

Bangladesh Marketing Day at TSC tomorrow

STAR BUSINESS DESK

A "Bangladesh Marketing Day" will be observed in Dhaka tomorrow aiming to connect people in the marketing domain, including academicians, professionals and graduates, and create wide ranging opportunities. Marketer Institute Bangladesh will organise the event at Teacher-Student Centre at the University of Dhaka, said Mijanur Rahman, vice chancellor of Jagannath University and chief of the celebration committee, yesterday.

Addressing a press conference at the senate bhaban, he said Industries Minister Nurul Majid Mahmud Humayun was schedule to inaugurate the celebration which was expected to have around 10,000 of marketing graduates and practitioners as attendees. Different sessions will be held focusing on the latest trends of marketing, marketing in digital age, art of consumer engagement, approach of retail and marketing for sustainability. "We are happy to organise the day

for a second consecutive year together with marketing departments of educational institutes and corporate offices," said Rahman. The celebration will strengthen the bond among learners and practitioners in the field of marketing, he added. Shariful Islam Dulu, member secretary of the organising committee, also spoke. On Thursday, marketing departments of graduate schools across the country will observe the day with the theme "Consumer First".



Mijanur Rahman, vice chancellor of Jagannath University, speaks at a press conference at the senate bhaban of the University of Dhaka yesterday announcing that Marketer Institute Bangladesh will observe "Bangladesh Marketing Day" tomorrow.

China factory price inflation slips as trade war pressure grows

AFP, Beijing

Factory prices in China were unchanged in June from a year ago, data showed Wednesday, reviving the prospect of deflation as the US trade war hits the crucial manufacturing sector.

At the same time consumer prices managed to meet expectations but the main support came from a surge in food prices owing to the impact of African swine fever on pork supplies and severe weather hitting fresh fruits. The producer price index (PPI) -- an important barometer of the industrial sector that measures the cost of goods at the factory gate -- came in at zero in June, down from a 0.6 percent rise in May, the National Bureau of Statistics said. The reading is the weakest since August 2016, and fell short of the 0.3 percent forecast in a Bloomberg News survey.

A slowdown in factory gate inflation reflects sluggish demand, while a turn to deflation could dent corporate profits and drag on the world's number two economy, which in turn could lead to a drop in prices globally.

"The tepid inflation signals are an unambiguous sign of current and looming economic problems facing China as a direct result of trade frictions with the US," said Stephen Innes, managing partner at Vanguard Markets. The reading is the latest indication that the long-running trade war with

Washington is denting the factory sector, with figures earlier this month showing activity was contracting as demand for China's goods slows.

Trade discussions between China and the US resumed Tuesday as top negotiators held phone talks seeking to patch up the trade rift hurting the world's top two economies.

Meanwhile, China's cost of food continues to rise, as the consumer price index (CPI) -- a gauge of retail inflation -- hit 2.7 percent, the same as last month, which was the highest since February 2018.

Food prices bounced 6.1 percent

in June from last year, led by a 21.1 percent jump in the cost of pork -- which also carried upwards the prices of other meats such as chicken. The cost of fresh fruit soared more than 40 percent as wet weather in the south hit crops, Bloomberg News reported.

The African swine fever epidemic has wiped out China's pig herds since hitting the country last year.

"The recent collapse in pig supply suggests that upward pressure on food prices is likely to intensify in the coming months," said Julian Evans-Pritchard of Capital Economics in a note.



An employee works on a drilling machine at a factory in Zhangjiakou in China's northern Hebei province.

3 economic zones get \$17.91b investment proposals

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The amount of investment would increase in the days to come when the ease of doing business would improve along with the development of the infrastructure, he said.

Chowdhury said investments of India, Japan and China have not been included in this figure as those would come to special zones meant for their investors.

He, however, said a lot of work still has to be done as bringing in such investments was not an easy task. "I personally believe quality investment will come to the special economic zones of Japan, China and India," he said.

He said the first factory of the Mirsarai zone is scheduled to be opened within a couple of months, in which a Chinese company would produce chemicals solely for export. The development of utility services and road communication of Mirsarai, Sreehatta and Moheshkhali zones would be complete by December this year, said AKM Mahbubur Rahman, zone development consultant at Beza.

Investors would start building their factories after the completion of the utility and communication works, he said. "The factories may go into production in 2021 as they will need at least two years to get prepared."

Don't panic

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"The central bank will liquidate the non-bank financial institution for the greater interest of depositors," Alam said. When probed what would the BB do if PLFS's assets turn out to be worth less than what depositors are owed, he said the High Court would give a verdict to this end.

Alam also said the central bank can't be blamed for the current state of PLFS. "We have not left any stone unturned to protect the NBFIs. We unearthed financial scams and took action against the alleged persons on time."

Asked whether the central bank would follow the same liquidation process for some other NBFIs that are now unable to pay back their depositors, he said that some went through liquidity crunch but none failed to repay.

"The central bank is now working to protect the interest of all NBFIs depositors."

Md Shafiqul Islam, spokesperson of the central bank and also an executive director, also spoke at the event.

New tax return form for firms mandatory

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"However, they did not have to mention such transactions in the returns. Now companies will declare it in the returns. It will allow taxmen to identify companies with international transactions easily," he said.

Md Humayun Kabir, a former president of the Institute of Chartered Accountants of Bangladesh, expects that mentioning of international transactions in the returns would yield good result.

The latest data on the returns filed by companies are yet to be published by the NBR. Its annual report 2016-17 published earlier this year showed that 29,215 companies filed returns in 2016-17, up 34 percent year-on-year.

Emissions rules and electric shift to spur car engines M&A

REUTERS, Frankfurt/Detroit

A growing understanding in the car industry of the value of combustion engine technology able to meet new anti-pollution requirements is likely to fuel a wave of consolidation in the next two years, industry executives and bankers say.

Mergers and acquisitions have been stuck in a rut since Volkswagen was caught cheating pollution tests in 2015, triggering a global tightening of emissions regulations that depressed the value of petrol and diesel technologies.

But the market is beginning to separate companies capable of meeting new emissions standards from those struggling to do so, which could close the gap in price expectations between buyers and sellers over the next 12-24 months, industry experts say.

The auto industry has all but stopped developing next-generation combustion engines as limited resources are directed towards building electric and self-driving cars.

However, electric vehicles are still a niche product, accounting for only 1.26 million - or 1.5 percent - of the 86 million cars sold worldwide last year, and analysts forecast it will be the middle of the next decade before a tipping point comes when electric cars overtake combustion-engined variants.

That means there will still be demand for emissions-compliant combustion engines and so manufacturers and suppliers able to offer that are likely to see valuations recover, said Reinhard Kuehn, co-head of European Automotive at Deutsche Bank.

"At the same time, suppliers that struggle with this will remain a hard sell," Kuehn said.

Meanwhile, as production capacity of petrol and diesel engines is cut back, the impetus for mergers among suppliers should increase, bankers believe.

Germany's Volkswagen, one of the largest manufacturers of petrol and diesel engines, has said it will develop

its final generation of combustion engines by 2026, while US rival Ford (F.N) last month said it would close two engine factories in Europe.

"The profit pool of companies with combustion engine-related technology - once the envy of the industry - is shrinking with the rise of

procurement head, told Reuters. "The auto industry is obliged to develop structures to consolidate combustion engine assets, to decide where to bundle certain activities."

"If we end up with uncontrolled insolvencies, it will be a problem for the industry," he said.



People pass in front of a Volkswagen logo ahead of the Shanghai Auto Show, in Shanghai, China.

electric vehicles and the digitization of the industry," Goldman Sachs managing director Axel Hoefel said. "You would expect someone to come in and consolidate to benefit from economies of scale."

Volkswagen is now warning its suppliers to prepare industry-wide solutions for winding down combustion-engine manufacturing as it ramps up mass production of electric vehicles.

The company is retooling 16 factories to build electric vehicles and plans to start producing 33 different electric cars under the Skoda, Audi, VW and Seat brands by mid-2023, transforming the industry's supply chain.

"It makes no sense to have factories running at only 40 percent capacity," Stefan Sommer, Volkswagen's

There are more than 120 plants making combustion engine components in Europe, according to consulting firm AlixPartners.

German auto industry association VDA says 436,000 jobs are tied to building petrol and diesel engines in Germany alone.

Demand for compliant combustion engine assets has already triggered consolidation among carmakers themselves - PSA Group's takeover of General Motors' Opel business in 2017 was driven by that issue.

"With emissions regulation getting more stringent, particularly in Europe, some manufacturers are getting left behind in terms of their ability to develop compliant engines," Francis van Meel, BMW's head of vehicle development, told Reuters.

American Airlines sees \$185m profit hit from Boeing MAX grounding

REUTERS

American Airlines Group Inc said on Wednesday its second-quarter profit would be reduced by about \$185 million as the No.1 U.S. airline had to cancel thousands of flights due to the grounding of Boeing Co's 737 MAX jets.

The airline, which has already pulled MAX off its flying schedule through Sept. 3, had in April cut its annual profit forecast, blaming an estimated \$350 million hit due to the groundings.

American, which has the second-biggest fleet of MAX aircraft in the United States with 24 jets, said it canceled about 7,800 flights in the second quarter.

Fewer planes in service boosted second-quarter unit revenue, a measure that compares sales to flight capacity.

It now expects unit revenue to increase between 3 percent and 4 percent in the quarter ended June, compared with its earlier forecast of a rise of between 1 percent and 3 percent.

The company's shares were up about 2 percent in premarket trading, pushing other airline stocks higher.

Qatar leads \$150m funding for Indian education startup Byju's

REUTERS, Mumbai

Indian online tutoring startup Byju's said on Wednesday it had raised \$150 million from investors led by the Qatar Investment Authority (QIA), which a source familiar with the matter said valued it at more than \$5.5 billion.

Venture capital fund Owl Ventures also participated in the funding round and the proceeds will be used for international expansion, Byju's said in a statement, without saying what valuation the investment implied for the firm.

"This investment underscores QIA's strong commitment to the education sector and our focus on investing in leading innovators in the TMT (tech, media and telecoms) industry globally," Mansoor Al-Mahmoud, CEO of QIA, Qatar's sovereign wealth fund, said in the statement.

Launched in 2015 in the southern Indian tech hub of Bengaluru, Byju's has so far raised roughly \$970 million from investors, tracker Crunchbase says.

This includes investment from China's Tencent, South Africa's Naspers and the Canadian Pension Plan Investment Board.

Mastercard acquires Transfast to expand payment network

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"People and businesses expect certain and predictable real-time payments that keep pace with modern life and everyday demands, and now, with its reach into 90 percent of global GDP flows, Mastercard is in a prime position to support their cross-border requirements," he added.

Mastercard's global reach complements Transfast's network across more than 100 countries, said Samish Kumar, chief executive officer of Transfast.

"Together, we will grow within the account-to-account payments space, helping organisations improve operational efficiencies and supporting wider economic growth."

Mastercard, a technology company in the global payments industry based in New York, originally declared the intent to buy Transfast on March 8, 2019.



Vincent Chang, vice chancellor of Brac University; Lila Rashid, a general manager of Bangladesh Bank; Patricia G Greene, a professor at Babson College, Massachusetts, and Selim RF Hussain, CEO of Brac Bank, attend at an event in Dhaka on Tuesday when the bank honoured women entrepreneurs who successfully completed a four-day international entrepreneurial development training programme recently. The bank organised the training programme for 35 businesswomen jointly with the college and FMO, a Dutch financial investment firm.

Worries among 15 banks, NBFIs over Tk 850cr deposit

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As of May 31, retail investors held 68 percent of the PLFS's stock, according to the Dhaka Stock Exchange.

If PLFS's liquidation goes through -- which will be a first in Bangladesh's financial sector -- the general shareholders stand to lose about Tk 193.52 crore and institutional investors Tk 25.75 crore.

In the event of liquidation, the general shareholders' turn comes in the end, once all the parties have been paid off. They get a sum if the net asset value (NAV) per share is positive.

But in PLFS's case its net asset value was Tk 67.66 in the negative as of March 31, so the chances of retail investors getting anything are next to nil.

Dawned with the possibility, PLFS's retail investors yesterday tried to dump their shares but in vain.

PLFS shares slid 8.33 percent yesterday to close at Tk 3.30.

DSEX, the benchmark index of the DSE, shed 49.41 points yesterday to close at 5,230.06, the lowest in two months.

Turnover, another important indicator of the DSE, also sank 20.28 percent to Tk 408.88 crore.