



Md Mahbub ul Alam, CEO of Islami Bank Bangladesh, receives an award from Finance Minister AHM Mustafa Kamal in the capital's Institution of Diploma Engineers, Bangladesh on Monday on becoming Bangladesh Bank's best remittance collector for 2018.

## Oracle to hire 2,000 workers to expand cloud business

REUTERS

Oracle Corp plans to hire nearly 2,000 additional workers as part of an aggressive plan to roll out its cloud computing services to more locations around the world, its cloud chief told Reuters on Monday.

Seeking to better compete with bigger rivals Amazon Web Services and Microsoft Corp, the move will also help transition Oracle's business software for finance, sales and other functions to new systems over the next year.

Jobs will be added in Oracle's software development hubs in Seattle, the San Francisco Bay Area and India, as well as near new data centers, said Don Johnson, executive vice president of the Oracle Cloud Infrastructure unit.

By the end of next year, Oracle plans to open 20 more cloud "regions" - places where Oracle operates data centers so customers can safely stash data for disaster recovery or to comply with local data storage laws.

The company currently has 16 such regions, a dozen of which it opened in the past year. New locations will be built out in Chile, Japan, South Africa and United Arab Emirates as well as elsewhere in Asia and Europe.

As of May 31, Oracle had some 136,000 full-time staff, of which 18,000 were employed in cloud services and license support operations.

The fiercely competitive market where big businesses pay a cloud provider to handle their computing and storage tasks instead of building out their own data centers is estimated by Gartner to be worth \$38.9 billion in 2019.

Amazon is the largest player, but Microsoft has staked its turnaround strategy on the services. Alphabet Inc's Google and International Business Machines Corp are also pouring resources into the fight.

Under Johnson, who joined Oracle in 2015 after seven years in Amazon's cloud unit, Oracle has built out its second generation of cloud

infrastructure after a rocky first attempt. This time, Oracle will run its cloud software applications, which compete with the likes of and SAP SE, on the same cloud system it offers outside customers - a strategy long employed by firms such as Amazon and Google.

"We're driving this very, very aggressively," Johnson said. "We are very rapidly converting what's a complex footprint to be a very simple footprint. Everything everywhere runs on our generation two cloud infrastructure."

Oracle is also aiming for a piece of the Joint Enterprise Defense Infrastructure Cloud, or JEDI, a \$10 billion contract with the US Department of Defense. The award of that contract was put on hold for review after Oracle expressed concerns about the process, which left Amazon and Microsoft finalists. Johnson said the job additions were not related to the JEDI project, but added that Oracle is continuing to build out data centers for potential government customers.

## China services sector growth falls to seven-month low

REUTERS, Beijing

China's services sector grew at its slowest pace in seven months in September despite a strong increase in new orders, as operating expenses continued to rise at the end of the third quarter, a private survey showed on Tuesday.

Services account for more than half of China's economy, providing a key buffer as persistent trade tensions with the United States weigh heavily on the country's

manufacturing sector.

The Caixin/Markit services purchasing managers' index (PMI) fell to 51.3 last month, the weakest since February, versus August's 52.1. It has stayed above the 50-point that separates growth from contraction on a monthly basis since late 2005.

The fall was in line with the marginal drop in the official non-manufacturing PMI published by the National Bureau of Statistics. It was also in step with signs of general cooling this year as the

world's second-largest economy continues to lose momentum.

New orders for services in September grew at the fastest pace since January 2018, buoyed by product launches and stronger customer demand.

But operating costs hit a one-year high because of an increase in labour, fuel and raw material expenses.

A continued push among firms to stay competitive also limited the increase in prices that they charged,

pressuring profit margins.

"China's economy showed signs of marginal recovery in September, as the labour market improved and domestic demand increased at a faster pace," said Zhong Zhengsheng, director of macroeconomic analysis at CEBM Group, in a statement alongside the data.

"However, fluctuations in exchange rates, and rising costs of labour and raw materials increased pressure on companies, which restrained business confidence."

The volume of new work from abroad received increased for the third straight month in September. But after seasonal adjustments, the pace of growth further eased from July.

Expectations regarding the one-year outlook for business activity softened slightly in September. But services firms added jobs at the fastest pace since January 2017.

Beijing has rolled out a mix of fiscal stimulus and monetary easing since early 2018 to cushion the economic slowdown, including hundreds of billions of dollars in infrastructure spending and tax cuts for companies.

But those measures have been slow to trickle through the economy, and with U.S. trade pressure persisting, analysts say a deeper downturn could be inevitable without further policy support.

Caixin's composite manufacturing and services PMI, also released on Tuesday, rose to a five-month high of 51.9 in September from 51.6 in August, though new export orders again contracted.

## EU finance commissioner pledges to regulate digital currencies

REUTERS, Brussels

The European Union's finance commissioner pledged on Tuesday, if he is reappointed, to propose new rules to regulate virtual currencies such as Libra, the currency Facebook plans to launch.

Valdis Dombrovskis has resisted regulating digital currencies and making systemic changes to tackle money-laundering in the five years he has served so far.

However, France and Germany have said that Libra, whose size would dwarf the effect of cryptocurrencies such as bitcoin, could limit their monetary sovereignty.

"Europe needs a common approach on crypto-assets such as Libra. I intend to propose new legislation on this," Valdis Dombrovskis told EU lawmakers in his confirmation hearing.

He said that, in regulating virtual currencies, the EU should tackle "unfair competition, cybersecurity, and threats to financial stability".

The EU currently has no specific regulations on cryptocurrencies, which, until Libra was unveiled in June, had been considered a marginal issue by most decision-makers because only a tiny fraction of bitcoins or other digital coins are converted into euros.

But Facebook's plans have triggered a rethink, and the EU is now also pushing the G20 for global action on digital and crypto currencies.

Dombrovskis said the Libra project, although not yet operational, could pose risks to financial stability because of its scale, as Facebook's millions of users in Europe would be able to use the new digital currency.

He said the new rules should focus on

defending financial stability, protecting consumers and tackling the risks of money being laundered using crypto-assets, which can cross borders with ease.

Dombrovskis, a former prime minister of Latvia, had resisted such measures despite a series of scandals at banks in his home country, other Nordic states and larger EU countries - but said the EU now needed a rethink of its mechanisms to counter financial crime.

He also said he saw "a lot of merit" in transferring some supervisory powers to an EU body, without clarifying whether this would entail setting up a new anti-money laundering agency or beefing up existing watchdogs.



Valdis Dombrovskis, the European Union's finance commissioner, speaks as he attends his hearing before the European Parliament in Brussels yesterday.

In his address to lawmakers, Dombrovskis also pledged a "sustainable Europe investment plan" to unlock 1 trillion euros (\$1.1 trillion) of private and public green investment over the next decade.

He said the plan would be based on guarantees and funds provided by the EU budget and the European Investment Bank, although most of the money is expected to come from the private sector.



People are seen at stalls inside an electronics mall on Huaqiangbei Commercial Street, a marketplace for Chinese producers and international wholesale buyers, in Shenzhen, China.

## Most Asian currencies edge higher ahead of Sino-US trade talks

REUTERS

Most Asian currencies edged higher on Tuesday with the Chinese yuan firming the most after reopening from a week long holiday while investors held positions ahead of the high level Sino-US trade talks on Thursday and Friday.

Prospects for progress in US-China trade talks dimmed on Monday after Washington blacklisted Chinese companies but comments by US President Donald Trump and his top economic adviser, Larry Kudlow on looming trade talks were generally upbeat.

"We think there's a chance we could do something very substantial," Trump said about the talks.

This comes after a media report stated that China is looking to narrow the scope of the talks.

"China is realistic and would only target issues that both countries have agreed on this week," a DBS note said. However, sentiment seemed buoyed on hopes of a partial deal despite Washington's move to blacklist Chinese companies. The Chinese yuan reopened after a week long holiday to strengthen 0.3 percent.

"Hopes have emerged on trade talks, inspired by reports that Beijing is preparing to work through tough negotiations with the US, setting a time-line for the thorny issues," Vishnu Varathan, senior economist at Mizuho Bank said in a note.

The Philippine peso firmed 0.3 percent against the dollar, clawing back some of the losses from the previous session. The peso had weakened 0.4 percent on Monday amid caution ahead of the trade talks.

The Taiwan dollar strengthened 0.3 percent. Data showed that the island's equity markets received about \$2.9 billion of foreign investment in September, on optimism over its economy, as a growing number of local firms were shifting their factories to Taiwan from mainland China.

The South Korean won firmed 0.2 percent after better than expected third quarter forecast from the world's biggest semiconductor firm, Samsung Electronics, reduced concerns over South Korea's exports.

Meanwhile, the Thai Baht bucked the trend to weaken about 0.1 percent. The baht has shown resilience by strengthening by the most among Asian units so far this year. Indian financial markets were closed for a holiday.

## Japan's household spending rises for ninth month

REUTERS, Tokyo

Japan's household spending rose for the ninth straight month in August, offering some relief for the export-dependent economy amid the US-China trade war, but a fall in wages points to further strains on consumers after a sales tax hike this month.

The mixed readings will keep policymakers under pressure to announce more fiscal and monetary stimulus measures to shield the economy from a recession, analysts say.

Household spending in August rose 1.0 percent from a year earlier, accelerating from a 0.8% increase in July but falling short of a median market forecast for a 1.2% increase, government data showed on Tuesday.

The ninth consecutive month of gains was the longest such streak since comparable data became available in 2001.

"Consumption appeared to have been fairly strong in August after weak spending in July, when bad weather kept consumers at home," said Yoshiki Shinke, chief economist at Dai-ichi Life Research Institute.

"But the outlook isn't bright. Wage growth is weak and the effect of October's sales tax hike will begin to show. Consumer sentiment has been pretty gloomy, which means risks to the outlook are tilted to the downside."

Japan rolled out a twice-delayed increase in the sales tax to 10% from 8% on Oct. 1, a move considered critical for fixing the country's tattered finances.

While the government has taken steps to ease the burden on consumers by offering vouchers and tax breaks, there are fears the higher tax could hurt an economy already

feeling the pinch from global pressures. Real wages adjusted for inflation fell for an eighth straight month in August, raising concerns for private spending.

Japan's jobless rate remains at record-low levels, but job offers are slowing in a sign the fallout from the trade tensions is broadening.



Shoppers look around goods at a shop in Tokyo. A rise in Japan's household spending offered some relief to its economy.

The survey of workers such as taxi drivers, hotel workers and restaurant staff - called "economy watchers" for their proximity to consumer and retail trends - showed confidence rose to 46.7 in September, up from 42.8 in August.

Upcoming data could be hard to read as households may have made purchases ahead of the sales tax increase, which will inflate consumption data up till September and may lead to a downturn in spending from October onward, analysts say.

The strength of consumption and capital expenditure will be crucial to the Bank of Japan's decision on whether to loosen monetary policy at its rate review on Oct. 30-31.

The central bank has said while robust domestic demand is making up for the weakness in exports, it stands ready to act if risks heighten enough to derail Japan's recovery.

Any sign that job growth is peaking also bodes ill for Prime Minister Shinzo Abe's administration, which has flagged a strong job market as among its biggest policy accomplishments.

Abe pledged on Friday to deliver "all possible steps" if risks to the economy intensified, signalling his readiness to boost fiscal spending if this month's sales tax hike triggers a sharp downturn in growth.