

New Zealand Dairy brings BelleAme biscuit

STAR BUSINESS DESK

New Zealand Dairy Products Bangladesh yesterday launched a new premium biscuit brand BelleAme offering customers "better taste and quality".

SA Mallick, the company's managing director, launched the brand at a press conference at The Daily Star Centre in Dhaka.

The finest raw materials, European

formulation for better taste and world-class processing and packaging machines are used in making BelleAme biscuits which will be consumer's first choice in the near future, said Mallick.

"Using fully automated technology and machines with the help of foreign expertise in its own factory, we hope BelleAme will grab consumer's attention by providing and maintaining better taste and quality," he said.

BelleAme started its journey with Digestive, Energy Go and Cremo biscuit, he added.

The company also plans to launch Crush, True Marie, Sweet Blaze, Dingo, Cream Cracker and Soda Cracker later, he informed.

Nazmus Saquib Mallick, business development manager, and Md Shafiqul Islam Tushar, chief marketing officer, were present at the launching ceremony.



SA Mallick, managing director of New Zealand Dairy Products Bangladesh, launches its new premium biscuit brand BelleAme at a press conference at The Daily Star Centre in Dhaka yesterday.

NEW ZEALAND DAIRY

Tesla gets nod to start production in China

REUTERS, Shanghai

Tesla Inc was added to a government list of approved automotive manufacturers, China's industry ministry said on Thursday, as it granted the electric-vehicle maker a certificate it needs to start production in the country.

The list was published by the Ministry of Industry and Information Technology.

This means "the green light is fully given to Tesla for production in China," said Yale Zhang, head of the Shanghai-based consultancy Automotive Foresight. Tesla can start production any time, he said.

Tesla did not immediately respond to an e-mailed request for comment. The \$2 billion factory it is building in the eastern Chinese city of Shanghai is its first car manufacturing site overseas.

Reuters reported earlier this month that Tesla plans to start production at its China factory this month. It is unclear when it will meet year-end production targets because of uncertainties around orders, labor and suppliers.



ACI MOTORS

FH Ansarey, managing director of ACI Motors, and Song, CEO of Poqutec, a South Korea-based hydraulic attachment producer, exchange the signed documents of a dealership agreement at the ACI Centre in Dhaka yesterday.

Netflix shares jump as subscribers grow ahead of Disney, Apple attack

REUTERS

Netflix Inc added slightly more paying subscribers than Wall Street expected in the third quarter, a relief to investors who had worried the company might fall short just as Disney and Apple prepare to ramp up the streaming video wars.

The results for July through September represented a rebound from the previous quarter when Netflix lost US streaming customers for the first time in eight years and missed targets for overseas subscribers. Shares of Netflix rose 9.2 percent in after-hours trading on Wednesday to \$312.69.

That performance, combined with concerns about new competitors, had weighed on Netflix shares, which had fallen 21 percent from the last earnings report through regular trading on Wednesday.

For the third quarter, Netflix was boosted by new seasons of shows such as "Stranger Things" and "13 Reasons Why." The company added 6.77 million paid customers around the globe, topping the nearly 6.7 million average expectation of analysts, according to IBES data from Refinitiv.

Netflix said it was on track to achieve full-year operating margins of 13 percent

and was targeting another 300 basis point expansion in 2020.

Its total subscriber count topped 158 million. Still, the company faces challenges.

"Netflix results were good enough that they assuaged concerns about price sensitivity and penetration levels in the domestic markets," said Fitch director Patrice Cucinello. "A caveat is that competition hasn't hit yet."

The company projected it would pick up 7.6 million customers in the last three months of 2019. Analysts had expected a forecast of 9.4 million. The company will release a new installment of "The Crown" and Martin Scorsese film "The Irishman" during that time.

But it will face new competition starting in November from Disney+, a streaming service from Walt Disney Co (DIS.N) that will be stocked with movies and TV shows from Disney's popular Marvel, "Star Wars," animation and other properties.

Apple Inc also will debut a much smaller streaming video service with original programming in November. AT&T Inc's HBO Max, and a new offering from Comcast Corp, are expected to enter the market next year.



REUTERS/FILE

Gamers and visitors take a rest at the booth of Netflix during Europe's leading digital games fair Gamescom in Cologne, Germany.

Rising inequality may hamper social development

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The economy of the South American country expanded by 8 percent to 9 percent per annum from 2003 to 2008. It contracted in 2009 but recorded a double-digit growth the next year, according to World Bank.

However, since then, Argentina has seen a precarious economic balance. Its GDP has contracted 2.5 percent in 2018 and another 2.5 percent in the first half of 2019, the WB data showed.

Ahmed also said banks' non-performing loans were rising but none was getting punished for it. "Moreover, they are free to move whereas good borrowers run business under huge tension of repayment of bank loans."

Prof Titumir said the issue of inequality was a matter concern for the economy, therefore the government should take steps to tackle it.

He said the country was observing stark economic inequality and high degree of disparity in many socio-economic aspects, including inequality in access, outcomes and quality of education, health and judicial and public services.

In a presentation, Titumir showed how disparity was increasing in the context of rural-urban areas, regions, protein intake, gender,

education, health, access to justice and policy support. These inequalities, along with income disparity, are slowing down the rate of poverty reduction despite steady economic growth, he said.

Speaking at the event, Planning Minister MA Mannan said the government was sincere about reducing disparity because it hurt the economy.

"The government is focused on removing hunger at first in line with curbing inequality and poverty."

The minister hoped that Bangladesh would not face what Argentina had experienced and the country's growth rate would be sustainable.

Islam said Bangladesh's revenue was still dependent on the indirect tax which fuels income disparity, so the government should put emphasis on raising direct tax.

He recommend investing more on human capital, education and social safety nets along with reducing leakages in investments.

He said the government should focus on bringing good governance to the financial sector in order to reduce NPLs and scams.

"The financial sector has become a major source of disparity."

MM Akash, a professor of the economics department at the University of Dhaka,

recommend forming a land bank where land owners who do not want to farm can keep their land in exchange of an annual interest and the bank would lend the land to the landless.

Through the process, the landless will get land for farming, allowing them to increase incomes, he added.

Fahmida Khatun, executive director of think-tank the Centre for Policy Dialogue, said large-scale manufacturing enterprises were adopting modern technologies in line with higher GDP growth. As a result, they are not producing many jobs.

Though private investment creates jobs, it has been almost stagnant in the last few years because of a lack of confidence, infrastructural deficit and a lack of money in the banking sector, she said.

Unemployment is one of the main reasons for inequality, she said.

Dipankar Datta, country director of the Oxfam, chaired the session where Prof Sadeka Halim, dean of the social sciences faculty, Muhammad Abdul Mazid, a former chairman of the National Board of Revenue, Rasheda K Choudhury, a former adviser to a caretaker government, and Harry Verweij, ambassador of the Netherlands to Bangladesh, also spoke.

US firms say near-term outlook dimming: Fed

AFP, Washington

Less than stellar US growth in recent weeks has caused many businesses to lower their outlooks and they now expect the economy to weaken, the Federal Reserve said Wednesday.

The Fed later this month is widely expected to cut interest rates for the third time this year as policymakers work to provide support for an economy that has begun to sag -- even though for the moment it continues to outshine the rest of the industrialized world.

"The US economy expanded at a slight to modest pace... as business activity varied across the country," the central bank said in its beige book report on the economy.

"Business contacts mostly expect the economic expansion to continue; however many lowered their outlooks for growth in the coming six to 12 months." Most economists do not expect a recession in the next year but forecasting models still show the risk is increasing.

The hardships that manufacturing and agriculture face, according to the report, have not eased.

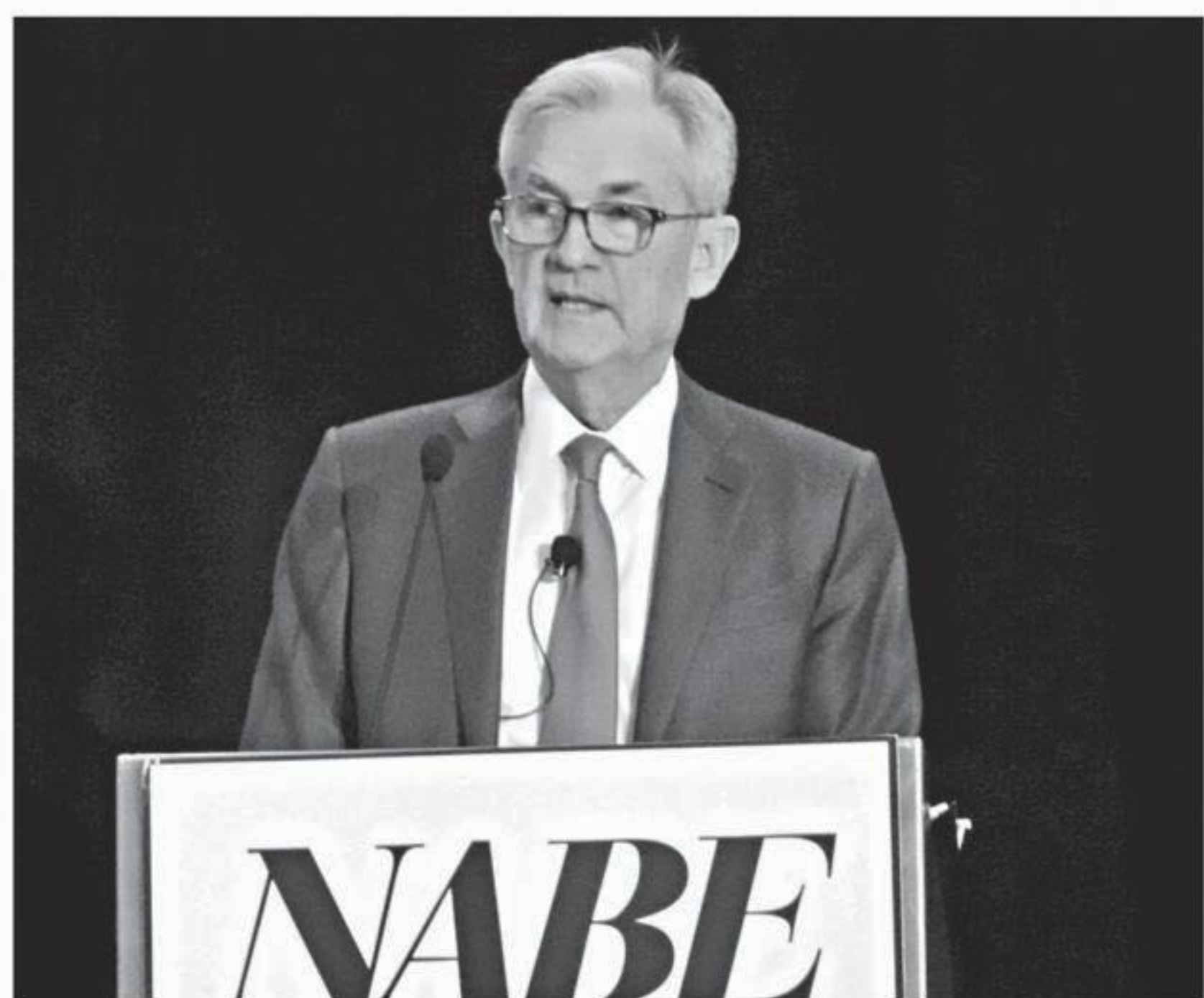
And elsewhere the picture has been uneven, though household spending has remained "solid," according to the Fed's report, which gathers anecdotal accounts from around the country.

The mood was generally better in the southern and western regions of the country, while the Midwest and Great Plains -- regions key to President Donald Trump's election upset in 2016 -- were gloomier, according to the Fed.

Oxford Economics said in a client note that the report was "lackluster" and pointed to more rate cuts from the central bank.

"We still expect two more rate cuts this year, in October and December," the firm said.

While US economic expansion is in a record 11th year and unemployment



REUTERS/FILE

Federal Reserve Chairman Jerome Powell addresses the National Association for Business Economics in Denver, US.

remains at 50-year lows, Fed members at their most recent meeting said they had become "more concerned" by mounting risks.

As the world economy begins to sputter, policymakers in recent weeks have said a clearer picture has emerged of the threat from President Donald Trump's trade wars: Skittish companies, unsure of markets and prices, have held back on investment and could soon reduce hiring, which could then eat into consumer spending and growth.

But according to the beige book, for many employers the main barrier to more steady hiring remains the lack of available and qualified workers.

A major New York employment firm said "almost all job candidates are merely jumping from other jobs," the report said, while pressure to fill

open positions in the Philadelphia region remained "acute." But among manufacturers, the labor shortage had a different effect. Rather than lay off employees who could be hard to replace, some firms reduced worker hours instead.

In the Boston region, "signs of slowing have become more widespread," while growth in the New York area "slowed to a subdued pace." Conditions improved in the Chicago and St Louis regions.

The early fallout from a month-long nationwide strike by UAW workers at General Motors plants "was limited," the Fed said.

Wall Street was largely unmoved by the report, finishing slightly lower after Commerce Department data showed weakening consumer demand in September.

Indian, Chinese firms to spot more business opportunities

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"We see a good market in Bangladesh as it is emphasising eco-friendly infrastructure and housing," said Ashis Dabas, regional head (north and east) of HIL, a flagship company of CK Birla Group of Companies, India.

According to Dabas, the HIL manufactures fibre cement roofing sheets, ceiling, walling and flooring materials; partitions, doors, pre-fabricated structures, industrial insulation and low-cost housing products.

The HIL is already exporting products to Nepal and African countries and with this being the first time they joined the fair, Dabas feels they should have come earlier.

He claimed that the fibre cement roofing sheets keep inside temperatures at least 6 degrees cooler. Davesmen India, which focuses on safety products, is exhibiting equipment for vehicles such as camera monitoring systems.

Its vice president Subrat Dave told The Daily Star of hopes of having a big impact on the Bangladesh market as its products help avoid and reduce road accidents.

Michael Cheng, sales manager of Henan Yuntian Crane, said the Chinese

embassy in Bangladesh informed them about export and business potential in Bangladesh.

He said a large number of infrastructure development activities were ongoing in Bangladesh where their products could be used. Acknowledging of having Bangladeshi entities among its clientele, Cheng declined divulging names as part of their business policy.

Another fair participant is Beijing Zulin Formwork & Scaffolding, which develops, designs, processes, sells and leases out formworks and scaffoldings for projects such as industrial civil engineering, roads and bridges, hydroelectric dams and nuclear power stations.

Eric, its regional manager (Southeast Asia), said their equipment were already in use at the Padma bridge project. He also sees a good future for his company in Bangladesh.

Meherun N Islam, president and group managing director of CEMS Global, the event's organiser, said the fair would help participants build up networks involving manufacturers and stakeholders.

Ahmad Kaikaus, senior secretary to power division, and Rezwan Ferdous Khan, general manager of Max Infrastructure, also spoke at the programme.

Korean company keen to build industrial park in Bangladesh

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The Beza has already allocated separate industrial zones for the investors of Japan, India and China. The development work of some of those industrial zones have already started, he said.

"I also think that this is the best time for investing in Bangladesh," Chowdhury said, adding that Bangladesh has been developing 100 economic zones across the country.

Both the local and foreign investors will have the opportunity to invest in those zones, he said.

"Many Korean entrepreneurs are showing their interest to do business in Bangladesh. We welcome them here," said Mostafa Kamal, president of the

Bangladesh-Korea Chamber of Commerce and Industry.

During a visit to Bangladesh in July this year, Korean Prime Minister Lee Nak-yeon also expressed his eagerness to invest in infrastructure, power, ICT, construction, shipbuilding and energy sectors of Bangladesh.

The bilateral trade needs to be increased beyond textile and garment sectors, Nak-yeon said at the Korea-Bangladesh Business Forum during his visit.

The Korean government also said they will help in construction of 10,000 ICT centres across Bangladesh.

More than 150 Korean companies have invested a total of \$1.15 billion in Bangladesh, businesspeople said.

Govt to build 200 paddy silos to ensure fair prices

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At present, the DG Food has 21 lakh tonnes capacity but it can actually store 19.60 lakh tonnes of grain. It is constructing silos and godowns to increase the storage capacity to 27 lakh tonnes.

The storage capacity will increase by 2 lakh tonnes by December next year owing to the construction new silos, according to Khanum.

"As we are producing more, we will have to buy more and distribute more cereal under various public food grain distribution schemes," she added.

Food grain stocks at public warehouses stood at 17.08 lakh tonnes on October 15, up 17 percent year-on-year, food ministry data showed.

Steel sees up to 75pc VAT cuts

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The drastic cut in VAT comes three and a half months after the government levied the indirect tax paid by consumers.

The reduction in specific amount of VAT is meant to contain the price spike of construction material, said an official of the NBR.

Steel millers earlier said the VAT hike would fuel prices of steel, which would in turn increase cost for both public and private construction.

Apart from rod, the NBR also reduced VAT on cement sheet to 5 percent and on credit rating agency to 7.5 percent from 15 percent at the beginning of the fiscal year.

In another notification, the NBR also cut the supplementary duty on bidi.