China's Huawei fights consumer fears at Thai smartphone expo

REUTERS, *Bangkok*

Chinese telecom giant Huawei Technologies battled back against consumer worries at a major smartphone expo in Thailand over the weekend, bringing in an army of salespeople to fight perceptions that a US blacklist would hobble its phones.

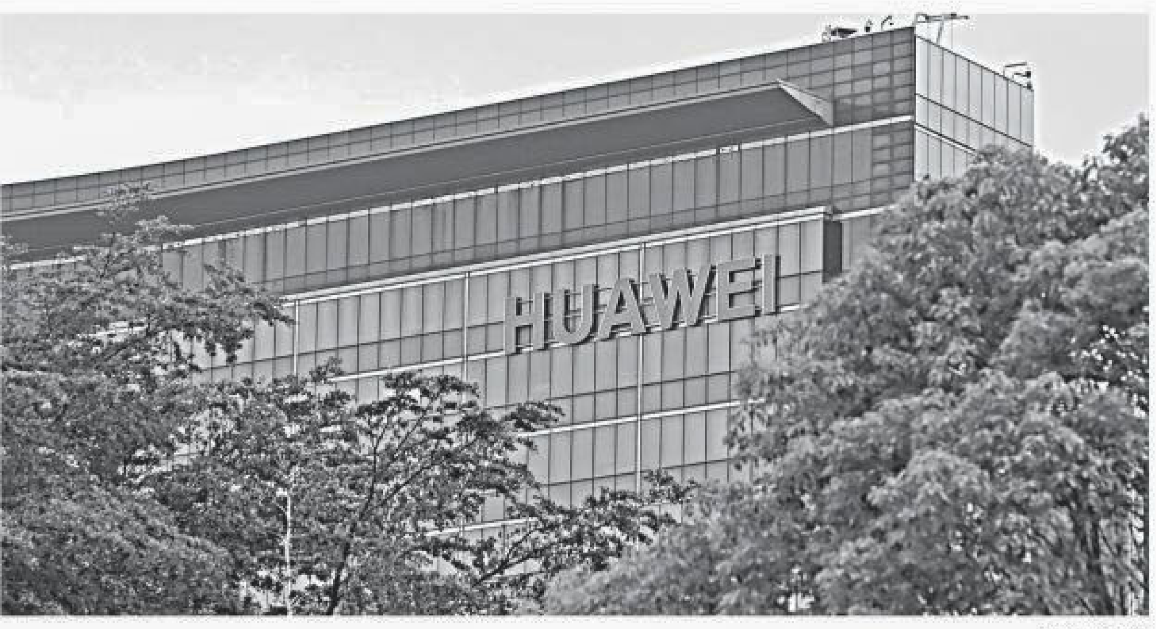
Thailand Mobile Expo, a triannual event where brands and retailers slash prices and offer deals to ramp up sales, came nearly two weeks after a Reuters report that Alphabet Inc's Google would suspend some business with Huawei.

Most Huawei phones run on Google's Android operating system, and Google said it would no longer be able to provide software as a result of the US ban.

To ease Thai consumers' concerns, Huawei salespeople assured customers that existing products would not be affected. Every product display table also featured a Thai-language copy of the company's May 20 statement, saying it would continue providing support for existing products.

But some shoppers remained concerned about being cut off from Android updates and possibly losing access to Google applications.

"I'm worried that the old phone won't be able to get updates because of what happened with Huawei," said Theerapong Jitjareonmanee, an existing Huawei smartphone user whose concerns held him back from buying more of the Chinese firm's products at the expo.



REUTERS

A Huawei logo is seen on the side of a building at the headquarters in Shenzhen, China on May 30.

HUAWEI

Zunaid Ahmed Palak, state minister for ICT, hands over clothes on behalf of Huawei among underprivileged people of Singra upazil of Natore yesterday.

Smartphone sales rebound

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The assemblers will be able to meet a third of the country's demand for handsets at the end of the year, said Mohammad Mesbah Uddin, chief marketing officer of Fair Electronics, which assembles handsets of Samsung in its plant in Narsingdi.

"From Samsung's point of view, we are happy with our assembling growth but the overall industry has not kept pace with us," said Mesbah, also the joint secretary of the BMPIA.

He says still there is huge potential in the market, but the business volume is not growing as expected.

"Maybe, the network quality of mobile phone operators is an issue. If people do not get expected speed on their device, what will they do with smart devices?"

Smartphones account for 30 percent of the handset sales, up from 23.8 percent in the first quarter of 2018.

Haque says if the government gives some incentives, it will help the industry grow the market further.

Transsion's plant in Gazipur assembles 3.5 lakh units of handsets a month, the highest among the assemblers.

According to the BMPIA, 3.07 crore handsets worth Tk 9,000 crore were sold in Bangladesh last year.

US set to grant tentative approval to American, Qantas venture

REUTERS, *Washington*

The US Transportation Department is expected to provide tentative approval to a bid by American Airlines Group Inc and Qantas Airways Ltd to operate a joint venture, two people briefed on the matter said on Sunday.

The department is expected to issue an order tentatively approving the joint business agreement and tentatively granting antitrust immunity, according to the sources, who spoke on condition of anonymity.

The order, which is expected as early as Monday and would be subject to public comment, is likely to include conditions to protect competition and allow for government oversight of the venture, the sources added. A department spokesman declined to comment on the matter.

The application by American and Qantas for a joint venture covering the United States, Australia and New Zealand was tentatively rejected in November 2016 by former President Barack Obama's administration amid opposition from rival carriers Hawaiian Airlines Inc and JetBlue Airways Corp.

Regulators in Australia and New Zealand approved the first application for the joint venture before it was rejected by the US Transportation Department.

American Airlines spokeswoman Shannon Gilson said on Sunday the airline feels "we have made a compelling case about the benefits of the joint business for customers, and there was no opposition raised to our proposal. We're hopeful the Qantas joint business will be approved."

American and Qantas in February 2018 made a second attempt to gain US regulatory permission under President Donald Trump's administration for a venture that would let them coordinate prices and schedules, threatening to cancel services if it was rejected and arguing it could "unlock" up to $310 million annually in consumer benefits.

The revised application made significant changes including removing a provision that would have barred either carrier from codesharing with other carriers. Codesharing is a arrangement between airlines in which two or more carriers publish and advertise a single flight under their own airline number.

The airlines argued in their 2018 application that the venture would lead to a reduction in fares and higher capacity as a "more viable third competitor" and require other carriers to respond with improvements to quality, schedules and price.

Qantas said last year the joint venture would allow the two airlines to "significantly improve service" and "stimulate demand".

The airlines said the agreement could generate up to 180,000 new trips between the United States and Australia and New Zealand annually.

The airlines said if the bid were rejected it could result in Qantas reducing the frequency of, downgrading or even cancelling its A380 service between Sydney and Dallas/Fort Worth, while American may further reduce service between Los Angeles, Sydney and Auckland.

The airlines started sharing codes on each other's flights in 1989, co-founded the "oneworld" marketing alliance in 1999 and formed a deeper partnership in 2011 without antitrust immunity.

American Airlines and Qantas currently rely on codeshare agreements to make those routes economically viable. If the venture is granted final approval, the two could offer more flights, including to cities not currently served by either, they said.

Deal signed for export privileges to Eurasia

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Bangladesh has been lobbying with the Russian government for many years to avail duty-free benefits but it was hindered by the common customs.

Under the MoU, Bangladesh and the EAEU will form committees which will work in 18 different areas mainly to create an environment for introducing trade privileges between Bangladesh and the EAEU region, the statement also said.

Munshi also held a meeting with Russian and Bangladeshi businesspeople in Russia on future prospects.

New system ensures faster goods delivery at Benapole port

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The method is being applied on reputed importers who have no history of importing different goods after declaring a specific item as well as on goods meant for government projects, said Benapole Customs House Commissioner Belal Hossain Chowdhury.

The method aims at reducing the hassles faced by the importers and improving the ease of doing business situation, he said. Currently, the port delivers 40 percent of goods on the day of imports and takes a maximum three days for the rest.

EASTERN BANK

M Khorshed Anowar, head for retail and SME banking at Eastern Bank, hands over a cheque comprising risk benefit claims under the bank's "Salary Shield programme" to beneficiaries of a deceased employee of Mans Electrical at an event at the bank's head office in Dhaka recently. Mans Electrical has a payroll banking agreement with EBL.

Nissan would review Renault ties after FCA merger: CEO

REUTERS, *Paris/Milan*

Nissan would carry out a "fundamental review" of its relationship with alliance partner Renault if it accepted a merger proposal from Fiat Chrysler Automobiles, the Japanese carmaker said on Monday.

The proposal under discussion "would significantly alter the structure of our partner Renault", Nissan Chief Executive Hiroto Saikawa said in a statement.

"This would require a fundamental review of the existing relationship between Nissan and Renault," he said, while adding that FCA's arrival as a new alliance member "could expand the paying field for collaboration and create new opportunities for further synergies".

FCA is engaged in intensive discussions with Renault and the French government over the $35 billion merger proposal it pitched last Monday to create the world's third-biggest carmaker.

The Italian-American carmaker is discussing a special dividend, a French government board seat and stronger job guarantees among possible improvements to secure backing from Paris, Reuters reported on Sunday. The French state is Renault's biggest shareholder with a 15 percent stake.

FCA and Renault have stressed they want to preserve the Renault-Nissan alliance - already strained by the arrest and ousting of chairman Carlos Ghosn, who is now facing trial in Japan for financial misconduct charges he denies.

Renault owns roughly 43 percent of Nissan, while Nissan's 15 percent reciprocal Renault holding carries no voting rights. The claimed 5 billion euros ($5.6 billion) in FCA-Renault deal synergies would depend in part on FCA access to technology jointly owned by Nissan, executives concede.

While Nissan is sensitive about such intellectual property considerations, the Japanese carmaker is optimistic about benefits from a FCA-Renault merger and will "look seriously at supporting them", a senior executive told Reuters.

Renault had no comment on CEO Saikawa's statement, company spokesman Frederic Texier said. But a source close to the French carmaker's board said it could have been worse. "If you want to say no, you say no," he said.

Can a derivative turn Europe's green energy dream into virtual reality?

REUTERS, *Milan/Madrid*

Italy's Ferrero is famous for its red-and-white Kinder chocolate eggs. But soon it may hope to be able to slap more green on the wrapper.

The confectionery giant, which runs its own gas-fired power plant near its factory in northern Italy, is in early talks to help finance a new clean energy plant, possibly a solar farm in the sunnier south, according to three sources familiar with the matter.

Like other companies in Europe, Ferrero is under growing pressure from investors and authorities to shift toward greener energy. But without enough wind or sunshine on its doorstep to provide a renewable alternative, it's looking to a new financial derivative known as a virtual power-purchase agreement.

These complex contracts are effectively insurance policies for renewable project developers against the risk of falling power prices, with the premiums paid by companies like Ferrero to support sustainable energy even though they remain plugged into fossil fuels.

Virtual PPAs are slowly beginning to gain traction in Europe, and other companies considering the option include French luxury group Kering and Telecom Italia, two separate industry sources told Reuters.

Telecom Italia, Italy's No. 2 energy user, is discussing a possible PPA of up to 30 years, while Kering plans a deal involving funding a renewable plant in Italy, said the sources.

Ferrero confirmed its interest in PPAs but said it was premature to make any decision, while Kering said it was looking at the idea. Telecom Italia also said it was interested and had been approached by energy companies.

Many firms now fund schemes such as planting forests to offset emissions, but shareholders and authorities want companies to underwrite the direct addition of new renewable generation to grids.

"Investors are increasingly calling on companies to go greener and offer 'additionality' to show they're serious about funding new clean projects," said Aldo Bonati, manager at Italian fund Etica Sgr which counts renewable group Erg and offshore wind developer Orsted among its investments.

Since PPAs do not require companies to reduce their overall greenhouse gas emissions, their direct contribution to tackling climate change may be limited. Nevertheless, advocates believe the instruments can help catalyze a broader shift to clean energy sources by financing projects.

The European Union has urged states to boost green PPAs to help it meet a third of the bloc's energy demand from clean sources by 2030. Renewable energy accounted for 17.4 percent last year, little changed from 2016.

"The big development in renewables in Europe in coming years to meet 2030 targets will mainly be through PPAs," says Antonio Cammisecra, head of green business at Europe's biggest utility, Italy's Enel.

Companies in EMEA (Europe, Middle East and Africa) struck PPA deals for clean energy projects with a total capacity of 2.3 gigawatts (GW) last year, according to data from Bloomberg New Energy Finance. The level more than doubled from 1.1 GW in 2017.

Big utilities like E.ON, RWE and Engie have all struck PPA deals to help finance renewable projects in Europe.

To put the figures in perspective, 2 GW can power around one million households, but is still a fraction of the more than 500 GW of renewable energy capacity that was installed in Europe by the end of 2017.

Europe still lags the United States, a more mature market where tech giants like Facebook, Microsoft and Amazon have used the instruments to bolster their green credentials. US companies signed 8.5 GW of PPAs last year, almost triple the level of 2017 and more than 60 percent of global activity.

The contracts are offered by middlemen, known as offtakers, often big energy trading companies like Switzerland's DXT and utilities like Enel.

Under a typical PPA, an offtaker enters an agreement with a renewable developer, effectively guaranteeing it a fixed price for the electricity it produces. The offtaker will pay a refund if the price dips below the set rate.

The offtaker in turn enters into a mirror agreement with a corporate customer. The company agrees to fix its own power costs at a set price for up to 10 years or more, but if those bills exceed the fixed price agreed in the PPA, the offtaker will refund the difference.

The two agreements transfer the developer's main risk - that power prices will fall - to the offtaker, which in turn hedges its position by persuading a company to fix its power costs. In this way, the corporate customer "virtually" consumes the power from the renewable project.

Without such an agreement, a new renewable project, exposed to the ups and down of the wholesale power market and unable to count on generous subsidy schemes that once held sway across Europe, could struggle to raise bank finance.

There are, of course, inherent risks.

For corporate customers, locking in large supplies of power for years can guard against rising prices, but can prove unfavorable if markets move lower. The converse is true for developers, who can lose out on income should prices rise.

Import of knitted fabrics on the rise

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"We are losing competitiveness due to buyers' nomination of fabrics. Stockpiling of unsold yarn and knit fabrics has been growing every month due to such decision by the buyers," Chowdhury said.

The buyers have been doing so in the name of cost and quality control of garment items, he said.

Meanwhile, last week the Indian Texpreneurs Federation (ITF) appealed to domestic and international brands operating in India to focus on sourcing from within and increase engagement levels with apparel clusters in the country, according to Fibre2Fashion.

The appeal comes in the wake of a 53 percent jump in imports of garment products from Bangladesh.

The increase in import has cost approximately Rs 7,500 crore in garment business in India, according to ITF.

"It would have created an additional 6,000 jobs in the spinning sector, 500 jobs in the processing sector, 100,000 jobs in the garmenting sector and another 40,000 jobs in the printing and embroidery sector of textile value chain," ITF convenor Prabhu Dhamodharan told Fibre2Fashion.