

Saudi Arabia to invest in India's downstream oil, gas projects

REUTERS, New Delhi

Prime Minister Narendra Modi said on Tuesday Saudi Arabia will invest in downstream oil and gas projects in India as part of a strategic partnership between the two countries, a move that would also help the world's top oil exporter find a stable outlet for its crude.

Modi, who is on a two-day visit to Riyadh to participate in an investor summit, will meet King Salman bin Abdulaziz Al Saud and Crown Prince Mohammed bin Salman later on Tuesday.

"From a purely buyer-seller relationship, we are now moving toward a closer strategic partnership that will include Saudi investments in downstream oil and gas projects," Modi said in an interview to Arab News, according to a statement released by his office.

Saudi Aramco along with U.A.E.'s national oil company ADNOC has signed a preliminary deal with Indian state-run companies for a 50 percent stake in a planned 1.2 million barrels per day (bpd) mega refinery on the country's west coast.

The Indian government also plans to



Narendra Modi

sell its entire 53.29 percent stake in state-run refinery Bharat Petroleum Corp, at an estimated price of \$10 billion.

Aramco is also eyeing a 20 percent stake in the petrochemical and refining business of Reliance Industries in a multibillion-dollar deal.

During Modi's visit India will sign energy deals with Saudi Arabia including its participation in India's strategic petroleum reserve.

Aramco to make stock market debut on December 11

AFP, Dubai

Energy giant Saudi Aramco will make its long-awaited debut on the Riyadh stock market on December 11, Saudi-owned Al-Arabiya television said Tuesday.

The broadcaster, citing unnamed sources, said the Saudi exchange will announce on November 3 a timetable for the initial public offering including the release on November 17 of the targeted share price.

"Aramco IPO will begin on December 4," at which point investors can subscribe to the giant offering, the sources said, adding that the shares would then start trading on the Saudi Tadawul exchange on December 11.

The IPO forms the cornerstone of a reform programme conceived by the kingdom's de facto ruler Crown Prince Mohammed bin Salman to wean the Saudi economy off its reliance on oil.

Aramco was expected to launch



REUTERS/FILE

The Saudi Aramco logo is pictured at the company's oil facility in Abqaiq, Saudi Arabia.

the first part of a two-stage IPO earlier in October, but decided to push the trading date back to December or January, reportedly

to factor in quarterly earnings, and also amid problems with the valuation. Saudi Arabia was hoping that the

company is evaluated at \$2 trillion so its proposed sale of five percent of its share would generate the desired \$100 billion.

But reports said that the valuation came in lower than that.

Sources also told AFP in mid-September that the mammoth share offering could be delayed after an attack on Saudi oil facilities knocked out half of the output of the world's top crude exporter.

The Aramco listing is expected to be a major topic at a major investment summit that opened Tuesday in Riyadh.

Aramco chairman Yasir al-Rumayyan, speaking on stage at an opening session, commented that "soon we will have more shareholders", but declined to elaborate on the company's plans.

After the listing on the domestic stock exchange, Aramco is believed to be planning to sell the rest of the five percent on an international bourse. The Al-Arabiya report made no mention of those plans.

Poor dividends pull stocks down

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The circuit breaker, which automatically stops a stock to rise or fall by more than 10 percent in a single day, is not applied on the first trading day after a dividend is announced.

The stocks of seven other companies tumbled by more than 10 percent. "As the dividend of the companies decreased, investors were frustrated and they sold off shares," said a top official of an asset management company.

He said the market has been suffering from a lack of confidence for several months. The lacklustre dividend declaration only mounted the crisis.

Another reason for the market fall is forced sale, the asset manager said, adding that a number of stocks faced the forced liquidation because of a huge price fall.

If the prices of securities bought with margin loans decrease past a certain point, the lenders can legally compel the investors to sell some of their assets to save their fund.

Abu Ahmed, a market analyst, said many companies are giving lower dividend this year. Even companies that are giving the dividends are mainly providing it in the form of stock dividend, instead of cash dividend.

"So, what did the investors get for investing into these stocks? The investors are upset because of the lower dividend payout. Such frustration impacts the market which is normal."

A merchant banker said stock investors are losing money because of rampant manipulation and the lower-than-expected dividend. "So, the market fall is not unexpected," he said.

He said the weakening health of the banking sector owing to rising non-performing loans, a lack of corporate governance and increasing capital shortfall also dented the confidence of the investors.

The total amount of default loans in the banking sector stood at Tk 112,425 crore at the end of June, up 20 percent from six months earlier. The DSE lost Tk 18,612 crore from its market capitalisation in the last one month.

Yesterday, turnover, another important indicator of the market, rose 17.1 percent to Tk 358.18 crore.

Of the traded issues, 110 advanced and 197 declined while 47 securities closed unchanged on the premier bourse.

National Tubes dominated the turnover chart with its transaction of Tk 18.98 crore, followed by Sonar Bangla Insurance, Monno Ceramics, Legacy Footwear, and Square Pharmaceuticals. Alif Manufacturing Company was the day's best performer with 21.31 percent gain, while Intech Online was the worst loser, shedding 37.03 percent.

Chattogram stocks were also down with the bourse's benchmark index, CSCX, decreasing 83.19 points, or 0.95 percent, to finish the day at 8,627.11.

Losers beat gainers as 145 securities declined and 67 advanced while 27 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded shares and mutual fund units worth Tk 14.84 crore.



IPDC FINANCE

Mominul Islam, centre, CEO of IPDC Finance, poses at a press conference at Pan Pacific Sonargaon Dhaka yesterday informing that the non-bank financial institution has recently implemented the R18 version of Temenos T24 Core Banking Software, developed by Switzerland-based banking software solutions provider Temenos.

Cooperation to boost regional trade

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He further said the government was preparing to face challenges of the fourth industrial revolution adopting a policy to create a "Digital Bangladesh".

The government is investing a lot behind technical education to generate graduates who would be the skilled manpower necessary for the industry, he said.

Regarding success in agriculture, Rahman said despite having a limited amount of cropland, Bangladesh has been able to ensure self-sufficiency in food production.

Now the government has undertaken a plan to set up 100 economic zones which would house industrial units in a coordinated manner, saving cultivable land and stopping unplanned industrialisation.

He said the government was committed to creating an investment-friendly environment for local and foreign investors in the zones as well as providing incentives.

Salahuddin Kasem Khan, executive chairman of Seaco Foundation, said regional cooperation, connecting national economies, could help develop communities socially and economically through trade, investment and tourism.

He said Islamic finance was a burgeoning sector with assets estimated to grow to \$3.8 trillion by 2023 from \$2.4 trillion in 2017. Bangladesh's strategic location gave it trade advantages in the South and Southeast Asian regions, he added.

Khan also said, with a GDP worth \$300 billion, Bangladesh's economy would gradually turn stronger with rising purchasing power.

Indonesia and Malaysia can take advantage of this by increasing investment as domestic consumption in Bangladesh is increasing, he noted.

Wan Mohd Zahid Bin Mohd Noordin, chairman of WIEF Education Trust, said regional cooperation was increasing connectivity among member countries which would help

boost business and national economic development.

Zahid said their organisations as well as OIC member states should work for the common interest, in a way the European Union does, which would benefit regional cooperation.

He called for taking up practical programmes for implementation under regional cooperation to develop the private sector.

Mohammed Mohsin, chairman of Seaco Foundation, said the OIC members need to take initiatives to enhance regional trade, investment and overall cooperation in South and Southeast Asia.

He said Seaco Foundation was basically a private sector platform giving emphasis on regional cooperation and investment for economic development.

Around 300 representatives from Brunei, Indonesia, Malaysia, the Maldives, Singapore, the UK, the UAE and Turkey are participating in the event.

Russian company keen on building second satellite

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The Bangabandhu-1's position is far from Bangladesh, due to which the country cannot get full use of the satellite.

"It is a geostationary one and the country does not need another of the same kind," Jabbar said.

The country's first communications satellite, Bangabandhu-1, was designed and built by Thales Alenia Space, a Franco-Italian aerospace manufacturer. It was launched into space from Florida on May 11 last year.

All local television channels are now broadcasting via the satellite, taking up about 40 percent of Bangabandhu-1's capacity. Meanwhile, France has also expressed its interest in financing the second satellite.

Jabbar said the government had an election promise to launch a second satellite and by 2023 they want this satellite to at least take shape for launch.

A senior official of BCSCCL said they are close to appointing a consultant for the second satellite and the consultant would maintain contact with Glavkosmos.

Glavkosmos has invited senior officials from Bangladesh to visit Russia to oversee their satellite business.

Airtel postpones Q2 results as sector stares at massive payouts

REUTERS, Bengaluru

Bharti Airtel Ltd said on Tuesday it would need more time to release its September-quarter earnings report, as the Indian company weighs the impact of a recent court ruling asking telecom firms to pay \$13 billion in dues to the government. The company's board, which met earlier in the day, accepted the management's recommendation to shift the September-quarter results to Nov. 14, the telecom operator said.

Shares of New Delhi-based Airtel, which was expected to release its quarterly numbers later in the day, dropped as much as 4.22 percent, while smaller rival Vodafone Idea Ltd fell 9.52 percent.

Both companies have been steadily losing subscribers to Reliance Industries-owned Jio.

India's Supreme Court last week upheld a demand by the country's telecoms department (DoT) that wireless carriers must pay 920 billion rupees (\$12.97 billion) in overdue levies and interest.

Airtel said on Tuesday it has approached the DoT to "seek clarity" on the amount it had to pay, adding that it has sought the government's support to deal with the "adverse outcome" of the court ruling.

China's factory activity seen contracting for sixth month on trade pressure



REUTERS/FILE

Workers build a scaffolding at a construction site in the Central Business District in Beijing.

REUTERS, Beijing

China's factory activity is expected to have shrunk for the sixth month in October, a Reuters poll showed, suggesting hardly any let up in pressure on the domestic and export sectors from slowing global demand and a trade war with the United States.

The official Purchasing Managers' Index (PMI) for October was seen at 49.8, unchanged from September, but still below the 50-point mark that separates expansion from contraction, according to the median forecasts of

35 economists.

The extended downturn in manufacturing reinforces evidence of further weakening in the world's second-biggest economy and puts pressure on authorities to roll out more stimulus to avert a sharper slowdown and large-scale job losses.

While US and Chinese trade negotiators are working on nailing down a "Phase 1" trade deal for their presidents to sign next month, analysts and investors remain cautious given there are still a number of differences between the two sides on key issues.

Many expect a durable resolution to the protracted trade war is unlikely in the near term. China still faces new US tariffs set to kick in on Dec. 15, on top of the existing 25 percent tariffs on \$250 billion of Chinese imports.

That is likely to weigh on businesses and consumers. China's gross domestic product growth slowed more than expected to 6.0 percent year-on-year in the third quarter, its weakest pace in almost three decades.

For the whole of 2019, GDP growth is expected to cool to 6.2 percent and then hit 5.9 percent in 2020, according to a Reuters poll, underlining the growing challenges faced by Beijing in its efforts to stabilise the economy.

In September, a slide in China's exports picked up pace while imports contracted for a fifth straight month, official data showed.

Profits at China's industrial firms fell in September for the second consecutive month as the cooling economy and trade war weighed on corporate balance sheets.

For January-September, industrial firms earned profits of 4.59 trillion yuan, down 2.1 percent from a year earlier, and worse than the 1.7 percent reading in the first eight months.

China unexpectedly kept unchanged its new benchmark lending rate in October after reductions in August and September, suggesting Beijing is keen to avoid overly loosening monetary policy for fear it may push up already-high debt levels across the economy.

Telcos compensate for only 8.48pc cases of call drops

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Banglalink's call drop total was 22.04 crore and compensation 1.86 crore minutes to its 3.48 crore active subscribers.

Teletalk, the country's lone state-owned carrier, had 5.46 crore call drops but the operator gave no compensation.

The data on call drops was reported by the operators themselves; the BTRC did not independently verify them.

A senior official of the regulator said they have the scope to check back the numbers but they never bothered to verify the data. Sohail Sabir, an aggrieved customer, who is taking mobile phone service for more than one and a half decade, said in the last couple of years he has been hearing about compensation but never got any minute back from his operator. "I think that this is all an eyewash -- I have no trust," he added.

Summit to invest \$5b in infrastructure in 5 years

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According to him, Bangladesh will have to depend fully on imported LNG for electricity generation in 2030.

Solar power doesn't have a prospect in Bangladesh as the sky is hazy and land is very scarce, he said.

Summit Communications, the first company to lay a nationwide telecommunication transmission network, has 44,000-kilometre fibre optic network across the country.

"5G (fifth generation mobile network) will change the world," Khan said.

Khan has high hopes about his family's next generation, who has already taken over many responsibilities in the group. His eldest daughter, Ayesha Aziz Khan, is the managing director and CEO of SPI.



HSBC

Saiful Alam, president of the National Press Club; Roxana Quader, additional secretary to local government division; Lila Rashid, a general manager at Bangladesh Bank; Abdullah Al-Muyeed, head of policy and advocacy at WaterAid, and Shailee Kamal Khan, general counsel and head of regulatory compliance at HSBC Bangladesh, pose at a discussion on developing appropriate WASH (water, sanitation and hygiene) facilities for women at workplace, organised by the bank in Dhaka recently.