

No signs of recession

Says the CEO of world's largest asset manager

REUTERS, Berlin

There are no signs that the global economy is sliding toward a recession in the next 12 months, BlackRock Inc's Chief Executive Larry Fink said in remarks published on Saturday.

In an interview with German business daily Handelsblatt, Fink warned, however, that the global economy was in the late stage of a long growth cycle, suggesting that downturn was becoming more likely.

"I see no signs of a global recession in the coming 12 months," said Fink, who leads the world's largest asset manager. "The central banks have loosened their policy above all because of the weak fourth quarter of 2018. We will go through a phase in which things are not great but also not bad."

He added: "But we are naturally in a late phase of the economic growth cycle."

The International Monetary Fund cut its global economic growth forecasts for 2019 this month and said growth could slow further due to unresolved trade disputes and the risk of Britain leaving the European Union without a deal.

The global lender said some major economies, including China and Germany, might need to take short-term actions to prop up growth and that a severe downturn could require coordinated stimulus measures.

German Finance Minister Olaf Scholz has ruled out taking on new debt to stimulate growth in Europe's biggest economy, saying tax cuts, higher investments and a solid labor market will continue to provide growth impetus.

PepsiCo results beat estimates

REUTERS

PepsiCo Inc's quarterly sales and profit beat Wall Street estimates on Wednesday, as the beverage maker's advertising and marketing push helped drive sales of its snacks, sparkling waters and low-sugar sodas globally.

Shares of PepsiCo hit a record high of \$125.92 in morning trading after the company said its core sales grew at the fastest pace in more than three years.

The results come as a boost for Chief Executive Officer Ramon Laguarta who took over from Indra Nooyi six months ago. Under his watch, PepsiCo has spent more on advertising, raised production capacity, while tweaking its supply chain to focus more on healthier snacks and beverages.

The changes have helped Pepsi respond better to shifting consumer preferences at a time when packaged food and beverage companies are battling high transportation and labor costs, while trying to find the right product mix to cater to a more health-conscious consumer.

The company has modified some of its recipes using healthier ingredients and is tinkering with product sizes and marketing to keep shoppers reaching for its products.

PepsiCo recently launched a new flavor of Cheetos under its Simply snack brand and introduced a blackberry and

peach flavor for its bubbly sparkling water that was promoted by singer Michael Buble. As a result, advertising and marketing spending rose 11 percent, CFO Hugh Johnston told Reuters. "It is clear evidence that the advertising that we've been putting into the market place is working ... may be most encouragingly the Pepsi business," Johnston said.

Sales of Pepsi sodas, which include Diet Pepsi and Pepsi Zero Sugar, grew 3 percent, driving organic sales at its North America beverage unit, its biggest revenue generator.

Lay's potato chips, Off The Eaten Path snacks and bubbly also sold well, he said.

Total organic or core sales - a keenly watched metric that strips out currency fluctuations and acquisitions - rose 5.2 percent.

PepsiCo maintained its target of 4 percent organic revenue growth and earnings of \$5.50 per share for the year.

"With guidance unchanged, Pepsi may be in a position to increase spending behind its brands. Something we feel is strategically important and will bear fruit down the road," said Benjamin Altman, CEO of Altman Advisors, which owns PepsiCo shares.

Excluding items, PepsiCo earned 97 cents per share. Net revenue rose 2.6 percent to \$12.88 billion. Analysts were expecting profit of 92 cents and revenue of \$12.70 billion, according to Refinitiv's IBES.



Damon Yang, managing director of OPPO Bangladesh, gestures during the launch of the smartphone brand's F series devices, F11 Pro and F11, at Le Meridien Dhaka recently. F11 Pro is priced at Tk 36,990 while F11 is available at Tk 27,990.

Carlos Ghosn to be indicted on additional charge

REUTERS, Tokyo

Tokyo prosecutors are likely to indict former Nissan Motor Co Ltd Chairman Carlos Ghosn on an additional charge of aggravated breach of trust as early as Monday when his current detention period expires, public broadcaster NHK reported on Friday.

Ghosn was arrested for the fourth time this month on suspicion he tried to enrich himself at Nissan's expense, to the tune of \$5 million. He is also awaiting trial on other charges of financial misconduct and aggra-

vated breach of trust.

Ghosn, who had been released on \$9 million bail in early March after spending 108 days in jail, has denied all allegations against him. His defence team has launched a public battle against the prosecutors, calling the latest arrest "illegal" in documents seen by Reuters.

Once celebrated as the saviour of a near-bankrupt Nissan 20 years ago, Ghosn has been ousted as chairman of Nissan, Renault SA and Mitsubishi Motors Corp since his arrest, threatening the stability of the automaking alliance he masterminded.



Payman Atashian, vice president of Wasion Group, and Ziauddin Adil, managing partner of Twenty One Seventy One, sign the documents of a deal at Wasion's new high-tech industrial development zone office in China recently. Wasion will supply smart metering, solar and energy storage, electric equipment and devices to the Bangladeshi company.

TWENTY ONE SEVENTY ONE

China to complete \$545m upgrade for Tajik smelter

AFP, Dushanbe, Tajikistan

China's state-owned engineering company CMEC will modernise Tajikistan's flagship aluminium smelter in a \$545 million deal, a representative for the smelter told AFP Friday.

A representative for Talco confirmed to AFP via telephone that "the contract between CMEC (China Machinery Engineering Corporation) and Talco was signed on April 15," though without details on how Talco would finance the deal.

Tajikistan's Talco aluminium smelter is a key industrial asset in an impoverished and mostly agrarian country of 9 million bordering China.

But annual production of the smelter fell 7.2 percent in 2018, and its Soviet-era

equipment is in sore need of upgrading.

The poorest country to emerge from the wreckage of the Soviet Union in 1991, Tajikistan has looked to soft loans from China's state-owned Export-Import Bank of China to facilitate Beijing's investments in the economy. It now reportedly owes the bank more than \$1.2 billion, equivalent to nearly a fifth of the national GDP.

Chinese companies have also acquired rights to a number of mineral concessions in Tajikistan in recent years, some of which were granted to pay for the investment loans.

Talco last year launched a mining venture with Chinese company Tibet Huayu Mining Co. Ltd expected to annually produce 1.5 tonnes of gold and 16,000 tonnes of antimony.

Summit LNG arrives at Moheshkhali

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Summit LNG Terminal Co Ltd (SLNG) is a subsidiary of Summit Power International and is a company of Summit - Mitsubishi consortium. Mitsubishi, the Japanese trading giant, acquired 25 percent of SLNG in August 2018.

The project is part of Summit Power International's \$1 billion investment programme by 2020 to deliver power and gas to Bangladesh.

SLNG awarded Geocan SAS of France and Macgregor of Norway the turnkey contract for marine work for its floating LNG storage and the regasification terminal and PSA Marine of Singapore for support vessel services at Moheshkhali.

Once in operation, the facility is expected to double Bangladesh's LNG import capacity.

Clarification

In a news item published in Star Business with the headline 'Bangladesh eyes duty benefits from eastern Europe' on April 11, it was mentioned that Bangladesh is going to sign a trade agreement with the Czech Republic mainly to enjoy duty benefits on exports of goods to countries of the Commonwealth of Independent States.

But, the Czech embassy in a clarification said Bangladesh will sign an "agreement on trade promotion and economic cooperation" with the Czech Republic, primarily to create a new institutional framework for interaction with the country with which Bangladesh enjoys long-lasting friendly relations.

SpiceJet to give hiring preference to employees of Jet Airways

REUTERS

India's SpiceJet Ltd said on Friday it will prioritize hiring employees of Jet Airways Ltd who are losing their jobs after the crisis-hit Indian airline halted all flight operations indefinitely this week.

"We have already provided jobs to more than 100 pilots, more than 200 cabin crew and more than 200 technical and airport staff," said Ajay Singh, chairman and managing director of SpiceJet. "We will do more."

Biman to resume Dhaka-Delhi flight as Jet Air bows out

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Other than Delhi, Biman has decided to start flight operations to Guangzhou and Medina as it takes delivery of four new aircraft this year to take its fleet size to 17.

At present, Biman runs flights to Kuwait, Abu Dhabi, Muscat, Riyadh, London, Dubai, Jeddah, Doha, Dammam, Kolkata, Kathmandu, Yangon, Singapore, Kuala Lumpur and Bangkok.

Airbus sets sights on Bangladesh market

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"The global air traffic doubles in every 15 years, but it will double in Bangladesh much earlier if the GDP grows at much faster rate."

Bangladesh's economy is likely to grow at 8.13 percent in 2018-19, up from 7.86 percent the previous year, according to the provisional figure from the Bangladesh Bureau of Statistics.

According to the presentation, more than 7.5 lakh passengers travelled in both directions between Bangladesh and India in 2010, which increased to 11.98 lakh in 2017.

On the other hand, the number of passengers travelling between Bangladesh and the Middle East rose to around 43.03 lakh in 2017 from 23.63 lakh in 2010.

There was also significant increase in the passengers travelling in both directions between Bangladesh and other countries: In 2010, the number of passengers was 24.17 lakh and it shot up to 55.44 lakh in 2017.

Around 30 percent of emerging country populations flew in 2017 and some 85 percent of the emerging country population, including Bangladesh, would fly in 2037.

Traffic to and from and within Bangladesh is forecasted to grow at 5.5 percent annually and 3.5 percent locally.

Giving a projection of future demands, Shukla said by 2037, the requirement of passenger aircraft to serve the country would be around 150, from 50 in 2017.

Of the 150, the demand for small carriers will be 82, up from 27 in 2017. The country will require 27 medium and 20 large aircraft in 2037 compared to nine and five respectively in 2017.

Shukla said Airbus has a great range of products. "We have the

A321 long range and A330 Neo, which are super-efficient aircraft to fly around the region as well as fly long haul." "We know many Bangladeshis live overseas. So, these are excellent complementary aircraft to fulfil this demand."

Asked how to develop the country's aviation industry for the growing market, Shukla said, "I think Bangladesh has to improve its infrastructure."

He lays emphasis on increasing the facilities in the airport. "I understand there is a master plan for new airports. This will help meet the growth requirements."

Japan officials quash speculation sales tax hike may be delayed

REUTERS, Tokyo

Japan's top government officials vowed on Friday to stick to a planned sales tax hike in October, barring a big economic shock, putting an end to speculation that it could be delayed again.

Koichi Hagiuda, acting secretary-general of Prime Minister Shinzo Abe's Liberal Democratic Party (LDP), had said on Thursday the planned tax hike may be postponed depending on the results of the central bank's next tankan business survey due in July.

His comments fueled concerns about a further delay in Japan's efforts to finance its bulging social security costs. The country has to support a fast-ageing population and constrain growing public debt - more than twice the size of its economy and the industrial world's biggest.

It also fanned speculation about a possible snap lower house poll to coincide with an upper house election this summer to seek feedback from voters in case Abe moved to delay the tax.

"The sales tax hike to 10 percent is needed the most to secure stable financial resources to pay for social security for all generations," Finance



Japanese Finance Minister Taro Aso

Minister Taro Aso told reporters after a cabinet meeting.

Chief Cabinet Secretary Yoshihide Suga also said the government would proceed with the tax hike unless a big incident such as the shock collapse of Lehman Brothers in 2008.

Hagiuda told reporters on Friday that he was merely expressing his "personal opinion" and did not mean to object to the tax hike which he did not discuss with Abe. However, he stressed the need to closely watch the upcoming tankan

and other indicators to gauge the strength of the economy.

Many Japanese firms want the authorities to go ahead with the planned tax hike, a Reuters monthly poll showed, in a sign companies stand ready for the higher levy.

Akio Mimura, head of the Japan Chamber of Commerce and Industry, said Hagiuda's remark was "unbelievable".

"I think it's wrong to fret about a little short-term fluctuation in the economy," he told reporters.

The previous tax increase to 8 percent from 5 percent in April 2014 hit consumers hard and triggered a sharp slump in the world's third-largest economy. Since then Abe has delayed the planned hike twice as he prioritized economic growth over fiscal reforms.

Japan's economy remains fragile, with weak exports and factory output raising the specter that GDP data due in May may show a mild contraction in the first quarter.

Weakening of the economy has pushed manufacturers' business confidence to a 2-1/2-year low in April, a Reuters poll showed, raising worry about strength of business investment and pointing to further deterioration in the BOJ's upcoming tankan.

To safeguard the fragile economy, the government has already planned to spend 2 trillion yen (\$17.9 billion) on measures to offset the blow to consumers from a 10 percent sales tax.

The Organisation for Economic Cooperation and Development (OECD) urged Japan on Monday to raise the sales tax to as high as 26 percent, underscoring the need for the country to boost finances as its population rapidly ages.

4th BPO Summit begins today

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Some 40 local and 20 international analysts are expected to attend the BPO Summit, the fourth of its kind.

The event will be inaugurated by Prime Minister's ICT Affairs Adviser Sajeeb Wajed Joy. Ministers, senior officials and experts will also attend the programme as discussants, said the organisers at a press conference at the premises of the ICT division on Thursday.

The industry as a whole expects to earn \$1 billion by 2021 from exports and employ more than one lakh youth within the next two years, said Wahidur Rahman Sharif, president of the BACCO. "And this is what we want to present before the enthusiastic youths at the summit."

To make the event successful, the BACCO also signed deals with different

ICT-related trade bodies and held engagement campaigns in different universities over the last few days.

The government has targeted to earn \$3 billion from the ICT sector by 2021 and BPO can contribute \$1 billion to the sum, Sharif added. By the end of 2018, the industry had employed about 45,000, according to the BACCO.

Terming the BPO industry as a "very promising sector", Zunaid Ahmed Palak, state minister for ICT, said the BPO industry has already created 30,000 new jobs in the market, which the government plans to increase to two lakh by 2021.

At the press conference, ICT Secretary NM Zeaul Alam, DoICT Director General ABM Arshad Hossain, and BACCO General Secretary Towhid Hossain also spoke.