



A Rouf Chowdhury, chairman of Bank Asia, cuts a cake at Radisson Blu Dhaka Water Garden on Wednesday in honour of customers, benefactors and well-wishers marking its 20th anniversary. Vice chairmen Mohd Safwan Choudhury and Romo Rouf Chowdhury, Board Executive Committee Chairman Rume A Hossain, directors Ashraful Haq Chowdhury, Enam Chowdhury, Romana Rouf Chowdhury and Naheed Akhter Sinha, President and Managing Director Md Arfan Ali and former chairmen M Syeduzzaman and Anisur Rahman Sinha were present.

BANK ASIA

Facing US sanctions, Venezuela offers suppliers payment in Chinese yuan

REUTERS, Caracas

Venezuela's government and its oil company PDVSA have offered to pay suppliers and contractors into accounts in China using the yuan currency, five people familiar with the matter said.

The move made in recent months is the latest example of how Caracas has sought new ways of making international payments since sweeping sanctions by Washington, intended to force out socialist President Nicolas Maduro, cut off the country's access to the US financial system.

Officials have made the proposal verbally to at least four companies that provide services to the public sector, said the people, including two government officials and three sources from private companies in the financial or oil sectors. The individuals declined to disclose which companies have been approached.

The companies are evaluating the

proposal, the sources said. Reuters could not determine whether any such payments in yuan have been made.

China's central bank, the Peoples' Bank of China, did not respond to a faxed request for comment. PDVSA, Venezuela's central bank, and Venezuela's information ministry did not respond to requests for comment.

Venezuelan public entities have traditionally paid private sector partners in the local bolivar currency or US dollars. But hyperinflation and US sanctions, which prohibit American companies from doing business with Venezuela's public sector, are complicating those methods.

The offer comes after Venezuela's government and PDVSA have paid some suppliers and contractors with euros in cash, which they have received from some oil and gold sales, in response to the loss of access to the US financial system due to the sanctions.

Future of India's tattered telecom hinges on govt aid

REUTERS, New Delhi

The Indian government's win of a long-contested dispute over telecom fees could end up a Pyrrhic victory, as the billions of dollars in levies now owed are seen as burdens too big to bear for two of the country's three main carriers.

Vodafone Idea Ltd, India's biggest carrier by user numbers, is widely regarded as most on the ropes, with parent Vodafone Group calling the situation "critical" after the unit was saddled with about \$3.9 billion in fresh payments due.

That is the biggest portion of the \$13 billion incurred by the sector after India's Supreme Court last month sided with the government in how spectrum usage and license fees are calculated.

Bharti Airtel, the No. 3 provider which must pay roughly \$3 billion under the ruling, has also flagged distress, saying the decision casts much doubt on "its ability to continue as a going concern."

To industry executives and analysts alike, there's only one solution for the sector which was even before the current crisis debt-ridden and battered by a brutal price war: significant government financial support.

Hopes have been raised after the government deferred upcoming spectrum payments for the next two financial years until March 2022. Finance Minister Nirmala Sitharaman also said this month that relief is under consideration although no final call has been made.

"If the government does provide some measures, there is still some

chance for (Vodafone Idea) to continue as a going concern. It all depends on what kind of relief measures the company will get," said Umesh Mehta, head of research at Samco Securities.

He said he expects the company

moratorium, Vodafone Idea and Bharti Airtel are asking the government for cuts to license fees and taxes, as well as waivers for interest and penalties.

Mobile carriers have also petitioned the Supreme Court

next month, Vodafone Idea has not yet stopped losing subscribers. The latest data, for September, showed a net loss of 2.6 million customers.

"If Vodafone Idea doesn't have enough customers left, it is going to be very difficult for it to remain solvent," said Vivekanand Subbaraman, an analyst at Ambit Capital.

Bharti Airtel has more debt, with net levels at around \$16 billion. But unlike Vodafone Idea, analysts say if push came to shove, the company could consider selling assets to meet its obligations as it controls telecom tower firm Bharti Infratel.

If in a worse case scenario Vodafone Idea were to fail, customer options would dramatically shrink and the networks of the two remaining major carriers would be further overloaded, exacerbating patchy coverage and call drops common in India.

"There's bound to be more congestion, there is going to be further deterioration in quality," said T.V. Ramachandran, president of Broadband India Forum.

It would also represent a huge setback to India's push to make government services accessible to hundreds of millions of Indians via the internet.

Any exit would hurt telecom gear makers such as Finland's Nokia, Sweden's Ericsson and China's Huawei Technologies and ZTE Corp, industry executives said.

Bharti Airtel and Vodafone Idea use equipment and services from all of these vendors, unlike Reliance's Jio, whose network has been built largely by a unit of South Korea's Samsung Electronics.



A vendor selling "paani puri", a traditional Indian snack, walks past closed shops displaying an advertisement for Vodafone in Jammu.

REUTERS/FILE

to survive as it is in the government's interest to have three main players to ensure sufficient competition in the sector. Vodafone Idea and Bharti Airtel did not respond to requests for comment. Vodafone Group declined to comment.

Vodafone Idea this month booked a \$7 billion quarterly loss, the biggest in Indian corporate history, in large part due to provisions for payments owed. Parent Vodafone has also laid its case on the line: writing down the value of its 44 percent stake in the unit to zero and vowing it will not commit more equity to India.

In addition to the two-year

to review its ruling, although lawyers say chances of that happening are slim.

But even if the government obliges with generous financial waivers, analysts note Vodafone Idea would still be deeply troubled.

Hurt by the price war that began with the 2016 entry into the market of Jio, a unit of deep-pocketed Reliance Industries Ltd, Vodafone Idea has net debt of \$14.2 billion, six times its market capitalization and four times its cash holdings.

While the price war appears to have ended with all three main carriers - who serve 90 percent of the market - planning to lift user fees



Naren Das, secretary to the Legislative and Parliamentary Affairs Division, poses with Muhammad A (Rume) Ali, CEO of Bangladesh International Arbitration Centre (Biac), during his visit to the new Biac office on Kazi Nazrul Islam Avenue in Dhaka on Wednesday.

BIAC



Md Touhidul Alam Khan, deputy managing director of Prime Bank, receives a trophy on the bank being awarded "Platinum Rank" in Asia Sustainability Reporting Rating 2019 in Indonesia's Bali on Saturday.

PRIME BANK



Nizam Chowdhury, chairman of NRB Global Bank, opens a branch at Chakaria in Cox's Bazar yesterday. Syed Habib Hasnat, managing director, was present.

NRB GLOBAL BANK

China growth could drop below 6pc this quarter: govt adviser

AFP, Beijing

China's growth could drop below six percent in the current quarter as the local economy dealt with its "biggest difficulties and challenges ever", a senior government adviser said Wednesday.

China posted its worst economic performance for 27 years in the last quarter on the back of a bruising trade war with Washington, and negotiators

have yet to reach a deal to end the tussle between the world's top two economies that has rattled global markets.

"This year, China's economy has faced the biggest difficulties and challenges ever," said Yao Jingyuan, special research fellow for the State Council -- China's cabinet. "We shouldn't exclude the possibility of being below six percent growth in the fourth quarter of this year and even

next year," he told reporters.

The government had fixed a growth target of between 6 and 6.5 percent for 2019. Hopes for an end to the trade war rose after US President Donald Trump said Tuesday that negotiators were "in the final throes of a very important deal". Yao said the government had been able to stabilise employment, the financial sector, trade and foreign investment despite the spat with Washington.

US economy grows faster in Q3, but trade woes remain

AFP, Washington

The US economy grew faster than originally reported in the July-September period and prices remain tame, but amid the unresolved trade war with China economists and businesses note some worrying issues persist.

Higher exports and residential investment helped boost growth to a 2.1 percent annual rate from the 1.9 percent estimated last month for the third quarter, according to the more complete data the Commerce Department released Wednesday.

But economists note the apparent good news on the economy is tempered by some concerning elements, reflected once again in a nationwide survey by the Federal Reserve, showing continued concerns about the impact of tariffs and trade tensions.

Business investment, which has been hit hard by President Donald Trump's trade war with China, has declined sharply but since it dropped by less than originally reported, falling 2.7 percent rather than three percent in the first estimate, that smaller decline helped growth.

Meanwhile, businesses building up their inventories of products added nearly 0.2 points to the GDP calculation, according to the revised data. While that could be due to companies stockpiling ahead of announced tariffs, it could also reflect slowing consumption.

"In short, slightly stronger than before, but mainly because of inventories. That data continue to show growth slowing, but not dramatically," said economist Jim O'Sullivan of High Frequency Economics. The consensus among economists predicted no revision to the GDP result.

But some correctly forecast the upward revision which puts the

third quarter on track to best the two percent growth in the second quarter, after the 3.1 percent expansion in the first three months of the year.

Consumption, the traditional driver of growth, accounting for 70 percent of US GDP, increased 2.9 percent, with a strong gain in spending on durable goods such as cars or appliances, according to the data. However, that is a much smaller increase than the prior quarter.

Investment in real estate market jumped 5.1 percent, the strongest in two years, boosted by low interest rates. Exports, which fell 5.7 percent at the height of the trade war in the second quarter, recovered slightly in the latest quarter, rising 0.9 percent -- two-tenths stronger than originally reported. Imports also were stronger than previously estimated, rising by 0.8 percent.

The latest reading on GDP growth "indicates the economy is not about

to fall off a cliff," said Gregory Daco of Oxford Economics.

"However, the lingering global industrial slump, persistent trade policy uncertainty and cooling income growth all point to weaker activity in the coming months," he said in an analysis.

The Fed has lowered overnight interest rates three times this year as insurance against the global and domestic economic slowdown.

But the Fed's "beige book" survey of businesses, farmers and bankers showed the continued negative impact of trade tensions and tariffs, with most of the 12 regions showing only slight growth.

Three stagnated, while manufacturing in the majority of regions showed no growth.

In Richmond, businesses continue to "face constraints from tariffs and trade uncertainties," which has led to higher costs, the survey showed.



Kazi Akram Uddin Ahmed, chairman of Standard Bank, opens the 137th branch at Dhaka Udyan in the capital's Mohammadpur yesterday. Md Tariqul Azam, managing director (acting), was present.

STANDARD BANK



Work crews construct a new hotel complex on oceanfront property in Encinitas, California on November 27.

REUTERS