

# Amazon dethrones Google as top global brand: survey

AFP, London

US retail giant Amazon has moved past hi-tech titans Apple and Google to become the world's most valuable brand, a key survey showed Tuesday.

The brand value of Amazon surged by 52 percent to \$315 billion, global market research agency Kantar said in its 2019 100 Top BrandZ report.

Amazon jumped from third to first place to eclipse Google -- which slid from first to third place with Apple holding on to the second spot.

The Seattle-based retail behemoth, founded by Jeff Bezos in his garage in 1994, topped the table thanks to key acquisitions, superior customer services and a disruptive business model, Kantar said in a statement.

"Amazon's smart acquisitions, that have led to new revenue streams, excellent customer service provision and its ability to stay ahead of its competitors by offering a diverse ecosystem of products and services, have allowed Amazon to continuously

accelerate its brand value growth," said Kantar.

The agency, which is owned by British advertising group WPP, added that Amazon showed "little sign" of any slowdown in its growth.

The top ten companies were once again dominated by US firms, with Apple on \$309.5 billion, Google on \$309 billion and Microsoft on \$251 billion.

Payments specialist Visa had the fifth biggest value at almost \$178 billion, while social networking group Facebook was the sixth largest at nearly \$159 billion.

For the first time, Alibaba beat Tencent to become the most valuable Chinese brand.

E-commerce leader Alibaba was the seventh biggest at \$131.2 billion, up two places on the previous year.

Internet giant Tencent fell three spots to stand at number eight with a value of \$130.9 billion.

In a sign of Asia's growing importance, 23 of the top 100 brands

were Asian -- including 15 from China.

The leading brands have embraced "disruptive" business models to beat traditional rivals in the technology, finance and retail sectors.

"Amazon's phenomenal brand value growth of almost \$108 billion in the last year demonstrates how brands are now less anchored to individual categories and regions," said Doreen Wang, Kantar's global head of BrandZ.

"The boundaries are blurring as technology fluency allow brands, such as Amazon, Google and Alibaba, to offer a range of services across multiple consumer touchpoints.

"Using their consumer experience and expertise, these brands are crossing over into the business services sector, creating new opportunities for brand growth.

"Disruptive ecosystem models are flourishing in regions such as Asia, where consumers are more technology-enabled and where brands are integrating themselves into every aspect of people's daily lives."



Paban Chowdhury, executive chairman (secretary) of Beza; Md Harunur Rashid and Mohammed Ayub, executive members, and Rabiul Alam, chairman of Energypac Power Generation, attend a deal signing ceremony at the former's office in Dhaka yesterday.

## Energypac signs deal for Mirsarai steel plant

STAR BUSINESS DESK

Energypac Power Generation yesterday signed an agreement with Bangladesh Economic Zones Authority (Beza) to avail land at Bangabandhu Sheikh Mujib Industrial City in Chattogram's Mirsarai for setting up a Tk 398.9 crore steel processing facility.

Once completed, Energypac Steel will specialise in steel processing and

manufacturing shipping containers, said a statement yesterday.

Mohammed Ayub, executive member of Beza, and Rabiul Alam, chairman of Energypac Power Generation, signed the agreement at the former's office in Dhaka.

"As a local player, Energypac has heavily invested in the energy and engineering sector opening up new business opportunities and creating

employment," said Alam.

"We believe this is a timely investment which has immense possibilities as Bangladesh is setting examples in maintaining consistent economic growth over the past decade," he said.

Paban Chowdhury, executive chairman (secretary) of Beza, and Md Harunur Rashid, an executive member, were present.

## Trump renews Mexico tariff threat amid row over migration deal

AFP, Mexico City

US President Donald Trump renewed his threat Monday to slap tariffs on Mexico as controversy erupted over what exactly is in the countries' new migration deal, which the Mexican government admitted would be reviewed in 45 days.

Trump resumed his pressure on Mexico in a series of tweets, three days after granting a reprieve from tariffs that could have spelled disaster for the country's economy -- his strategy to get the Mexican government to do more to stop the surge of Central Americans arriving at the US border.

Trump alluded to mysterious secret provisions in the deal that he said would have to be approved by the Mexican Congress. "If for any reason the approval is not forthcoming. Tariffs will be reinstated!" he said.

He did not go into details, but Mexico said it had agreed to discuss one of Trump's top demands, a so-called "safe third country agreement" -- in which migrants entering Mexican territory must apply for asylum there rather than the US -- if the flow of undocumented Central Americans continues.

Foreign Minister Marcelo Ebrard, who led the Mexican negotiating team in marathon talks in Washington last week, said he had rebuffed the US demand for such a measure, but agreed to revisit the matter in 45 days.

"In the meeting with the vice president of the United States, they were insistent on the safe third country issue," Ebrard told a press conference.

## Robi to raise Tk 400cr thru' local bonds

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In the application, Robi confirmed that they were not putting up their licences as collateral for the bond.

About the security bond's profit ratio, Alam said it was determined by the financial regulator and issuing banks and had nothing to do with the business profit made by the bond-issuing company.

Replying to another question, Alam said a company has to make a profit for three consecutive years to be eligible for initial public offering (IPO).

Unfortunately, Robi still has not been able to do so but always showed keen interest for IPO, albeit after meeting all the conditions, he said.

After incurring consecutive losses, Robi started to make profit from the end of last year. It logged Tk 214.7 crore in net profits in 2018 on the back of sales of its stake in a tower company that year.

They started 2019 with a positive note and logged Tk 11.5 crore in profit in the first quarter, driven by data revenue growth.

Robi become the second largest operator after its merger with Airtel in November 2016.

Earlier in 2015 Banglalink sold \$300 million five-year notes—the first dollar-denominated bonds from Bangladesh—aiming to boost its business.

## Cautious budget and its proper implementation a must

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He also emphasised on going beyond just allocating resources and focusing more on quality spending of the allocations.

He also opined that Bangladesh has to improve its tax-GDP ratio if it intends to enhance its performance in public financing.

Bangladesh is currently under prudent and compassionate leadership, Rahman said, expressing hope that national budgets of coming fiscal years would reflect the prudence and compassion towards the masses.

Prof M Abu Eusuf of the Department of the Development Studies said strengthening fiscal and financial discipline to curb bad debt and nonperforming loans should be one of the priority areas of the upcoming budget.

It should also focus on generating employment opportunities and tackling income inequality with particular focus on addressing regional divergence, he said.

"...and implementation of budget remains a major challenge," said Eusuf who is also the executive director of the Research and Policy Integration for Development.

Lawmaker Shirin Akhter emphasised on presenting a district-wise budget so that the civil society and general people could better track the quality of public expenditure.

# Fed faces an outlook clouded by trade wars and signs of weakness

REUTERS, Washington

US President Donald Trump's attacks on the Federal Reserve have broken one set of precedents, his talk of stacking the central bank with political allies has strained another, and his on-again off-again tariff threats have made the economic outlook harder than ever to predict.

While the Fed may well find reason to cut interest rates in recent weak job and inflation readings, doing so could also put a safety net under Trump policies that, to the eyes of many policymakers, have to date done more harm than good.

"There is a kind of feed the beast aspect to it," said former Fed vice chair Alan Blinder. "Among the many things the Fed has to take as given is trade policy. And if in fact trade policy is going to push the economy into a slump, that is a reason to cut interest rates ... If the Fed comes in to bail him out you encourage bad behavior."

Fed Chair Jerome Powell and other officials insist they can only consider what is happening in the economy and the appropriate policy response, and not try to second guess what the administration does or might do.

Trump on Monday renewed his attacks on the Fed, claiming that central bank policy put him at a disadvantage in his trade negotiations with China because that country, with closer political control of its central bank, could devalue its currency or use other tools to offset the tariffs Trump has imposed on Chinese imports.

"Our Fed is very destructive to us... They haven't listened to me," Trump said in a

CNBC interview. "They're not my people."

In fact, Trump elevated Powell to the Fed leadership and appointed three of the other four sitting Fed governors.

Trump has for a year berated the Fed for raising rates and other policy steps that Fed officials say are the best way for keeping the recovery under way. That broke a roughly 30-year run of presidents largely staying away from specific policy recommendations for the Fed, even if they were sometimes generically critical of the central bank.

Earlier this year, Trump threatened a fuller assault by considering the appointment of

two highly partisan political allies to the central bank, straying from a tradition of more technocratic appointments.

The surprise announcement in early May of higher tariffs on China and a threatened imposition of levies on Mexican imports added to the minefield the Fed must now navigate.

Though Trump in the end chose not to impose the tariffs on Mexico, the prospect of using an economic lever for the non-economic end of border control showed how in the Trump era policy could shift abruptly for central bankers who try to keep their focus on medium- and longer-

term outcomes.

"We take all kinds of things...into account," St. Louis Fed President James Bullard said last week before Trump called off the Mexican tariffs. "There are some good policies in there. There may be some bad policies in there. But we have to take everything into account."

Recent economic data are already complicating the Fed's job. Policymakers have expected the economy to slow, but also regarded the likely slowing as modest, and not enough to warrant a rate cut.

The story shifted after Trump's latest trade war salvo.

"I don't feel backed into a box," to cut rates, Dallas Federal Reserve bank president Robert Kaplan said last week. But "in the month of April I might have said ... I was a little more optimistic that the outlook was firming, and today I will tell you I am more cognizant of risks to the downside. That is a pretty big change in a relatively short amount of time."

Whether it is enough for the Fed to put a rate cut squarely on the table will become clearer next week. Fed officials will hold their policy meeting on Tuesday and Wednesday, and issue updated rate projections. They will also have to decide whether to maintain their "patient" approach to changing rates from the current range of between 2.25 percent and 2.5 percent, or drop that description in a sign that they are open to a move sooner rather than later.

Weak inflation readings like those in a New York Fed report on Monday have already led Bullard to say that a rate reduction was "warranted."



Federal Reserve Board Chairman Jerome Powell

## TRADE, HUAWEI TENSIONS Fear and fervour propel Shanghai's tech board

REUTERS, Shanghai

Chinese companies and investors are lining up in spades to take part in Shanghai's new Nasdaq-style tech board, with a groundswell of patriotic support surging further after the US blacklisting of telecom firm Huawei inflamed trade tensions.

In the two months since the application period began, 120 firms -- many in industries such as semiconductors, artificial intelligence and biotech -- have sought permission to list, aiming to raise a combined \$16 billion.

By comparison, IPOs on Shanghai's main bourse last year raised \$11.7 billion while those on the Shenzhen exchange raised \$8 billion, according to Refinitiv data.

On the investment side, there's been a rush to launch tech-focused mutual funds, with about 100 currently seeking approval, data from the China Securities Regulatory Commission shows. Since late May, 12 such funds targeting the new board, each with a fundraising cap of 1 billion yuan (\$145 million), have been launched.

The first mainland China exchange-run board to not make profitability a listing requirement, Shanghai's Sci-tech Innovation Board was announced suddenly by President Xi Jinping in November and is widely seen as Beijing's latest move to become self-sufficient in core technologies such as chips.

Those ambitions, highlighted by the government's "Made in China 2025" campaign launched four years ago, have now taken on added urgency as the trade war with Washington and anxiety about its impact escalate.

about China importing more soybeans, or reducing trade deficits," Shi Donghui, director of the Shanghai Stock Exchange's Capital Market Institute told a financial forum last month after U.S.-China trade talks collapsed.

"It's essentially a tug of war around industry supply chains and core technologies," he said, adding that as the two economic powers vie for tech supremacy, exchange staff were working day and night seven days a week to make the new board a success.

Washington's ban in May on US firms doing business with Huawei without government approval highlighted gaps in China's tech prowess and has fueled patriotic enthusiasm for the board.

If the new board can foster internationally competitive technologies, "Trump will no longer be able to choke us," said Zhou Xiangyong, general manager of Guotai Asset Management, a Shanghai-based mutual fund house.

"China must turn external pressure into internal drive," said Pan Jiang, CEO at private fund manager Shanghai V-Invest Co, which recently launched eight funds targeting the new board.

China Galaxy Securities estimates domestic mutual fund houses alone could pump more than \$40 billion into the board, with about a third of that coming from new funds launching over the next six months.

In addition to allowing loss-making firms to list, the new board is doing away with paternalistic guidance from regulators on IPO pricing and timing -- developments that have some bankers and investors calling it China's boldest market reform yet.

## BP raises Saudi oil reserves 12pc in first big change in 30 years

REUTERS, London

BP has raised estimates for Saudi Arabia's crude oil reserves by 12 percent, marking the first major change to the country's estimated reserves since 1989.

In its benchmark 2019 Statistical Review of World Energy, BP recalibrated some Saudi gas reserves as oil, allowing Riyadh to close in on Venezuela's top spot as the world's largest reserves holder. BP said Saudi Arabia's proved oil reserves were revised to 297.7 billion barrels at the end of 2018 from 266.2 billion a year earlier, only slightly behind 303 billion in Venezuela.

Canada was third with 168 billion barrels, followed by Iran with 156 billion and Iraq with 147 billion.

## Tax on savings tools may go up

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Under the proposed system, electricity distribution companies will ensure filing of TINs by the two types of consumers and verify the authenticity of TIN with the NBR's electronic TIN database.

The NBR database will provide a track number against the TINs and consumers will not need to provide TIN documents once the track number is issued.

The track number will help the NBR trace the TIN-holders in order to check whether they file tax returns or not.

## Import rises in last month of 2018-19

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"Some 354 Indian trucks entered Bangladesh on Sunday, 445 on Monday and 382 till Tuesday noon while the number hovered between 250 to 270 in the same period last year, thanks to the introduction of scanners and modern facilities in recent times."

Benapole custom house has so far collected around Tk 4,500 crore in revenue while the target for 2018-19 was Tk 5,185

crore.

Rakibul Alam, manager of Sonali Bank's Benapole branch, said they collected Tk 11 crore of the port's revenue on Sunday, Tk 12 crore on Monday and Tk 8 crore till Tuesday noon.

To give pace to the trade activities of the Benapole and Petrapole ports, Indian High Commissioner Riva Ganguli also visited the ports on Saturday and stressed the need for joint efforts to boost trade.

## BB summons CEOs of 7 banks

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The banks have claimed that a big portion of their loans became classified after writ petitions filed by some borrowers with the High Court against their defaulter status were vacated, he said.

The banks were asked to speed up the recovery of non-performing loans, Islam said. The central bank also formed an inter-