



Bank Asia elects vice chairman

STAR BUSINESS DESK
Romo Rouf Chowdhury has recently been elected vice chairman of Bank Asia. The election took place at a meeting of the bank's board of directors, says a statement. Chowdhury is one of the sponsor shareholders as well as sponsor directors of Bank Asia. He holds directorship of various sister concerns of Rangs Group and Sea Fishers Group. Chowdhury is the managing director of Rancon Motors, Rancon Motorbikes, Rancon Trucks and Buses, Rancon Holdings, Rancon Electronics, Rangs Industries, Rangs and Rangs Properties. He is an engineering graduate of Durham University, United Kingdom.

Equities, pound, oil tumble on trade and Brexit fears

AFP, Hong Kong

Asian equities tumbled Thursday as China-US trade frictions continue to dog investors, while the pound hit a fresh four-month low on Brexit worries and energy firms were battered by plunging oil prices.

Markets across the region were in the red as traders ran to the hills, with no signs of a break in the tariffs stand-off between the world's top two economies keeping optimism in check.

The heavy selling comes after a relatively sedate couple of days in Asia and follows losses on Wall Street, with warnings that more volatility is expected for some time.

Tensions between China and the US have increased after Donald Trump banned telecoms giant Huawei from the US market and prevented American firms from selling to it.

The move has led a number of companies around the world to cut back their business with the firm, including Google, Japan's Panasonic and BT in Britain, among others.

The row, which has seen the trade war widen to also become a battle over technology, has hammered the sector with major firms seeing their valuations tumble in recent weeks.

On Thursday Hong Kong market heavyweight Tencent dived more than four percent, Sony shed 3.7 percent in Tokyo, Seoul-listed LG Display dived more than three percent and TSMC shed a similar amount in Taipei.

"As ever, the sentiment is vulnerable to headline flashes on trade, and we can expect this sort of flip-flopping in sentiment daily until more clarity emerges on any progress on the US-China trade front," said OANDA senior market analyst Jeffrey Halley.

"In the bigger picture, equities may find upward momentum difficult on a consistent basis, while the trade picture and its knock-on effects remain so cloudy." Hong Kong was among the worst performers with the Hang Seng Index diving 1.8 percent, Shanghai 1.4 percent lower and Tokyo ending down 0.6 percent.

Taipei was 1.4 percent off while Seoul shed 0.3 percent and Manila fell 0.5 percent.

"Trade is still front and centre for equity markets with the mood looking increasingly downbeat," said Neil Wilson, chief market analyst at Markets.com. "It rather seems the US and China are hunkering down for the long haul -- a new long march." - Mumbai records - However, Mumbai's Sensex soared more than two percent to break the 40,000 for the first time ever as traders welcomed polls indicating business-friendly Prime Minister Narendra Modi's BJP were on course to win another majority. The Nifty market of 50 firms also crossed 12,000 points to chalk up a new landmark.

Despite the broad market losses, many observers remain hopeful of an eventual China-US trade agreement.

"Markets are expecting something to happen around the G20" next month, Steven Englander, at Standard Chartered bank, told Bloomberg TV.

"There is still the expectation that there is going to be a deal, even if it's not a terribly friendly deal." Forex traders were flooding the pound as Prime Minister Theresa May faces being ousted after her revised plan to push through her Brexit agreement faced a barrage of criticism making it unlikely to be passed by MPs.

Her political career appeared to be in tatters after Andrea Leadsom -- one of the cabinet's strongest Brexit backers -- resigned over May's handling of the crisis, while members of her Conservative party are said to be planning ways to force a no-confidence vote in the premier.

With May expected to be gone even before June, there are concerns she will be replaced by a hardline Brexiter, making it increasingly likely Britain will leave the EU without a deal.

Energy companies were taking a hit after oil prices tanked on news of another sharp rise in US inventories, which added to worries about demand.

Both main contracts plunged Wednesday, and extended losses in Asia, on the surprise increase, with downward pressure also coming from concerns about the impact of the trade war on the global economy.

In early trade London fell 0.5 percent, Paris shed 0.8 percent and Frankfurt retreated 0.7 percent.



People walk past placards near a polling station as voting for the European Parliament elections got underway, in west Belfast, northern Ireland.

Novartis CEO plans gene therapy price 'far lower' than \$4m to \$5m range

REUTERS, Boston

Novartis AG's top executive said on Wednesday it expects to price its gene therapy for spinal muscular atrophy far lower than the \$4 million to \$5 million figure the Swiss drugmaker has said it could be worth.

US regulators are expected to make a decision this month on whether to approve Zolgensma, a one-time therapy seen as a potential long-term solution for the rare disease that is the leading genetic cause of death in infants. The company has previously said it could price the treatment in a range of \$1.5 million to \$5 million.

We won't be announcing the price until we get the approval. But our overall goal is to be at a fraction of what is the current standard of care, and the current standard of care for treating these patients is \$4 million to \$5 million over 10 years, Novartis Chief Executive Vas Narasimhan told reporters on Wednesday in Boston.

The current treatment for SMA, which can lead to paralysis, breathing difficulty and early death, is Biogen Inc's Spinraza. That drug has a list price of \$750,000 for the initial year and \$375,000 annually thereafter.

Narasimhan said his company's ultra-rare disease therapy would be cost effective in a range of \$4.6 million to \$5.4 million. We want to be far lower than that, he said.

Novartis is expecting the drug initially to be approved for infants and is in discussions with the U.S. Food and Drug Administration about whether approval will include other forms of the disease beyond the most serious Type 1, he said.

The company is also in late stage discussions with commercial insurers over the price of the treatment.

Never mind the profit fall, M&S says, focus on the changes

REUTERS, London

Marks & Spencer asked to be judged on how fast it is changing as much as its financial results on Wednesday, as the British clothing and food retailer reported a third straight drop in annual profits.

The 135-year-old mainstay of Britain's shopping streets is closing weaker stores, revamping ranges and investing online, striving to avoid the fate of a string of UK chains that have collapsed amid competition from the internet and rising costs.

"At M&S now everything is changing," Chairman Archie Norman told reporters. "It's a bit like an egg and spoon race you've got the egg on the spoon and the faster you run the more it wobbles, and we're trying to run faster," he said.

After several failed reboots over the past decade, the jury is out on whether M&S can rise to the challenges posed by fast-fashion chains such as Zara and H&M in its clothing business, or thrive in Britain's brutally competitive food market.

"Our ambition is not to tweak the short term numbers ... our ambition is to be Britain's fastest changing retailer. We're well on the way to achieving that," said Norman.

Despite a 10 percent drop in annual profit - not including 438.6 million pounds (\$556 million) of one-off costs mostly linked to its latest plan - M&S said its transformation was on track, highlighted "green shoots" of recovery and said it would step-up the pace of change.

"We will continue to accelerate the

change, with our transformation becoming bigger, bolder and faster," said Chief Executive Steve Rowe.

However, M&S shares were down 8.6 percent at 1425 GMT, extending year-on-year losses to 14 percent, as it also announced the terms of a discounted rights issue to partly fund a joint venture with online grocer Ocado that was announced in February.

That drop has once again put M&S in danger of falling out of the FTSE 100, of which it has been a member since the blue

chip index began in 1984.

M&S set out on its latest turnaround shortly after retail veteran Norman became chairman in 2017 to work alongside Rowe, who became CEO in 2016 and has been with the company for three decades.

M&S said in May last year it was targeting sustainable, profitable growth in three to five years. It made a pretax profit before one-off items of 523.2 million pounds in the year to March 31 - ahead of analysts' average forecast, but down from 580.9 million in 2017-18.

A decade ago, it made a profit of 1 billion pounds and prior to Wednesday's update analysts were forecasting another fall in the 2019-20 year.

Rowe said progress was being made.

Adjusting for this year's later Easter, fourth quarter like-for-like food sales were up 0.4 percent, while food sales by volume were up for a second straight quarter as M&S cut prices and broadened its range to appeal more to families.

Rowe also highlighted better clothing ranges with improvements in fit and style, and online womenswear sales up 19% over the year.

But he said poor availability meant M&S sold out of a number of popular clothing lines, including those endorsed by television presenter Holly Willoughby. That meant clothing & home like-for-like sales, adjusted for Easter, fell 0.9 percent.

"This is a neat microcosm of M&S right now: one step forward, one step back ... M&S needs to keep its nerve, this is the right direction," said analysts at Peel Hunt.

Rowe forecast some improvement in trading in both clothing & home and food in 2019-20, weighted to the second half. Trading in the first seven weeks was in line with the board's expectations.

After closing 35 full-line clothing & home stores in 2018-19, M&S expects to shut a further 85 and about 25 small "Simply Food" stores.

Its strategy for food is to give customers access to its full product range, so it also plans to open around 75 bigger food stores by 2023-24.



Pedestrians walk past an M&S shop in northwest London.

Trade war to weigh on global growth: IMF

AFP, Washington

The IMF warned Thursday that the escalating US-China trade war will "jeopardize" 2019 global growth, undermining confidence and raising prices for consumers.

"Consumers in the US and China are unequivocally the losers from trade tensions," Gita Gopinath, the International Monetary Fund's chief economist, said in a blog post.

She and her co-authors directly refuted President Donald Trump's claim that the tariffs are paid by China and provide a windfall for the US treasury, saying "tariff revenue collected has been borne almost entirely by US importers." The economic damage will be even worse if Trump goes through with the threat to impose steep tariffs on all goods imported from China, as that "will subtract about one-third of a percentage point of global GDP in the short term," she said.

Optimism was high earlier this month that a deal was within striking distance but tensions erupted after Trump accused Beijing of backtracking on its commitments made over the year of negotiations.

RMG workers to get salary, Eid bonus by June 2

FROM PAGE B1

"They come back from their village homes with empty hands, so if they receive the salary for 10 days after joining their workplaces they will benefit," she added.

The factory owners will announce Eid holidays from June 4 to 10.

Until Wednesday, some 14 factories were found to be at risk of not being able to pay their workers before Eid, according to Huq.

But Abdus Salam, director general of Industrial Police, said 215 factories in Ashulia, Savar, Narayanganj, Gazipur and Chattogram were yet to pay the salaries for the month of April and they are unlikely to be able to pay May's salary and festival bonus as well before Eid.

Of the factories, 89 are BGMEA members, 24 BKMEA and 11 BTMA,

he added.

Juthika Sarker, additional district magistrate of the office of the deputy commissioner of Narayanganj district, said 615 workers, some officials and employees of Paradise Cables in Narayanganj were not getting their salaries since January.

"This might create a problem," she said.

The core committee has also asked Bangladesh Bank to instruct banks to keep open their branches in areas like Savar, Ashulia, Narayanganj, Mirpur, Narsingdi and Chattogram on May 31 and June 1, both of which are bank holidays, for facilitating the garment workers' salary and bonus disbursement.

The workers of the factories under Bangladesh Export Processing Zones will be paid by May 28, a representative

of Dhaka Export Processing Zone Authority informed the meeting.

Delwar Hossain Khan, general secretary to Bangladesh Labour Federation, suggested the owners to visit their own factories at least once a month to establish a warm relationship with the workers.

In response, Huq said the BGMEA has been working on a programme called "Setu" along these lines.

Under the programme every factory owner will visit his/her factory at least once a month to speak with workers such that different problems can be solved through discussions, she said.

Trade union leaders, industrial police and government higher ups from different ministries and districts were present at the meeting held at the labour ministry.

British Steel's French workers fear layoffs after collapse

AFP, Paris

French officials were under pressure Thursday to save the jobs of hundreds of French steel workers at factories facing an uncertain future after the collapse of British Steel, whose assets will be sold to pay off its debt load.

"We knew something was wrong but not that the situation was as catastrophic as this -- it's like a gunshot," Djamel Hamdani, a union representative at British Steel's plant in Hayange, northeast France, told AFP.

The site, specialising in steel beams, employs some 420 workers, plus additional part-time hires and subcontractors.

It depends on raw steel supplied by British Steel's factory in Scunthorpe, England, one of the sites that could be sold or shuttered after the company was placed in compulsory liquidation on Wednesday.

"Scunthorpe's closure would lead to the closure of Hayange and of FNSteel in the Netherlands, pure and simple," Hamdani's CFDT union said in a statement.

British Steel bought the Dutch factory at Alblasserdam in 2017, when it employed nearly 300 people.

The firm's failure also jeopardises the futures of some 270 workers at the Ascoval factory in Saint-Saulve, northern France, which British Steel pledged to rescue from imminent bankruptcy just a few weeks ago.

The Ascoval site's future has been up in the air since a restructuring carried out by its former owner in 2015, when Emmanuel Macron, then the economy minister, told workers "there will not be any closure of the site, nor any forced layoffs".

Prime Minister Edouard Philippe said Thursday that "the game isn't over" despite British Steel's collapse, which he attributed to complications from Britain's looming exit from the EU.

"We knew that British Steel urgently needed to build up its capacity in continental Europe because, being based in the UK, it might not have had access to European clients," Philippe told CNews television.

The French government provided a 15 million euro (\$16.7 million) loan for Ascoval and British Steel had provided 5 million, while promising an additional 40 million euro shareholder loan.

"I'm being very cautious about this, but I'm fairly optimistic. I think we can do this," Philippe said.

Stay alert about dubious transactions

FROM PAGE B1

The central bank has asked to provide the information within three working days.

The nexus of money launderers could be active ahead of Eid-ul-Fitr, the Islamic festival scheduled to be held on the first week of next month, which will surely have a negative impact on the inflow of remittance, said a BFIU official familiar with the matter.

According to an investigation carried out by the central bank, digital hundi was responsible for a steep decline in remittance last year.

A vested quarter earlier used some mobile apps and computer-based systems to run the digital hundi, an illegal process of transferring money from one nation to another.

The central bank waged a crackdown on the group on discovering it, subsequently helping remittances go up this fiscal year.



Md Showkat Ali Chowdhury, chairman of Eastern Bank, presides over its 27th annual general meeting at Police Convention Hall in Dhaka yesterday. The bank approved 20 percent cash and 10 percent stock dividends for 2018. Ali Reza Iftekhar, CEO, was present.