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A stall of food processor Pran is seen at ANUFOOD Brazil in Sao Paulo recently. The Bangladeshi company, which took part in one of the largest beverage fairs in the world for the first time with a view to expanding its market in South America, bagged export orders worth around \$0.5 million.

## BMW blames trade headwinds, emissions tests for weaker 2018

AFP, Frankfurt

Profits at German high-end carmaker BMW tumbled in 2018, the firm said Friday, with trade headwinds and tough new EU emissions tests' drag on performance set to last into this year.

"Challenges facing the entire sector are unlikely to diminish in the coming months," chief executive Harald Krueger said in a statement.

Net profit at BMW slumped 16.9 percent to 7.2 billion euros (\$8.2 billion), the group said.

The Munich-based firm pointed to "political uncertainty, a cooling global economy... rising production costs to meet regulatory requirements, exchange rate effects and rising raw materials prices" as weights on its

earnings. Operating, or underlying, profits fell less sharply, shedding 7.9 percent to 9.1 billion euros.

Revenues were less strongly affected, falling 0.8 percent to 97.5 billion.

Other carmakers' scramble to sell cars not certified under the so-called WLTP test cycle before its introduction in September led to "unexpectedly intense competition", BMW said, penalising the group for its decision to adopt the new procedure early.

Meanwhile the group's bottom line also suffered as it was ordered to recall over a million diesel cars to replace faulty components.

BMW boosted unit sales at its flagship brand slightly, to 2.1 million cars, but deliveries of Minis fell back 2.8 percent, to 361,500.

Luxury subsidiary Rolls-Royce lifted shipments 22 percent, to 4,107.

Looking to different world regions, sales in Europe were flat while the Americas and Asia showed slight growth.

"Volumes grew significantly" in China as BMW ramped production of X3 SUVs locally, the group said.

Bosses said they would offer shareholders their second-highest dividend payout ever, at 3.50 euros per share.

Looking ahead to 2019, BMW expects a "slight increase" in unit sales, in part thanks to new models.

Investors offered a mildly positive reaction to the news, with BMW stock gaining 1.1 percent to trade at 74.59 euros around 11:30 am in Frankfurt (1030 GMT).

## In San Francisco, tech boom has left people priced out of housing

AFP, San Francisco

In San Francisco, far from the picturesque, winding streets in the hills, a glistening skyscraper represents how the country's tech titans have transformed the city -- and made it one of the world's most expensive places to live.

The figures are mind-boggling: average monthly rent for a two-room apartment in the city by the bay now runs to \$3,700, the highest in the United States.

And a household of four with annual earnings of less than \$117,400 is officially considered "low income."

Want to go visit the Facebook headquarters in the close suburbs? It'll take you two hours to go 30 miles (45 kilometers), day and night.

The Salesforce Tower -- named for a cloud-based software company -- now dominates the skyline. Each day, huge buses transport tech workers to the suburban offices of Facebook, Google and Apple.

All this wealth has sent real estate prices soaring across the Bay Area -- from Silicon Valley in the south to Oakland in the east -- and widened the rich-poor divide in a striking way.

Thousands of shabbily dressed homeless people wander along Market Street, one of the city's main shopping thoroughfares, not far from the headquarters of Uber and Twitter -- as Teslas and Maseratis zip by.

With rent so high, some have taken to living in their cars, like Elizabeth V, a 59-year-old who works up to 16 hours a day as a security guard at one of the tech company buildings.

She earns just \$2,800 a month -- not nearly enough to pay for housing for herself and her disabled brother.

"I guess we're kind of invisible because people don't think of us when they think of Silicon Valley. They think of the small



REUTERS/FILE

Salesforce Tower is seen from above in downtown San Francisco, California.

minority of engineers that earn a ton of money," says Elizabeth, who wakes up every morning in her car -- filled with clothes and boxes of food -- in a parking lot in San Jose, in the heart of the tech corridor.

Cary McClelland, whose 2018 book "Silicon City" examines how the area has changed, says: "We see now a kind of homelessness that did not occur before -- people who work, that is new."

Whether talking to politicians, housing experts or residents, everyone agrees that even though San Francisco -- built on a peninsula -- has always had housing problems, the situation has become far worse since the tech boom of 2012.

According to the Paragon real estate group, the average price of a house in San

Francisco shot up from \$670,000 in early 2012 to \$1.6 million at the start of 2018.

With the influx of tens of thousands of "techies" -- software designers, programmers and engineers -- whose salaries easily start at \$100,000 a year and go up from there, the cost of living rose quickly.

That triggered "skyrocketing evictions in the city (...)" a huge number of businesses had to close," along with cultural institutions and non-profits, said McClelland.

"After the great recession (2008-2011), with so little place for investment capital to go elsewhere in the economy, so much of it came here and overheated the city," he said.

Servane Valentin, a French realtor, recalled that as of 2012 and 2013, "we saw young 'geeks' in their 20s and 30s arriving

with much higher salaries and had no idea about money."

"They were ready to pay \$2,000 for a studio," a price far above the market value, says Valentin.

Soaring real estate prices have certainly boosted the ranks of the homelessness -- there are officially some 7,500 people living on the streets of San Francisco, a city of just 900,000 inhabitants.

But they have also driven out the middle classes, who now live in the far suburbs, with commute of two or three hours each way. That aggravates road congestion.

As a result, "we almost always have openings for certain lower-paying jobs, such as medical assistants" who cannot afford to live in the city, said Peggy Sugar, 55, who works in the health sector and has lived here for more than 30 years.

The same goes for teachers, firefighters, social workers, waiters and delivery workers, among others.

Yet McClelland says this is not entirely the tech sector's fault per se.

"Tech is a beneficiary of what is a very complicated environment ... and hasn't figured out how to turn this investment that it's benefited from back to the public," he said.

Tech giants are becoming aware of the criticism leveled at them -- and have started to react.

January saw the launch of the "Partnership for the Bay's Future," bringing together public and private organizations, including Facebook, Genentech and several foundations, who pledged \$500 million to tackle the problems of housing and transport.

The head of Salesforce, Marc Benioff, recently came out in favor of plans to tax major businesses in San Francisco to help the homeless.

Twitter founder Jack Dorsey opposes the move.

## Bank of Japan gloomier on economy but maintains policy

AFP, Tokyo

The Bank of Japan issued a more upbeat assessment of the world's third biggest economy Friday, as a broader global slowdown impacts exports and production.

The central bank kept its ultra-loose monetary policy in place after a two-day policy board meeting, as it battles to safeguard fragile growth and kindle inflation that is stuck stubbornly below its two-percent target. The bank added to its monetary policy statement the view that "exports and production have been affected by the slowdown in overseas economies".

But the BoJ also argued that "Japan's economy is expanding moderately" and maintained its aim of keeping the short-term policy interest rate around minus 0.1 percent and the yield on 10-year bonds

around zero. BoJ Governor Haruhiko Kuroda will meet the press later in the day to discuss his decision.

"The central bank's stated goal remains two-percent inflation and current price levels are not high enough to justify tightening," said Katsunori Kitakura, lead strategist at Sumitomo Mitsui Trust Asset Management, before the decision.

"While the risk of a global economic slowdown exists, monetary policy in Japan has gradually shifted from 'normalisation' to 'further relaxation'." Kuroda has come under fire over the effectiveness of his monetary easing programme and how he intends to return the bank's policy to normal.

In January, the governor was forced to revise down the BoJ's inflation forecasts, a step seen as further evidence that authorities are unable to boost prices.

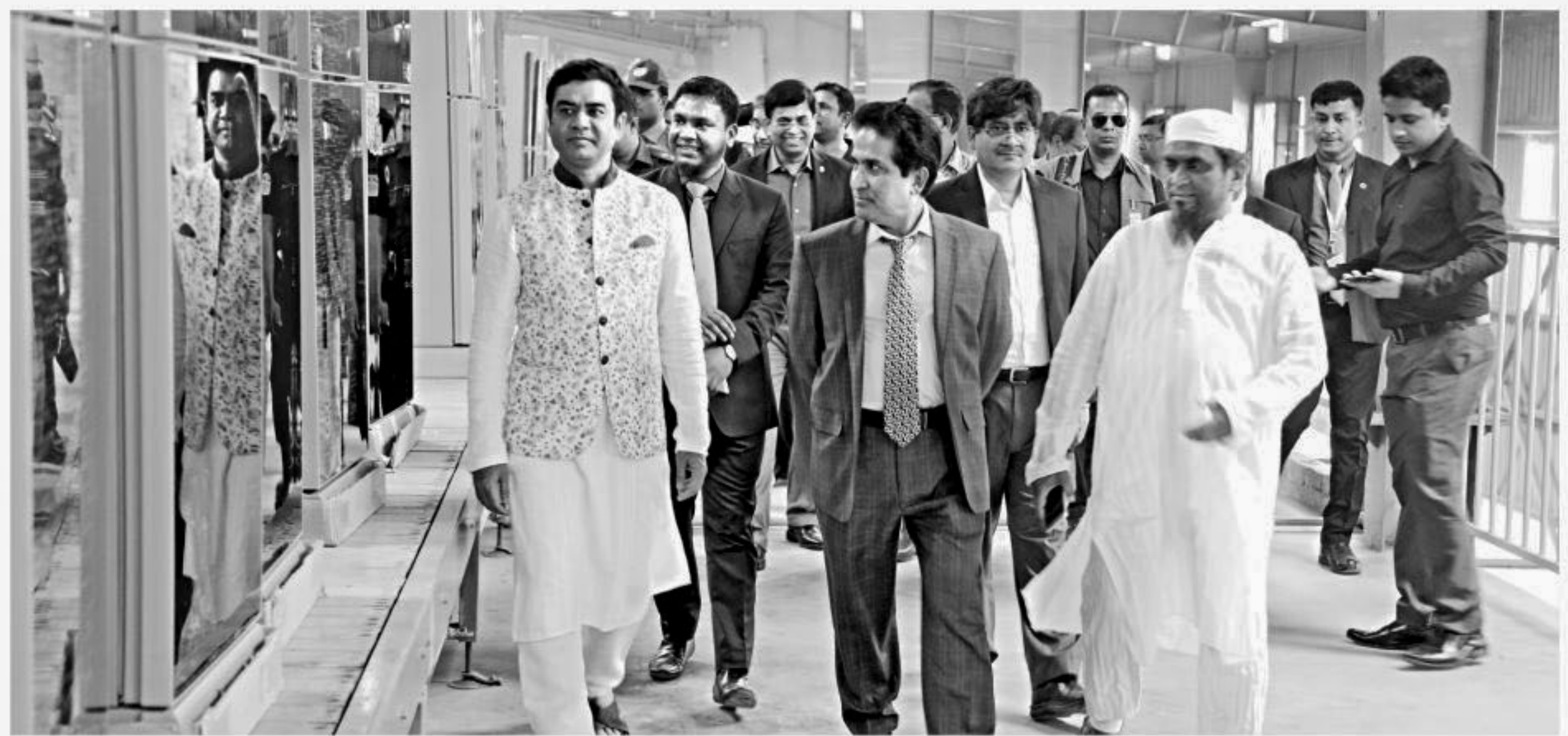


REUTERS/FILE

A security guard walks past the headquarters of the Bank of Japan in Tokyo.

National Board of Revenue Chairman Md Mosharraf Hossain Bhuiyan visits a factory of Minister Hi-Tech Park Ltd at Trishal in Mymensingh on Thursday. The company's Chairman MA Razzak Khan was present.

MINISTER HI-TECH PARK



## Passengers rage over disruptions at embattled Jet Airways

REUTERS, New Delhi

India's embattled Jet Airways put photographs of smiling women employees on social media last week for Women's Day, using the tagline "Standing tall; touching the skies" but few passengers reacted cheerfully.

"Touching the skies" is a good joke at a time when your flights are getting grounded," said a respondent on Twitter, while others expressed anger and dismay at cancellations, delays in refunds and long response times to telephone calls.

India's second-largest carrier, grappling with debt of more than \$1 billion, Jet has delayed payments to banks, lessors, vendors and staff. Lessors have grounded more than three dozen planes, forcing hundreds of flights to be cancelled.

Rising customer frustration

could bring further disruption for the 25-year-old airline, as some flyers backed a boycott, while others blamed cancellations for ruining their plans.

"We had to worry about rebooking flights during our wedding, when there is already so much to do," said Siddhant Agarwal, a 32-year-old businessman whose flight home from his honeymoon was abruptly cancelled just days before his marriage.

Agarwal, who is based in the capital, New Delhi, had to pay nearly twice as much for new tickets, he said. "They did not even offer an apology, which is disappointing and unprofessional."

The airline, partly owned by Etihad Airways, said in a statement it continues to make adjustments to its flight schedule, keeping the regulator and passengers informed

well in advance, and offers re-accommodation choices or refunds.

Jet said it is "actively engaged with its partner airlines and aircraft lessors, providing them regular updates on its efforts to improve liquidity as well as ensure operational reliability".

Amid talks for a bailout led by state-run banks, lessors have forced the airline to ground at least 37 planes over non-payment of dues and some have also threatened repossession. It had 556 flights on average in January, down from 641 a year earlier, data from the aviation regulator showed.

Jet has planned cancellations of more than 600 flights in March, said one source with direct knowledge of the matter.

Monday's tally of about 330 flights compared with a daily aver-

age of nearly 650 in March 2018, a second source said, adding that short notice about grounded planes triggered many unplanned cancellations.

"The bigger worry is if people stop future bookings, because that will affect cash flows," said the source, adding that cancellations in February and March outstripped prior months.

Jet Airways' market share shrank to 14.3 percent in 2018 from 17.2 percent a year earlier, even as India's aviation market grew nearly a fifth.

Some of the hundreds of aggrieved passengers who posted on the airline's Facebook page and Twitter told of delays on the way to wedding and festival celebrations.

Several uploaded screenshots showing telephone wait times of longer than an hour for a response from the customer call centre.

REUTERS

Mobile phone chip supplier Qualcomm Inc on Friday won a legal victory against iPhone maker Apple Inc, with a jury in federal court in San Diego finding that Apple owes Qualcomm about \$31 million for infringing three of its patents.

Qualcomm last year sued Apple alleging it had violated patents related to helping mobile phones get better battery life. During an eight-day trial, Qualcomm asked the jury to award it unpaid patent royalties of up to \$1.41 per iPhone that violated the patents.

The \$31 million penalty is small change for Apple, the second most valuable US company after Microsoft Corp, with a market value of \$866 billion and annual revenue totaling hundreds of billions of dollars. But the setting of a per-phone royalty rate for Qualcomm's technology gives the chip supplier a fresh line of attack in its two-year old legal battle with Apple.

The biggest case, filed by Apple in early 2017, begins in April. Apple has sought to dismantle what it calls Qualcomm's illegal business model of both licensing patents and selling chips to phone makers. Qualcomm has accused Apple of using its technology without paying.

"The technologies invented by Qualcomm and others are what made it possible for Apple to enter the market and become so successful so quickly," Don Rosenberg, Qualcomm's general counsel, said in a statement. "We are gratified that courts all over the world are rejecting Apple's strategy of refusing to pay for the use of our IP."

In a statement, Apple said it was disappointed with the outcome.

"Qualcomm's ongoing campaign of patent infringement claims is nothing more than an attempt to distract from the larger issues they face with investigations into their business practices in US federal court, and around the world," Apple said. It declined to comment on whether it would appeal.

In other cases against Apple, Qualcomm has won sales bans on iPhones in Germany and China, though the Chinese ban has not been enforced and Apple has taken moves it believes allow it to resume sales in Germany.

Qualcomm also suffered a setback with US trade regulators who found that some iPhones infringed one of the San Diego-based company's patents but declined to bar their importation into the United States, citing the damage such a move would inflict on rival Intel Corp.