



Prime Minister Sheikh Hasina hands over a "Commercially Important Person" award to Mohammed Mahtabur Rahman, chairman of the AI Haramain Perfumes Group of Companies and NRB Bank, at the Bangabandhu International Conference Center in Dhaka on Thursday for sending the highest amount of remittance in 2017.

China's Great Wall revs up for India as rivals hit the brakes

REUTERS, New Delhi

Chinese automakers Great Wall Motor and Changan Automobile are accelerating plans to build cars in India after the initial success of rival SAIC Motor in one of the world's biggest markets, three sources said. Great Wall, one of the biggest sellers of sports-utility vehicles (SUV) in China, expects to secure a production site in the first half of 2020, likely a General Motors plant in Maharashtra, a source familiar with Great Wall's plans said. Buying a factory is seen as the best way to get up and running fast and Great Wall is finalising which SUVs it plans to make in India, including whether to kick off its launch with an electric SUV, the source told Reuters.

GM's retreat from India, for example, could help Great Wall get going quickly and it has been in talks to buy GM's plant in Maharashtra, two of the sources said. GM stopped selling cars in India in 2017 and has already sold its other plant in Gujarat to SAIC, where the state-owned Chinese automaker now makes the Hector SUV it launched in June under its MG Motor brand. India is part of Great Wall's planned global expansion into South America, South Africa, Southeast Asia and Australia, and it also plans to export from their to places such as Europe and the United States, said the source who is aware of its plans. "The plant in India is expected to be the biggest for Great Wall outside of China," the source said. Great Wall has hired a former executive



Great Wall Motors CEO Wei Jianjun waves at the 2019 Frankfurt Motor Show in Germany.

Great Wall said it would make an announcement next month about its plans for India but declined further comment. A spokesman for GM in Detroit said it was continuing to make vehicles for export at its Talegaon plant in Maharashtra state. "As we have said previously, we continue to explore options to improve utilisation of the plant. We do not comment on speculation," he said. Changan, too, is scouting for a production base and has held initial talks with suppliers, sources aware of its plans said. Both automakers, which produce electric vehicles (EVs) in China, are also considering whether to set up EV battery assembly plants in India, the sources said. Changan declined to comment. The companies see India as a chance to combat slowing sales at home, which fell in November for a 17th month in a row. While car sales in India are stuttering, the market is expected to become the world's third biggest by 2026, behind China and the United States, according to consultancy LMC Automotive. The Chinese firms also hope to capitalise on gaps left by global automakers such as Fiat Chrysler, Ford Motor and GM which have scaled back plans in a market still dominated by smaller, low-cost cars made by Maruti Suzuki and Hyundai Motor. "It is an opportune time for China's automakers to enter India. There is currently a gap in competition and it may take a couple of years for some of the established carmakers to bring new products to the market," said LMC Automotive's Ammar Master.

from Maruti Suzuki, India's biggest carmaker, for its product and business planning, and appointed a former executive from SAIC's India division as a consultant to liaise with the government. "For global automakers, India is one of the many markets they are in but for the Chinese it is the first major market outside of home and so the level of investment and commitment will be proportionately high," said the source. One of the biggest hurdles in India will be fighting perceptions about the quality and reliability of Chinese products and winning over brand-conscious buyers for whom cars are a prestige statement, say analysts. Chinese smartphone makers such as Xiaomi Corp faced similar perception issues when they launched in India but they now dominate the market. However, cars remain a significant outlay for most Indians and the Chinese brands will need to make their mark quickly.

Russia gas export pipeline in jeopardy as Trump signs sanctions bill

REUTERS, Washington

Swiss-Dutch company Allseas said it had suspended work on building a major Russia-to-Germany natural gas pipeline in order to avoid US sanctions contained in legislation signed by President Donald Trump on Friday. The move throws into doubt the completion date of the \$11 billion project that Moscow had said would be ready in months, jeopardizing plans to quickly expand Russian sales of natural gas to Europe via pipeline. The participation of privately-held Allseas, a specialist in subsea construction and laying underwater pipeline, is integral to the completion of Nord Stream 2, led by Russia's state energy company Gazprom. "In anticipation of the enactment of the National Defense Authorization Act (NDAA), Allseas has suspended its Nord Stream 2 pipelay activities," the company said in a statement dated Dec. 21, seen by Reuters shortly before Trump signed the bill. "Allseas will proceed, consistent with the legislation's wind down provision and expect guidance comprising of the necessary



REUTERS/FILE

Allseas' deep sea pipe laying ship Solitaire works on the Nord Stream 2 pipeline in the Baltic Sea. regulatory, technical and environmental clarifications from the relevant US authority." The annual national defense policy bill contains legislation, first sponsored by Republican Senator Ted Cruz and Democratic Senator Jeanne Shaheen, imposing sanctions on companies laying pipe for the project that will double the pipeline's capacity to Germany. The bill calls on the administration to identify project's planned costs and the rest is divided between five European energy companies: Austria's OMV, Germany's Uniper and Wintershall, Royal Dutch Shell and France's Engie. The Trump administration, like the Obama administration before it, opposes the project on the grounds it would strengthen Russian President Vladimir Putin's economic and political grip over Europe. Russia has cut deliveries of the fuel to Ukraine and parts of Europe in winter during pricing disputes. "We have a degree of consistency, over a decade of opposing this issue, across presidential administrations," one of the US officials said. The United States has become the world's top oil and gas producer in recent years and is aggressively trying to sell the products abroad. The Trump administration has touted US liquefied natural gas as "freedom gas" that gives Europe an alternative to Russian supply. Washington says that Nord Stream 2 would also likely deprive Ukraine of billions of dollars in gas transit fees. Germany says it needs the gas as it weans itself off coal and nuclear power.

companies working on the project within 60 days to trigger the sanctions. That report will likely be completed faster than that, however, meaning the sanctions could be triggered earlier than expected, two US senior officials told Reuters. Nord Stream 2 would allow Russia to bypass Ukraine and Poland to deliver gas under the Baltic Sea to Germany. Gazprom is taking on half of the



RANKS PETROLEUM

Imran Zaman Khan, managing director of Ranks Petroleum Ltd, the macro distributor of Shell lubricants in Bangladesh, and Mohiuddin Ahmed, managing director of Eastern Lubricants Blenders Ltd, a subsidiary of Padma Oil Company, attend a deal signing ceremony at the office of Bangladesh Petroleum Corporation in Dhaka on Thursday to supply Shell lubricants to public sector power plants.



Mojib Uddin Ahmed, chairman of the Investment Corporation of Bangladesh (ICB), presides over the corporation's 43rd annual general meeting at the Hotel Purbani International in Dhaka yesterday. The ICB approved 10 percent stock dividend for 2018-19. Md Abul Hossain, managing director, was present.



MEGHNA CEMENT MILLS

AR Rashidi, a director of Meghna Cement Mills Ltd, presides over the company's 27th annual general meeting at the International Convention City Bashundhara in Dhaka on Thursday. The company approved 10 percent cash and 5 percent stock dividends for 2018-19.



PRAN

Ahsan Khan Chowdhury, chairman of Agricultural Marketing Company Ltd, presides over the company's 34th annual general meeting at the Premier Plaza in the capital's Badda on Saturday. The company approved 32 percent cash dividend for 2018-19. Eleash Mridha, managing director, was present.

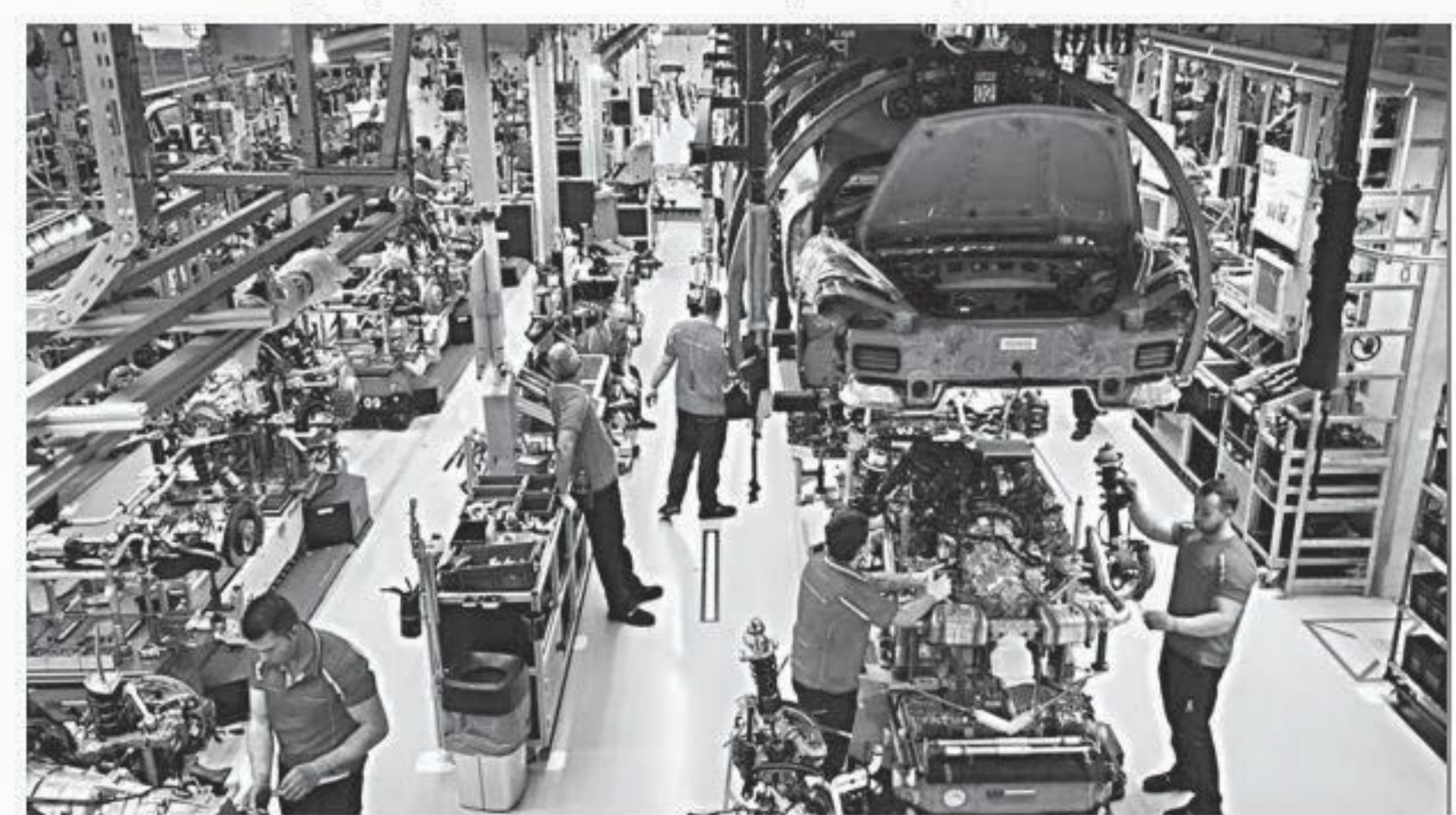
German economy likely to contract in fourth quarter

REUTERS, Berlin

The German economy probably shrank in the fourth quarter as export-oriented manufacturing continued to decline, the DIW economic institute said on Friday. DIW said Europe's largest economy probably contracted by 0.1 percent in the October-December period. "We could at most hope for stagnation," said DIW economist Claus Michelsen. DIW's forecast contrasted with a rosy estimate by the Ifo institute, which this week said Europe's biggest economy probably expanded by 0.2 percent in the fourth quarter. Manufacturing has been weakening since the start of the year, slowing a 10-year growth cycle. Consumption, state spending and construction have been cushioning the economy. German manufacturers are coping with trade disputes and Brexit uncertainty. The car industry also faces a costly shift to electric vehicles and stricter emissions rules. Economy Minister Peter Altmaier said that increased clarity on Brexit has helped Germany avoid a recession. Following Prime Minister Boris Johnson's election victory, the British parliament will vote on his deal to leave the European Union on Friday.

The bill should face little opposition. Altmaier also told Der Spiegel magazine that he expects trade tensions between the United States and the EU to ease. Donald Trump and the European Commission have imposed tariffs on traded goods and the US president has threatened to impose levies on European cars and car parts. "I don't think that the US president has a big interest in having a trade war with Europe one year before the election," Der Spiegel quoted Altmaier

as saying. DIW said that despite the gloom, German industry was showing signs of optimism. "German companies are again looking positively into the future, especially when it comes to their international business," said Michelsen. The economy narrowly avoided recession in the third quarter, growing by 0.1 percent in the third quarter after contracting by 0.2 percent in the April-June period.



REUTERS/FILE

German car manufacturer Porsche assembles sports cars at the Porsche factory in Stuttgart-Zuffenhausen, Germany.