most recent public opinion polls.
Statistics Canada said the nation's slowing economic growth mainly reflected a drop in investment spending and lower exports.
Household spending slowed for a second consecutive quarter, with spending on life insurance and financial services up and on motor vehicles down. Purchases of cannabis -- after recreational use was legalized in October -- totalled Can\$5.9 billion (US\$4.5 billion) or 0.5 percent of household spending.
Business investment on non-residential structures, and machinery and equipment fell sharply, but that plunge was moderated by an uptick in investment in intellectual property products.

Kazi Nasir Uddin, chief financial officer of Fair Group, receives a trophy on behalf of Fair Electronics, a concern of the group, for being one of the highest VAT payers of the 24th Dhaka International Trade Fair 2019 from Md Mosharraf Hossain Bhuiyan, chairman of the National Board of Revenue, at a programme on the premises of the NBR in Dhaka.



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