

# Growing economy attracts Japanese businesses

## Japanese envoy says at the opening of Tilotoma Gulshan

STAR BUSINESS REPORT

Many Japanese companies are keen to do business with Bangladesh as its economy is growing, Japanese Ambassador Hiroyasu Izumi said yesterday.

"Bangladesh has been achieving impressive economic growth for the last few years. It is really tremendous growth," he said at the launch of Tilotoma Gulshan, a showroom of Toto brand, in the capital's Gulshan 2.

According to him, Toto was the world's largest toilet manufacturer providing water and sanitary solutions.

He recommended that other Japanese companies doing business in Bangladesh follow Toto's success story.

Kazi Golam Nasir, chief architect of the Department of Architecture under the Ministry of Housing and Public Works, said the opening of the showroom proves that Bangladesh is progressing and demand for high-end products is rising thanks to the increasing purchasing power of people.

Diasuke Endo, division head at Toto Asia Overseas Pvt Ltd, said he was optimistic of business success in Bangladesh and this showroom would satisfy customers.

Shariar Shabab, director of Tilotoma Bangla Group, said they imported high-end sanitary, kitchen and bathroom solutions from Toto.

According to him, Tilotoma caters to around 25 percent of imported sanitary solutions in



Hiroyasu Izumi, Japanese ambassador to Bangladesh, opens Tilotoma Gulshan, a showroom of Toto brand, in the capital's Gulshan yesterday.

Bangladesh.

Joarder Nowsher Ali, chairman of Tilotoma Bangla Group, CEO Shahriar Sajjad and Ehasan Khan, vice president of the Institute of Architects Bangladesh, addressed the

programme.

The sixth in Bangladesh and fifth in Dhaka, the new showroom offers technical information and live experiences on water conservation, cleanliness and hygiene functions.

# CAPM Unit Fund approves 13pc cash dividend

STAR BUSINESS DESK

CAPM Unit Fund approved a 13 percent cash dividend for the year ending on June 30, 2019.

The approval came at a meeting of the board of trustees in Dhaka recently.

The meeting also approved the accounts and audit reports for the same period showing that the total net asset value (NAV) stood at around Tk 9 crore on the basis of cost price and around Tk 8.8 crore on the basis of market price.

The NAV per unit at cost price and market price of the fund are Tk 120.37 and Tk 117.62 respectively. The net profit is around Tk 1.19 crore with earnings per unit of Tk 15.90.

# Japan, US target broad bilateral trade deal by September

REUTERS, Tokyo

Japan and the United States have agreed to target a broad deal on bilateral trade by September, seeking to bridge differences of opinion over tariffs on beef and the automobile sector, the Nikkei business daily reported on Sunday.

As part of a drive to rectify what he claims are unfair global trade imbalances, US President Donald Trump has been urging Tokyo to accelerate trade talks that would open up Japan's politically sensitive agriculture sector, as well as curbing Japan's US-bound auto exports.

The agreement to target a deal by September was reached during a meeting between Japanese Economy Minister Toshimitsu Motegi and US Trade Representative Robert Lighthizer in Washington D.C., the Nikkei said, citing unidentified negotiating sources.

The paper said both sides hope to have a broad trade deal in place by the time Japanese Prime Minister Shinzo Abe meets US President Donald Trump on the sidelines of United Nations' general assembly scheduled for later in September in New York.

# Shafique Ul Azam new BD Venture MD



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Shafique Ul Azam has recently joined BD Venture Limited as managing director. The board of directors appointed him at its 37th meeting, according to a statement.

Azam started his career with MIDAS in November 1986. He had been serving MIDAS and MIDAS Financing for 32 years.

He worked in different management positions of MIDAS Financing including as managing director for nine years.

# Reliance to buy 87.6pc stake in Fynd

REUTERS, New Delhi

Indian energy and telecoms conglomerate Reliance Industries Ltd will acquire an 87.6 percent stake in Shoppers' Stop Retail Technologies, also known as Fynd, for 2.95 billion Indian rupees (\$42.33 million), it said in a statement.

# Is Boeing too big to fail?

AFP, New York

The grounding of the 737 MAX for more than four months after two deadly accidents has tarnished Boeing's reputation, but it still has the confidence of US policymakers.

This is despite the fact that one of the MAX flight systems, the MCAS, has been cited in both accidents. Is this an indication that the American aerospace giant is too big to fail?

President Donald Trump, whose mantra is "America first," certainly criticized Boeing early in his administration over the presidential plane, Air Force One, but he has been largely silent about the recent woes.

The wave of negative press about the flaws that caused the deaths of 346 people did not prompt legislators

to summon Boeing CEO Dennis Muilenburg before Congress to inflict on him the kind of humiliation Wall Street bankers were subject to following the global financial crisis.

"Boeing is one of the engines of the US economy, it's way too big and too important for the United States," said Michel Merluzeau, an expert at Air Insight Research. If American politicians were to attack the manufacturer, they would be shooting themselves in the foot, Merluzeau said, because "there are many jobs involved, a very, very numerous supply chain and it cannot be replaced with Facebook or Google that don't produce anything tangible."

Founded 103 years ago, Boeing employs more than 150,000 people around the world, the vast majority in the United States. In addition to direct

jobs, its subcontractors -- like General Electric (GE), United Technologies and Spirit Aerosystems -- are large US industrial employers.

The location of Boeing plants resembles a political campaign map, with facilities in Republican strongholds like Alabama, South Carolina and Texas, and Democratic areas like California and Washington, as well as states that helped Trump win the election: Pennsylvania and Arizona.

And Muilenburg has shown political savvy in his picks for the company's board of directors, naming Nikki Haley, former governor of South Carolina and Trump's former ambassador to the United Nations, and Caroline Kennedy, ally of former president Barack Obama and daughter of former president John F. Kennedy.



From right, Md Mahub Ali, state minister for civil aviation and tourism; HM Hakim Ali, president of Bangladesh International Hotel Association (Biha); Lt Gen (ret) Sabbir Ahmed, managing director at Sena Hotel Developments Ltd, and Asif Ahmed, general manager at Pan Pacific Sonargaon Dhaka, attend a meeting at the former's office in Dhaka recently. The Biha urged the government to reduce VAT, tax and supplementary duty on tourism industry.

# Mehmood Husain NRB Bank CEO for second term



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Md Mehmood Husain has been reappointed managing director and CEO of NRB Bank for a second term.

Husain started his banking career as a probationary officer at National Bank in 1984.

During his 35-year career, he served several banks in various capacities including as additional managing director at Prime Bank and president and managing director at Bank Asia.

He earned his postgraduate degree in economics from the University of Dhaka.

# Jet Airways extends deadline for initial bids to Aug 10

REUTERS, Mumbai

India's Jet Airways has extended the deadline for initial bids for the bankrupt airline to Aug. 10 from Aug. 3, a statement from the company said on Saturday.

Jet, once ranked among the country's biggest airlines, was forced to ground all flights in April after running out of money and failing to secure funds, crippled by mounting losses as it attempted to compete with low-cost rivals.

The bid submission deadline has been extended at the request of some prospective bidders, it said.

# 53.8 lakh jobs will be at stake

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Speakers also gave importance to apprenticeship, which they are saying will be helpful to train the youth to face the challenges. KM Akhtaruzzaman, chairman of Akhtar Furnishers, said the industry is exporting huge amounts of furniture now.

"We have adopted technology and that will also help us to grow more. Currently, 25 lakh people are working in this field and the industry still has huge demand, especially for trained manpower," he added.

Anir Chowdhury, policy adviser of the a2i project, moderated the event, while Md Faruque Hossain, executive director of National Skills Development Authority under the Prime Minister's Office; Syed Md Golam Faruk, director general of the Directorate of Secondary and Higher Education; Van Berkel Rene, regional representative of the United Nations Industrial Development Organisation (UNIDO), and Kishore Kumar Singh, senior specialist at ILO Bangladesh, also spoke.

The programme was jointly organised by a2i, the cabinet division, ICT division, USAID and UNIDO.

# How a shadow banking crisis sent India's autos sector into a tailspin

REUTERS, Mumbai

Sudhir Gharpure and his sales team sat chatting at a big Maruti Suzuki dealership on the outskirts of Mumbai some two hours after its doors were opened on a recent Saturday morning - not a single customer was in sight.

"There used to be close to 15-20 bookings each day, but now we're down to 3-5 on good days," said Gharpure, the general manager at the dealership.

Gharpure's experience is not an isolated one. Across India dealerships are being pushed out of business and the Indian auto sector is going through its biggest slump in nearly two decades. Passenger vehicle sales fell for eight straight months until June, and in May sales dropped 20.55 percent - the sharpest recorded fall in 18 years.

Preliminary data indicates passenger vehicle sales may have plunged as much as 30 percent in July. The slump in India, along with a simultaneous slide in Chinese auto sales, is a blow for automakers wrestling with higher costs driven

by more stringent emission norms and a push to develop electric cars.

Unlike in China, where the plunge in cars sales has been caused largely by new emissions rules, India has seen a mix of factors that have combined to erode demand for automobiles.

Prime Minister Narendra Modi's 2016 ban on high-value bank notes, higher tax rates under a new goods and services tax regime, a boom of ride-sharing firms such as Uber and Ola, and a weak rural economy have all played a role.

But many dealers and automakers agree it is a deepening liquidity crunch among India's shadow banks that has been the biggest single factor in an auto sales collapse, which some fear may lead to more than a million job losses.

Non-banking finance companies (NBFCs), or shadow banks, have dramatically slashed lending following the collapse of one of the biggest, IL&FS, in late 2018.

IL&FS, or Infrastructure Leasing & Financial Services Ltd, was a behemoth in shadow banking and its defaults and unraveling, amid

fraud allegations, have dried up funding for rivals and led to a surge in their borrowing costs.

Non-bank or shadow banking firms generate credit outside traditional lenders, by means such as collective investment vehicles, broker-dealers or funds that invest in bonds and money markets.

In India, NBFCs have in recent years helped fund nearly 55-60 percent of commercial vehicles both new and used, 30 percent of passenger cars and nearly 65 percent of the two-wheelers in the country, according to rating agency ICRA.

To aggravate matters, the stress in the auto market has also prompted banks to begin trimming their exposure to the sector.

"The car doesn't sell, it's the finance that sells," said R. Vijayaraghavan, a senior marketing consultant at the same Mumbai dealership. "Today the finance is not selling, so the cars are not selling."

Some 286 dealerships have shut down in the last 18 months across India as rising costs for inventory

management have made businesses unviable, according to the Federation of Automobile Dealers Association (FADA), a lobby group of auto dealers.

"The slowdown in the (NBFC) sector has dragged down vehicle sales growth," said A.M. Karthik, financial sector head at ICRA. "Now the auto slowdown is becoming more visible as the liquidity squeeze continues."

Automakers including Maruti Suzuki, Tata Motors, and Mahindra & Mahindra are feeling the heat and have either cut production or temporarily closed plants to correct mounting stocks.

According to FADA data, passenger vehicle inventories now stand at 50-60 days up from around 45 days earlier, while those of two-wheelers are even higher at 80-90 days. For commercial vehicles, inventory levels range between 45 and 50 days.

"We are asking dealers to maintain an inventory of 21 days, which is almost half of the current levels," said Ashish Kale, president of FADA.



Rahel Ahmed, CEO of Prime Bank, attends the disclosure of the bank's half yearly financial reports for 2019 at its head office in Dhaka recently. Story on B1

# Prime Bank's half-year profit rises 28pc

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The bank has also witnessed significant growth - 42 percent - in inward remittance and export and import business in the first of the current year.

At the event, Rahel Ahmed, managing director and CEO of the bank, spoke on the overall banking industry and the bank's future plans. M Habibur Rahman Chowdhury, deputy managing director and chief financial officer, presented the financial results.

Deputy managing directors Md Golam Rabbani, Md Touhidul Alam Khan and Faisal Rahman also spoke.



Industries Minister Nurul Majid Mahmud Humayun; Tofail Ahmed, chairman of the parliamentary standing committee on commerce ministry, and Rajesh Surana, CEO of LafargeHolcim Bangladesh, attend a corporate night organised by the company at The Westin Dhaka recently.