
LFMEAB

**Commerce Secretary Md Jafar Uddin; Md Saiful Islam, president of the Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh (LFMEAB), and Peter Fahrenholtz, German ambassador to Bangladesh, attend a press conference at Pan Pacific Sonargaon Dhaka yesterday announcing the commencement of the third edition of the three-day Bangladesh Leatherfootwear & Leathergoods International Sourcing Show 2019 at International Convention City Bashundhara in Dhaka from October 31.**

# LafargeHolcim optimistic about 2020 building industry

REUTERS, *Zurich*

LafargeHolcim expects the construction industry to remain buoyant next year despite the downturn dragging on other sectors of the global economy.

The outlook for 2020 remained good despite problems seen by manufacturers, intensified by the trade war between the United States and China, Jan Jenisch, the chief executive of the world's largest cement maker, said on Friday.

Other problems, like Britain's protracted exit from the European Union, could even help by stimulating British spending on infrastructure projects, he said as LafargeHolcim reported results in line with expectations.

"Many industries at the moment are reporting negative volumes, most prominently in the automotive sector, we don't have that," Jenisch told reporters. "For 2020 we have no evidence that our trend is going negative," he said. "We are very resilient in our market and we look forward to a

**LafargeHolcim CEO Jan Jenisch**

good 2020, as it stands at the moment, with nothing negative to report."

LafargeHolcim turned slightly more cautious about Europe and Africa for the remainder of 2019, but saw positive signs in North America and Asia.

Mega trends like increased population growth and urbanisation are leading to a greater demand for cement and aggregates. By 2050, 2.5 billion more people are expected to live in cities, according to U.N. forecasts. Spending will need to rise to provide new roads, railways and power plants.

LafargeHolcim is trimming its operations to focus more on Europe and North America. The Swiss company was cagey on whether it would be interested in buying BASF's construction chemicals business, which was put up for sale last year.

During its third quarter, LafargeHolcim's sales fell 3 percent to 7.14 billion Swiss francs (£5.61 billion). Analysts had forecast 7.21 billion, according to Refinitiv data.

When the effect of the company's exit from markets in southeast Asia and other divestments were taken into account, its sales rose by 4.9 percent.

Recurring operating profit before depreciation and amortisation rose 0.8 percent to 1.88 billion francs, ahead of forecasts for 1.81 billion francs.

Jenisch said LafargeHolcim was on track to achieve all its 2019 targets as it confirmed its outlook for like-for-like sales growth of 3-5 percent and recurring EBITDA growth of at least 5 percent. The company's stock were trading at 1.8 percent after the results.

# US 'close to finalising' parts of trade deal with China: USTR

AFP, *Washington*

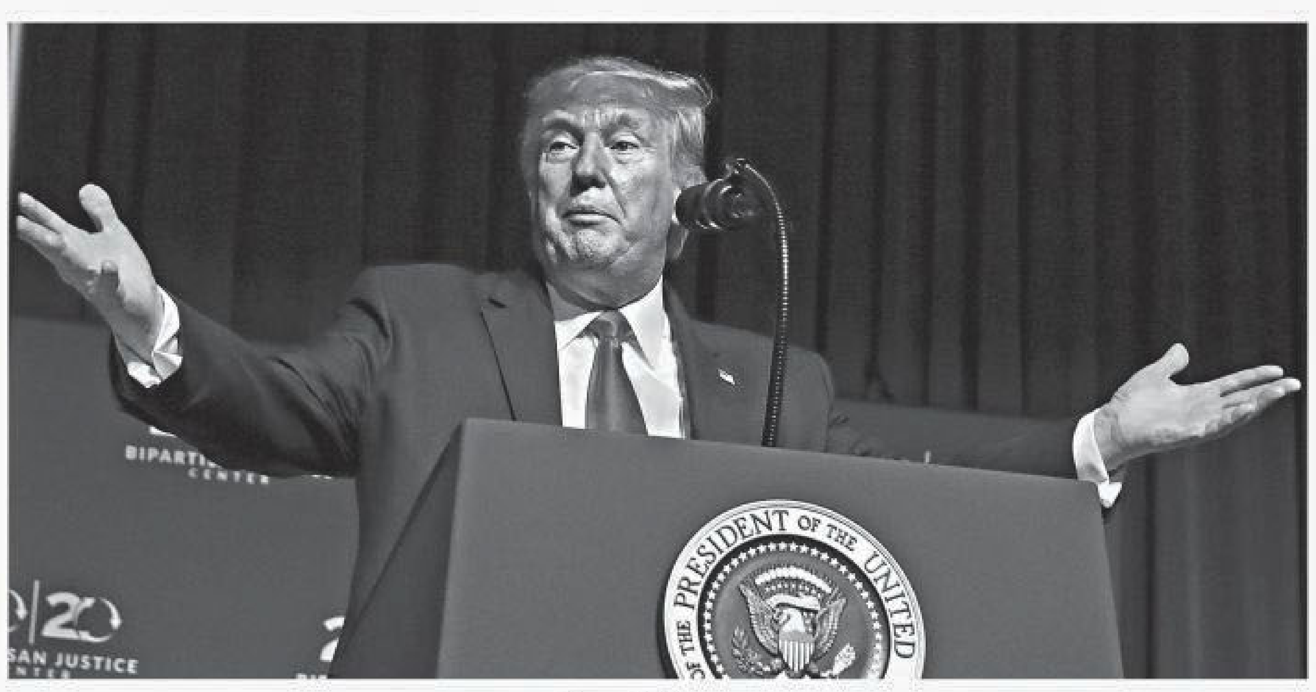
Washington and Beijing are making "headway" on key issues in their ongoing trade dispute and discussions will continue, the US Trade Representative's office said following a phone call between senior officials.

President Donald Trump heralded a major win in his offensive against China two weeks ago, saying the economic powers were close to concluding a "substantial phase one deal." However the details were, and remain, scarce and the two sides have not announced rollbacks of existing tariffs on hundreds of billions of dollars in trade.

US Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin spoke with China's Vice Premier Liu He Friday on "Phase One of the US-China trade agreement," the USTR announced.

"They made headway on specific issues and the two sides are close to finalizing some sections of the agreement," the statement said.

The Chinese Commerce Ministry said Saturday both sides agreed to "properly address each other's core concerns." China will lift a ban on US poultry imports while



**Donald Trump**

the United States will import Chinese-made cooked poultry and catfish products, it said in a statement.

Both sides have said discussions will go on continuously at the deputy level and the top trade officials will have another call "in the near future." Trump said China committed to a surge in purchases of US farm products and the deal also covers intellectual property, financial services and currencies.

The White House held off on a massive tariff increase planned for October 15 on $250 billion in Chinese goods but new 15 percent tariffs on another $150 billion in goods are still scheduled for December.

Trump said he expected to sign an agreement with Chinese leader Xi Jinping on the sidelines of the APEC summit in Santiago, Chile in mid-November.

"We're doing very well with China," Trump told reporters on Friday. "China wants a deal. They'd like to see some reductions in tariffs." With hundreds of billions of dollars in two-way trade now subject to steep tariffs, there are mounting signs the trade war -- now in its second year -- has damaged the world economy, adding to pressure on both sides to strike a deal.

The International Monetary Fund has issued increasingly dire warnings about the conflict, saying the impact has moved beyond the theoretical and is inflicting real harm, potentially shrinking the global economy by $700 billion in 2020.

At a gathering of world finance officials in Washington last week, IMF chief Kristalina Georgieva said that, with the trade tensions undermining confidence and business investment, "peer pressure" is building to oblige all sides to play by the rules.

But Trump, who has had to provide massive aid to US farmers hit by Chinese tariffs, insists the deal will be a boon for the farm sector.

"They really want a deal. They're going to be buying much more farm products than anybody ever thought possible," he said of China.

# Reliance to create $15b digital unit to pare telecom debt

REUTERS, *New Delhi*

India's Reliance Industries Ltd on Friday said it would invest nearly $15 billion to create a digital services company as it seeks to cut debt at its telecom venture, potentially making way for the entry of a strategic investor.

Controlled by billionaire Mukesh Ambani, Reliance's debt burden has risen significantly since its telecoms unit Jio Infocomm entered India's crowded mobile market in late 2016 offering free voice calls and cut-price data to build a massive consumer base.

The price war unleashed by Jio forced rivals to consolidate, driving companies such as Reliance Communications, controlled by Ambani's younger brother, and Aircel out of business.

Reliance Industries will have rights to convert its 1.08 trillion rupee ($15.26 billion) investment in the new digital company into equity, the oil-to-retail conglomerate said in a statement.

The new unit will, in turn, invest the funds in Jio, making the telecoms venture almost net debt free by the end of March 2020.

The new digital services company - which also includes Jio's news, movie and music apps - will also acquire Reliance's equity investment of 650 billion rupees in Jio.

"Given the reach and scale of our digital ecosystem, we have received strong interest from potential strategic partners," Reliance Chairman Ambani said in the statement.

"We will induct the right partners in our platform company, creating and unlocking meaningful value for RIL shareholders."


ANWAR LANDMARK

**Hossain Khaled, managing director of Anwar Landmark, and Abdur Rauf, president of Baridhara Society, exchange documents after signing an agreement at the latter's office in Dhaka on Thursday on the real estate company taking up Baridhara Park's maintenance for five years.**


BASIC BANK

**Alauddin A Majid, chairman of BASIC Bank, presides over its 30th annual general meeting at its head office in Dhaka on Thursday. The meeting approved financial statements for 2018. Md Rafiqul Alam, managing director, was present.**

# Bribery retrial opens for Samsung scion

AFP, *Seoul*

The heir to the Samsung empire appeared in court Friday for a retrial over a sprawling corruption scandal that threatens to disrupt management at the world's biggest smartphone and memory chip maker.

Lee Jae-yong is vice-chairman of Samsung Electronics -- where profits have been falling for months -- and was jailed for five years in 2017 for bribery, embezzlement and other offences in connection with the scandal that brought down South Korean president Park Geun-hye.

The 51-year-old was released a year later after an appeals court dismissed most of his bribery convictions and gave him a suspended sentence, but that decision was set aside by the Supreme Court in August, which ordered a retrial.

Accompanied by his lawyers, Lee walked stony-faced into the Seoul High Court for the new proceedings, telling reporters: "I'm sorry for causing many people concern.

"I apologise," he added, bowing as protestors shouted nearby.

In a court hearing that lasted less than an hour, he spoke only to confirm his name, address, date of birth and job title. The case centres on millions of dollars the Samsung group paid Park's secret confidante Choi Soon-sil, allegedly for government favours such as ensuring a smooth transition for Lee to succeed his ailing father.

Prosecutors told the court they had "much evidence" to prove that link -- the crucial issue before the court.

The Supreme Court's decision does not bode well for Lee, as it ruled that 8.6 billion won ($7.3 million) paid by Samsung should be considered as bribes -- and suspended sentences are only possible in bribery cases if the amount is less than 5 billion won.

# What slowdown? China's riding to the rescue of luxury brands

REUTERS, *Beijing*

When Tiffany & Co said this month it was sending its priciest jewellery to mainland China to reach wealthy shoppers no longer jet-setting abroad, it reflected a trend helping global luxury brands weather a Chinese economic slowdown.

Well-off Chinese consumers, whose trips to fashion capitals like New York and Paris have long buttressed luxury-sector sales, are increasingly staying at home because of a weaker yuan currency which has blunted their overseas firepower.

Hong Kong, another top shopping destination, has also become less appealing due to mass anti-government protests that have erupted into violence on some occasions.

However third-quarter earnings showed that, despite China's economic growth slowing to a three-decade low, shoppers are continuing to spend heavily on luxury - but they are doing it at home or online, with their wallets reinforced by savings on flights, hotels and other steep holiday costs.

Several large US and European luxury brands reported strong demand for their goods in China, even as Beijing and Washington remain embroiled in a trade war.

Lisa, a finance worker in her late 20s, is among Chinese shoppers who are increasingly turning their eyes away from foreign shores.

"I don't feel like there is such a big gap anymore between prices overseas and at home, so when I feel like making a purchase I usually just go straight to the store these days," she told Reuters outside a Hermes outlet in Shanghai.

Hermes, known for its leather goods, printed silk scarves and Birkin bags that cost $10,000 or more, said its stores in mainland China had outstanding results that helped fuel a 19% sales gain in the wider region.

The French company opened its 26th boutique in China in July in Xiamen and continues to build out its e-commerce site


REUTERS/FILE

**A man walks past a store of luxury goods retailer Hermes in Beijing.**

for Chinese customers, hermes.cn, launched a year ago. Italy's Moncler is meanwhile studying expanding the size of its stores in big cities like Beijing and Shanghai.

"The whole economy is slowing down and salary growth is also slowing. So consumers who originally bought when they travelled will now buy domestically," said Iris Pang, Greater China economist at ING.

She added a cut to sales taxes this year which prompted some luxury brands to lower their prices in China could also be an attraction.

The strength in China has helped insulate luxury companies from a major financial hit from months of pro-democracy demonstrations in Hong Kong that have forced them to temporarily close shops and which have kept tourists away.

Kering's Gucci fashion label, for example, said it has managed to make up for lost business in the former British colony due to spending shifting back to mainland China.

The turmoil is far from over, however, with protests in Hong Kong descending into clashes between demonstrators and police this week.

In the United States, meanwhile, Tiffany boss Alessandro Bogliolo told Reuters this month the company was pursuing Chinese buyers who were staying at home, saying it needed to "follow customers where they shop".

He has sent high-end jewellery including diamond necklaces costing $1 million or more to its stores in mainland China from New York.

The demand for luxury in China may even be aiding more mass-market players like personal care products maker Procter & Gamble Co, which raised its global sales forecasts on the back of premium beauty brands such as China Olay.

Emma Zhang, a 32-year-old investment analyst in Shanghai, said she was indulging more in what she said were little luxuries.

"I used to be the type to buy many cheap items, and would change them frequently," she said. "My shopping habits have changed and I've been buying things that are better quality."