Trump says he and Xi will sign China trade deal

REUTERS, *Palm Beach*

US President Donald Trump said on Tuesday he and Chinese President Xi Jinping will have a signing ceremony to sign the first phase of the US-China trade deal agreed to this month.

"We will be having a signing ceremony, yes," Trump told reporters. "We will ultimately, yes, when we get together. And we'll be having a quicker signing because we want to get it done. The deal is done, it's just being translated right now." United States Trade Representative Robert Lighthizer said on Dec. 13 that representatives from both countries would sign the Phase 1 trade deal agreement in the first week of January.

Speaking in Beijing on Wednesday, Chinese Foreign Ministry spokesman Geng Shuang said both countries were in close contact.

"Both sides' economic and trade teams are in close communication about detailed arrangements for the deal's signing and other follow-up work," Geng told a daily news briefing.

He did not elaborate.

Beijing has not yet confirmed specific components of the deal that were released by U.S. officials. A spokesman for China's Commerce Ministry said last week the details would be made public after the official signing.

US President Donald Trump

Gauging retail performance in an online world

REUTERS, *New York*

Marshal Cohen has religiously visited the same stores every holiday season since 1999.

But rather than snapping up bargains and favorite gifts for friends and family, the chief retail industry adviser is there to scrutinize the purchasing habits of others as online shopping upends the retail business.

Major shifts in consumer behavior and preferences have forced Cohen, who works for market research firm NPD Group, and other retail analysts to approach their jobs very differently than two decades ago.

"If you were to try and replicate research methodology, or even store observation, in today's world, you've got a problem," Cohen told Reuters. "It's no longer good enough to just look at store traffic or parking lot counts." Cohen and his peers need to get it right because their insights, reported to investors and retail clients, influence marketing, move share prices and guide investment decisions.

A record number of U.S. consumers spending more online, coupled with a condensed holiday shopping season and year-round discount wars among retailers, has forced analysts to get creative, with many shifting away from old-school tactics to measure a company's overall performance.

Instead of simply asking shoppers why they left a store empty-handed, analysts are probing the effect of online giant Amazon.com Inc, asking whether customers started Christmas shopping in July on Prime Day, now a major event in the annual retail calendar to rival Thanksgiving weekend's Black Friday.

Calculation of sales per square foot is giving way to a tally of how many Instagram-native, exclusive and private fashion brands are offered on a retailer's sales floor and website, and analysts -- rather than simply seeing how many bags a shopper leaves with -- are now counting how many younger millennial and Gen Z shoppers frequent a store and whether they make a purchase.

Craig Johnson of Consumer Growth Partners says that traditional metrics such as foot traffic, average selling price, and average basket size can often still be highly indicative of what's happening in stores.

But other retail analysts said online shopping and a slew of services like "buy online, pick up in-store" can hinder the ability to estimate a retailer's conversion rate - a traditional measure of the proportion of visitors who make purchases.

Brian Field, senior director of global retail consulting for ShopperTrak, part of retail data firm Sensormatic Solutions, said it was particularly difficult to figure out if traffic reported by retailers came from people buying items in-store or shoppers picking up online orders.

"It is kind of synonymous with the fact that retailers are reporting blended sales, which include sales online and sales in-store together," Field said.

"I think what it really boils down to is the customer journey has changed - it can start anywhere, in-store, online and end anywhere." When Marie Driscoll, Coresight Research's managing director of luxury and fashion, received an email from Saks Fifth Avenue less than a week before Black Friday alerting her that several small leather designer goods such as wallets were on sale, she took note.

The department store, she thought, might have been struggling to sell such items, which are often given as gifts. Saks, owned by Hudson's Bay Company, disagreed.

"It would be flawed to gauge category performance based on customer emails, as the majority include personalized recommendations derived from a client's shopping preferences," a company spokesperson said.

Consumer Growth Partners' Johnson keeps close tabs on how many fashion brands born on Instagram are on the sales floor when he visits Nordstrom Inc these days. That tells him whether the retailer is catering to young shoppers who search for labels on their smartphones.

A source with knowledge of the matter said Nordstrom looks for opportunities to launch new brands and expand existing partnerships with limited distribution and emerging brands to differentiate their product line.

US holiday retail sales during November and December are expected to increase by around 4 percent from 2018 to as much as $730.7 billion, according to the National Retail Federation (NRF) - a percentage rise dwarfed by the 13.6 percent annual jump Adobe Analytics has already seen in online sales between Nov. 1 and Dec. 19, to $125.6 billion. Smartphones accounted for 35.3 percent of that revenue.

REUTERS/FILE

Shoppers clutch their Nordstrom bags as pre-Thanksgiving and Christmas holiday shopping accelerates at the King of Prussia Mall in King of Prussia, Pennsylvania, US.

Nissan's No.3 to quit in blow to revival efforts

AFP, *Tokyo*

The senior executive in charge of plans to revive crisis-hit Nissan has decided to quit just weeks after taking the job, sending the carmaker's stock plunging more than 3 percent on Wednesday.

Jun Seki, 58, number three at Nissan, had informed them of his decision to leave and the company had accepted it, the automaker said in a statement.

Seki, currently executive officer and vice chief operating officer, is expected to become president of major electric components maker Nidec, according to a source close to Nissan.

Ashwani Gupta, chief operating officer and number two at Nissan, should take the responsibility for the recovery plan instead of Seki, the source told AFP.

Struggling to rebuild itself after former chief Carlos Ghosn's financial scandal, Nissan just started its new management under chief executive and president Makoto Uchida on December 1.

The company said Wednesday it "has been on a steady path to regain trust, restore the company's performance and work on its business transformation, and is already seeing progress." "Under the new top management, Nissan will continue to focus on these key areas, which remain our highest priority," it said in the statement.

But investors were not convinced.

Nissan shares plunged 3.09 percent to 633.4 yen on the Tokyo Stock Exchange.

Makoto Sengoku, market analyst at Tokai Tokyo Research Institute, said Seki's resignation came at "an impossible timing." "He was the No.3 andwas supposed to be a central figure to drive the reform. It was inevitable that such a man's departure spawned caution towards Nissan," Sengoku told AFP.

"It's an urgent task for Nissan to revamp itself but there is a doubt over how stable its leadership is," he said.

Nissan, in a three-way alliance with Mitsubishi Motors and France's Renault, last month slashed its full-year forecast for both sales and profit as it struggles with weak demand in Japan, the US and Europe, as well as fallout from the arrest of Ghosn.

Ghosn was arrested for alleged financial misconducts in November 2018 and is awaiting his trial which may start around April.

His former right-hand man, Hiroto Saikawa, resigned in September as the chief executive after an investigation prompted by the Ghosn scandal revealed that he was among Nissan executives who received excess pay by altering the terms of a share price bonus.

Jun Seki

Aussie near 4-1/2-month peak on positive risk sentiment

REUTERS, *Tokyo*

The Australian dollar held firm on Tuesday near a 4-1/2-month peak on optimism about U.S.-China trade relations, while the British pound was on the defensive as worries resurfaced about a chaotic departure from the European Union.

The Australian dollar fetched $0.69175 flat in Asia but within striking distance of its Dec. 13 peak of $0.6939, its highest level since late July. The currency has gained over 1 percent in the past four sessions.

China said on Monday it will lower tariffs on products ranging from frozen pork and avocado to some types of semiconductors next year as Beijing looks to boost imports amid a slowing economy and a trade war with the United States.

"It is possible to view this news as supporting the Aussie dollar, but considering that the Aussie has been strong since last Thursday, we should probably think that it reflects waning concerns over geopolitical risks," said Tohru Sasaki, head of research at J.P. Morgan.

Other risk sensitive currencies were also generally well-supported.

The New Zealand dollar stood at $0.6625, just below a five-month high of $0.6639 hit on Monday, while many emerging market currencies, including the Mexican peso, the Indonesian rupiah and the Russian rouble, held near multi-month peaks.

The British pound, however, slipped to three-week lows as the market braced for more uncertainty after the United Kingdom officially leaves the European Union in January.

As Prime Minister Boris Johnson has made it illegal to extend trade talks with the EU beyond the end of next year, investors fret the country could crash out without any trade deal.

Other major currencies moved little in holiday-thinned trade on Tuesday.

The euro stood almost flat at $1.1087 while the yen was little changed at 109.40 yen per dollar.

The dollar index stood at 97.689, off Monday's high of 97.820.

The dollar showed a limited response to a soft reading in new orders for key U.S.-made capital goods.

Orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, edged up just 0.1 percent in November, slightly below market expectations.

U.S. capital expenditure is likely to stagnate in coming months after Boeing announced last week it would suspend production of its best-selling 737 MAX jetliner following two fatal crashes of the now-grounded aircraft.

The firm's failure to resolve its crisis led it to oust Chief Executive Dennis Muilenburg on Monday.

Australia's Cotton On probes Chinese supplier amid forced labour fears

REUTERS

Australian clothing retailer Cotton On Group on Tuesday said it is investigating a Chinese supplier after British supermarket operator Tesco PLC suspended ties with the same supplier due to fears of the use of forced prison labour.

Tesco launched an investigation into ties with Zhejiang Yunguang Printing after media reports of a customer finding a message inside a Christmas card produced by Zhejiang and bought from one of Tesco's stores saying the product had been packed by foreign prisoners.

"On becoming aware of the issue the Cotton On Group has launched an investigation into the supplier," said Greer McCracken, communications general manager at Cotton On.

Cotton On said it takes a zero-tolerance approach to any form of modern slavery, including forced labour.

Tesco said the Christmas cards were produced at a Zhejiang Yunguang Printing factory, about 100 km (60 miles) from Shanghai Qingpu prison.

Zhejiang Yunguang Printing did not respond to a Reuters request for comment. China's foreign ministry on Monday dismissed accusations of forced labour at the Shanghai prison.

ABC News on Monday reported that Zhejiang Yunguang Printing also lists U.S. firms Walt Disney Co and Big Lots Inc among its international partners.

Neither Disney nor Big Lots responded to Reuters requests for comment outside of regular business hours.

Uber co-founder Travis Kalanick severs last ties to company

AFP, *New York*

About a decade after co-founding Uber, Travis Kalanick on Tuesday severed his last ties with the ride-hailing giant, announcing he would exit the board of directors at the end of 2019.

Kalanick, who was pushed out as chief executive in 2017 amid revelations about the controversial business practices that accompanied the company's stunning rise, will resign from the board of directors effective December 31 "to focus on his new business and philanthropic endeavors," Uber said in a statement.

"Uber has been a part of my life for the past 10 years. At the close of the decade, and with the company now public, it seems like the right moment for me to focus on my current business and philanthropic pursuits," Kalanick, 43, said in a statement released by the company.

"I'm proud of all that Uber has achieved, and I will continue to cheer for its future from the sidelines." In March 2018, Kalanick announced the creation of a new investment vehicle, 10100, that will focus on both for-profit and non-profit ventures. The key areas of focus for the fund include real estate, e-commerce and innovation in China and India.

Among his most recent ventures, Kalanick has developed the so-called "ghost kitchen" company, CloudKitchens, which will rent communal kitchens near population centers that can prepare food for delivery services.

Even before Tuesday's announcement, Kalanick had taken steps to further distance himself from Uber, selling a large portion of his shares in early November.

The youthful Kalanick has been the personification of the go-go Silicon Valley disruptor associated with visionary entrepreneurship that upends traditional businesses, accompanies by unfettered growth. Kalanick and fellow Uber co-founder Garrett Camp got the idea for Uber while visiting Paris in December 2008 when they were unable to find a taxi.

UberCab launched in July 2010 in San Francisco. The company name was shortened in October to Uber.

The venture has grown rapidly since then, with operations in 700 cities in 65 countries at the time of its initial public offering in May.

Kalanick resigned from Uber in June 2017 amid heavy pressure following a series of disturbing reports about a cutthroat workplace culture, harassment, discrimination and questionable business tactics to thwart rivals.

The company appointed former Expedia chief Dara Khosrowshahi as chief executive later this year. Khosrowshahi has taken steps to clean up the company's image, including as upgrading its rider safety programs and disclosing figures on sexual assaults.

But the company also still faces plenty of challenges as critics complain of excess traffic, aggressive labor practices and other ills. A regional court in Germany last week barred Uber from offering rides through car hire firms.

Wall Street analysts have also questioned the company's long-term profit prospects.

Khosrowshahi said Tuesday that "very few entrepreneurs have built something as profound as Travis Kalanick did with Uber." Board Chairperson Ron Sugar thanked Kalanick for "his unique expertise, honed over 10 years building Uber from a scrappy startup into the global public company."

AFP/FILE

Uber Co-Founder, Travis Kalanick, *left*, walks the floor during the IPO of the ride sharing company at the New York Stock Exchange.

Buy now, pay later faces backlash

REUTERS, *London*

Giving young shoppers easy credit to spend online doesn't sound sensible. Yet a new craze called "buy now, pay later" (BNPL) is growing in popularity. The risk is a regulatory backlash like that which befell US vaping heavyweight Juul.

BNPL acts like a credit card, but with even easier access. All an 18-year-old needs is a few details – as simple as a phone number and their name – to start deliveries without paying for the item upfront.

Enthusiasts claim bespoke technology allows BNPL groups to do a "soft credit check" on consumers that then get a month to decide whether to actually buy the item, or return it. No fees or interest is charged before that.

Klarna, a $5.5 billion Swedish startup bank backed by rapper Snoop Dogg, has 1 million active BNPL users in the UK, according to Citi. In the United States, it was the top trending shopping app on the Google Play store in October and the most downloaded app compared to direct competitors, exceeding rivals by more than 100,000 monthly downloads in September, Morgan Stanley data shows.

Everything free has a cost, though. Retailers like ASOS, which pays a fee to the BNPL providers who finance the free purchases, are popular among young shoppers. Easy credit provides scope to afford a dress just for a night out, before returning it.

Marketing campaigns like Klarna's "Shop like a Queen" indirectly encourage shoppers to buy more. The risk is younger users keep too many things and hurt their credit score if they miss a payment to Klarna, which provides finance in return for receiving interest. The danger for BNPL providers is increasing competition, and their technology being less smart than anticipated.

The sector is already facing a regulatory backlash in Australia, where the government is debating whether BNPL should be treated more like a bank loan for regulatory purposes.

Share prices of Afterpay, which offers the service Down Under, fell 20 percent in October after UBS analysts cited regulatory risk as a concern. And, even though BNPL can on average increase each online order value by 30 percent, not all retailers are fans. UK clothing chain Next suggested in October that the form of purchase was dangerous.

As they expand in the United States, Klarna and peers could face a Juul-style backlash. The e-cigarette group started as a safer alternative to smoking, but now lawmakers are treating its popularity among teenagers as a menace. That could be what they wind up thinking about buy now, pay later.

REUTERS/FILE

People rest with shopping bags at Macy's Herald Square during early opening for the Black Friday sales in Manhattan, New York City.

Emaar says may raise funds against Burj Khalifa viewing decks, not selling them

REUTERS, *Dubai*

Dubai's Emaar Properties said on Tuesday it was considering raising capital against cash flows generated by the observation decks on its Burj Khalifa skyscraper, but was not looking at selling them.

Reuters reported on Monday, citing sources, that Emaar was planning to sell the "At The Top" observation decks on the world's tallest building and had hired Standard Chartered to advise on the process.

Emaar "would like to confirm that it is not selling the At The Top business" and is "currently considering a structured transaction wherein financing is being raised against cashflows of At The Top," it said in a bourse statement on Tuesday.

At over 828 metres, the Burj Khalifa is twice as tall as New York's Empire State Building and nearly three times the height of the Eiffel Tower in Paris. At The Top overlooks the Dubai Fountains, another popular tourist attraction, with views of the city, the coast, and the desert.

Reuters cited two sources on Monday as saying the sale process began in November. The sources requested anonymity as the details were not public.

The viewing decks make about 600-700 million dirhams ($163-$191 million) a year, one source said.

Saudi-Kuwaiti accord paves way for resumption of oil production: Aramco CEO

REUTERS, *Dubai*

Saudi ARAMCO said on Wednesday a new agreement between Saudi Arabia and Kuwait paves the way for the resumption of oil production in the Neutral (partitioned) Zone shared by the two countries.

Saudi Minister of Energy Prince Abdulaziz bin Salman and Kuwaiti Foreign Minister Sheikh Ahmad Nasser al-Mohammad al-Sabah signed on Tuesday an agreement and a memorandum of understanding in Kuwait, state news agency KUNA said.

The two OPEC members halted production at the jointly operated Khafji and Wafra fields, which together produce some 500,000 barrels of oil a day (bpd) or up to 0.5 percent of the world's oil supply, in 2014 and 2015, respectively.

"With the signing of this new accord, both parties have reached consensus that now is the right time to resume production in this zone," ARAMCO's President and CEO Amin Nasser was quoted as saying in a statement by ARAMCO. AGOC, a subsidiary of the giant Saudi state oil firm, operates Khafji oil field alongside Kuwait's Gulf Oil Company.

"Both sides will work to ensure production resumption at the earliest opportunity," he added.

Oil output in the Neutral Zone, which dates back to 1920s treaties establishing regional borders, is divided equally between Saudi Arabia and Kuwait.

Lebanon banks 'trapping' state salaries: minister

AFP, *Beirut*

Lebanon's caretaker finance minister accused the country's banks on Tuesday of "trapping" civil servants' salaries with withdrawal limits that have fuelled public anger in the crisis-stricken country.

"What is happening in some Lebanese banks is unacceptable," Ali Hassan Khalil wrote on Twitter.

"They are trapping the salaries of (state) employees that are transferred by the finance ministry every month."

Rocked by two months of anti-government protests and a political deadlock, Lebanon is also facing its worst economic crisis since the 1975-1990 civil war.

A liquidity crunch has pushed Lebanese banks to impose capital controls on dollar accounts, capping withdrawals at around $1,000 a month. Some have imposed even tighter restrictions.

Some have also capped weekly withdrawals of the Lebanese pound at one million -- the equivalent of $660 at official rates -- even as the currency has plunged by nearly a third against the dollar on the black market in recent weeks.

The tightening controls have prompted public uproar, with many accusing banks of robbing them of their savings.

On Tuesday, Khalil said it was a "sacred right" of civil servants to be paid in full and on time.

"It is not permissible for this right to be violated," he said, vowing legal action to ensure public servants can access their salaries in full.

At banks in the northern city of Tripoli, tensions soared Tuesday as clients struggled to withdraw their salaries, said an AFP correspondent there.

A fight broke out in a branch near the city's main protest camp after the bank refused to let a customer withdraw dollars.

An anti-government street movement has rocked the small Mediterranean country since October 17.

Bowing to popular pressure, the government resigned two weeks into demonstrations.

Since then, a potential default on Lebanon's huge public debt has heightened the economic and political crisis.

The faltering economy has pushed many companies into bankruptcy, while others have laid off staff and slashed salaries.

A recession of more than 0.2 percent is expected for this year, the World Bank says.

In its first step towards forming an urgently-needed government, President Michel Aoun last week designated engineering professor Hassan Diab as the country's next prime minister, replacing Saad Hariri who quit in late October in the face of mass protests.

Diab, a self-styled technocrat, has vowed to form a cabinet of independent experts within six weeks.

St Petersburg airport to host Ryanair, other low-costers

REUTERS, *Moscow*

Low-cost airline Ryanair and other budget carriers are expected to start flying from Russia's St Petersburg airport in 2020, the Russian Transport Ministry said.

The move is part of Russia's plan to boost tourist flows to St Petersburg and will mean more competition for Russian air carriers, including national flag carrier Aeroflot.

The ministry said on Tuesday that Ryanair, EasyJet, WizzAir, Volotea, Air Baltic and Fly One had expressed interest in flights from St Petersburg's Pulkovo airport, Russia's fourth largest after Moscow's three major hubs.

It said the companies had applied for flights from Pulkovo, coded LED by the International Air Transport Association, to 22 countries, including Britain, Germany and France.

Double trouble for RMG

FROM PAGE B1

Stronger currencies and policy incentives given by the competitor countries are enabling them to get more business by offering lower prices than Bangladesh, according to the exporters and analysts of the BGMEA.

A significant increase in production cost because of the implementation of the minimum wage in December last year is another major reason for the falling garment export, they said.

Poor efficiency and relatively higher cost of doing business are decaying Bangladesh's trade competitiveness.

Over-concentration of the industry to a few product items and to a handful of markets are among the top-rated challenges, the leaders of the garment makers' platform said.

"As we are tracking export data on monthly basis, the trend is still giving a dull picture," said Rubana Huq, president of the BGMEA.

The data of the first fortnight of December showed that exports declined by more than 3 percent, meaning the growth may continue falling in the whole month, she said.

It is difficult to project the trend since the global market looks volatile due to the emergence of a number of factors such as the EU-Vietnam free trade agreement, the strategic move by China to offset the impact of punitive tariff by lowering prices, and the emergence of new sourcing destinations, according to Huq.

"The growing share of online sales will also bring a major disruption to the conventional way of doing business in the medium term. If we do not take proper steps now to get ourselves at par with our competitors, it will be difficult to get the rhythm back in our exports."

The probable fallout could be closure of more factories, displacements of more workers and a decline in export earnings, which might affect the overall macro-economic performance of the country, she said.

"We have appealed to the government for a few policy support to tackle the crisis."

The government also responded and lowered the source tax on garment export to 0.25 percent.

"However, we have demanded for the retrospective effect of it like previous years," Huq said.

"At the same time we have requested for withdrawal of the conditions to avail the 1 percent special incentive and also for withdrawal of tax on incentives."

She said since the exchange rate has become a major downside of the country's competitiveness, the BGMEA hopes the government will be considerate to allow a premium—for example, Tk 5 per US dollar on 25 percent of export value—on the local retention on garments exports.

According to Huq, diversification of the industry is one of the most important priorities now and the sector needs special incentive to encourage product and material diversification and innovation.

"For long-term business sustainability, we need an exit policy."

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, argued for a temporary devaluation of the taka against the US dollar for some selective exportable garment items.

For instance, the government can devalue the greenback for the manmade fibre garment and synthetic fibre garment exports, he said.

If the government devalues the local currency against the dollar for selective items, product diversification will take place automatically, he said.

Mansur also said the taka can be devalued to Tk 90 against a US dollar right at this moment. However, the government should also notice whether the inflation goes up due to the devaluation of the currency, he said.

"Currency devaluation is not a permanent solution," he said.

The garment industry has to increase its efficiency at least by 30 percent if it wants to be more competitive globally, said Mansur, also a former economist of the International Monetary Fund.

"The sector can obtain efficiency through efficient management practices, technology selection and product and market diversification."

Loan rescheduling hits new high

FROM PAGE B1

The rescheduling of defaulted loans will allow banks not to keep provisioning, meaning they will be able to show higher profits, a central banker says.

The relaxed policy on rescheduling has given a wrong signal to the financial sector and may create a moral hazard, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, a think-tank.

Many good borrowers may feel discouraged to repay their loans on time because of the easy repayment policy, he said.

A reform programme should have been taken to improve the financial health of banks, he said, adding that the latest initiative will rather undermine the corporate governance.

"The record amount of rescheduling will hit banks' profitability as funds remain stuck for long because of the tool," Rahman said.

"Banks could have earned a good income and profit if they had recovered the funds on time. This also would have given them chances to provide fresh loans."

The large amount of rescheduling indicates that banks will face liquidity crisis in the days ahead, said Salehuddin Ahmed, a former governor of the central bank.

Both the government and the central bank have taken initiatives to disburse loans to the industrial sector at single digit interest rate, but the rescheduling trend will put the brakes on their lending, he said.

"The random rescheduling has weakened the financial norms in the banking sector and eroded business confidence as well. The private sector credit growth has been sluggish for long and it will not get a boost if the trend persists," Ahmed said.

CITY BANK CAPITAL

Ershad Hossain, managing director and CEO of City Bank Capital; Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services, and Joya Chowdhury and Muhaimin Khan, directors of Founder Institute Bangladesh, attend the institute's graduation ceremony, sponsored by City Bank Capital, for eight startups focusing fintech, edtech, agritech, business to business marketplaces and clean energy, at City Alo Centre in Dhaka on Tuesday.

Lenders join realtors for winter sales

FROM PAGE B1

Md Sirajus Saleken, head of mortgage, said they have their own lawyer and instant verification team to assess loan applications.

According to him, the IPDC recently introduced an offer through which customers can make early settlements of 20 percent of the principal amount every year and no money would be charged, including interest, on this amount.

"This new idea will reduce the burden on promising customers," he said, adding, "We bring down processing fees for customers of reputed developers."

The IPDC managed to grab a hold of 12 customers on the fair's second day after developers brought them over to their stall.

Bank Asia is also offering five categories of home loans with interest rates of 10 to 12 percent, depending on the customer.

Brac Bank, IFIC Bank, Dutch-Bangla Bank, Mutual Trust Bank, Prime Bank, Eastern Bank, Delta Brac Housing Finance Corporation, IDLC Finance and LankaBangla Finance are offering nearly the same facilities for customers.

Mohammad Nazrul Islam, senior manager (sales and marketing) at the Concord Real Estate and Building Products, said they have memorandums of understanding with some lenders to provide loans instantly at low rates.

According to him, mid-range flats sized around 1,500 to 2,000 square feet were in high demand, coming at a price ranging from Tk 80 lakh to Tk 1.5 crore.He said Concord offers flats charging Tk 4,500 to Tk 35,000 per square foot depending on the location.

Russia to use rainy day fund to buy Sberbank

REUTERS, *Moscow*

The Russian government plans to use the country's National Wealth Fund (NWF) to buy the central bank's stake in Sberbank, a state banker and a source familiar with the plan told Reuters on Wednesday.

On Tuesday, Finance Minister Anton Siluanov said that Russia was discussing whether the central bank should continue to hold a controlling stake in the country's largest lender Sberbank, confirming an earlier Reuters report.

The second source said that under the plan the central bank would transfer any profits it earned from the sale of Sberbank to the state budget. A third source, a well-placed financial market insider, said the same.

The first two sources did not say how much the government, via the Finance Ministry, was ready to pay for the central bank's stake in Sberbank. The central bank currently owns 50 percent plus one share in Sberbank, which is worth 2.8 trillion roubles ($45.45 billion) based on Sberbank's current market capitalisation.

Telecom tussle erodes trust

FROM PAGR B1

In a major leap forward for the communication sector, the Bangabandhu-1 Satellite, the country's first communications satellite, began commercial operations in the year.

Currently, all the local television channels air their service using the satellite. This is helping the country save a huge amount of foreign currencies that would have been otherwise needed to avail the similar service from foreign companies.

Online shopping kept its growth momentum.

"We have achieved new milestones in 2019 both in terms of transactions and orders," said Abdul Wahed Tomal, general secretary of the e-Commerce Association of Bangladesh.

According to the association's estimate, e-commerce sales went past Tk 2,000 crore in the outgoing year, with 30 percent year-on-year growth.

Some e-commerce ventures received foreign investment and this helped grow the market, Tomal said.

He said as the market is growing rapidly, the association has received some complaints related to product quality and service. "This needs to be addressed."

In the ICT sector, the biggest news was the opening of a Tier-4 national data centre, which will boost the country's data storage capacity.

The Bangladesh Hi-Tech Park Authority also allocated spaces to some new companies in different parks and is developing some new parks in the country.

Cement consumption to rise on infrastructure projects

Says Md Alamgir Kabir, vice-chairman of Crown Cement Group

MD FAZLUR RAHMAN

CEMENT consumption will go up in Bangladesh in the coming years on the back of a growing appetite for the key construction material from infrastructure projects as well as rapid urbanisation, an industrialist said.

Bangladesh is investing heavily in infrastructure development, especially in power generation, highways, bridges, buildings and telecommunications.

"If implementation of these large infrastructure projects takes place as per plan, the cement sector will grow substantially," said Md Alamgir Kabir, president of Bangladesh Cement Manufacturers Association (BCMA).

He said the cement, steel and power sectors would certainly play a crucial role in achieving the government's vision to become a middle-income country by 2021 and a developed country by 2041.

The construction sector will grow further riding on Bangladesh's population density, life expectancy rise, rapidly arising economic zones, sizeable investments in socioeconomic development of mainly common people, booming agriculture, and thriving garment sector.

At present, per capita cement consumption in Bangladesh is about 195kg, but Kabir said it will not stay there for too long. "We hope per capita consumption of cement will touch the level of 250kg by 2024."

With more than three decades of professional experience in both trading and manufacturing sectors, Kabir is the vice-chairman of Crown Cement Group, chairman of GPH Ispat Ltd and managing director of Crown Cement Concrete and Building Products Ltd.

Set up in 1994, MI Cement Factory Ltd, the parent company of Crown Cement Group, is one of the leading manufacturers of cement in Bangladesh.

Kabir said every year rains damage roads if they are constructed with bitumen. As a result, the suffering of the people and costs for reconstruction of roads goes up. Thus, the government has, in principle, agreed to go for concrete roads instead of bitumen roads.

"Once implementation of this initiative gets started, the demand for cement will increase substantially. Moreover, if the government lowers import duty on raw materials of cement and offers incentive to exporters, the sector will see further improvement."

According to the entrepreneur, 2019 was not as glorious for the cement industry as it was expected in the beginning.

Manufacturers had intended to achieve growth of 10-12 percent in 2019, but the year might end with growth of about 6 percent on 2018, way lower than 16 percent posted in 2018. Relatively lower demand prevailed throughout the year except a few days during peak seasons.

"We foresee a cement growth of 6 percent in 2019 and after that it may continue to grow at 8 percent for the next five years," Kabir said.

He said the cement industry has been facing a good number of challenges since the beginning of 2019. The market has already been oversaturated and yet the big players are on an expansion spree.

"It is predicted that the existing overcapacity may get further deteriorated with the implementation of expansion projects by large players in the next two to three years."

He said the competition was so acute that it eventually turned into a price war situation among large players. But sometimes, it was difficult to pass on the increased production costs to customers due to the huge competition.

There are about 40 active cement factories in Bangladesh with a combined effective production capacity of 61 million tonnes per year against a demand for 33 million tonnes, meaning the capacity exceeds the demand by about 46 percent.

Md Alamgir Kabir

The market size of the sector is around $3 billion, or Tk 25,500 crore. Manufacturers have invested more than Tk 30,000 crore in the sector. Local companies are dominating the market.

Cement is consumed mainly by three segments of users: individual house builders account for about 40 percent, developers or contractors about 25 percent, and public sector projects the rest 35 percent.

The real estate sector, which covers individual house builders and part of the developers or contractors segment, consumes a major portion of cement.

But for the last seven to eight years, the real estate sector has been facing various difficulties, which include scarcity of land in urban areas, suspension of gas connection for households, and higher interest rate for home loans, Kabir said.

Besides, exorbitant property registration fees are also considered as one of the major impediments to the further growth of the sector.

Kabir said the implementation of government construction projects, irrespective of size and volume, mostly get delayed due to a host of reasons, such as non-disbursement of funds in time, delay in land acquisition, and a lack of efficiency in handling especially large projects.

The cement sector had also fallen into deep trouble for a "non-adjustable" clause incorporated during the imposition of a 5 percent advance income tax (AIT) and 3 percent source tax.

The sector, however, received a shot in the arm on December 19, when the National Board of Revenue cut the AIT on the import of cement raw materials by two percentage points to 3 percent for the sake of the local manufacturers.

"Although this reduction reflects that the government has realised the problem of this sector, 3 percent AIT is still a burden to the manufacturers and in fact, it requires a full waiver of tax," Kabir said.

Other challenges facing the cement sector include the price hike of raw materials, port congestion that causes delay in unloading of raw materials, devaluation of the taka against the US dollar, and load restriction on the roads and highways.

According to Kabir, it will take at least five to six years to get rid of the unhealthy competition mainly arising from overcapacity. Under these circumstances, it may be unwise for large manufacturers to go for further capacity expansion so promptly.

Speaking about his own company, he said MI Cement Factory Ltd (MICFL) has gained popularity in all segments in general and individual house builders in particular. Crown is a preferable brand to individuals who are house builders.

"Besides brand identity, consistent quality, smooth delivery, after-sales service and quick response to customers' complaints have made Crown Brand Cement an attractive supplier to the important segment of customers."

The MICFL has supplied cement to various large infrastructure projects such as Padma Multipurpose Bridge and Rooppur Nuclear Power Plant, to just name a few.

"Like in the past, we also aim to be a part of maximum iconic infrastructure projects of Bangladesh."

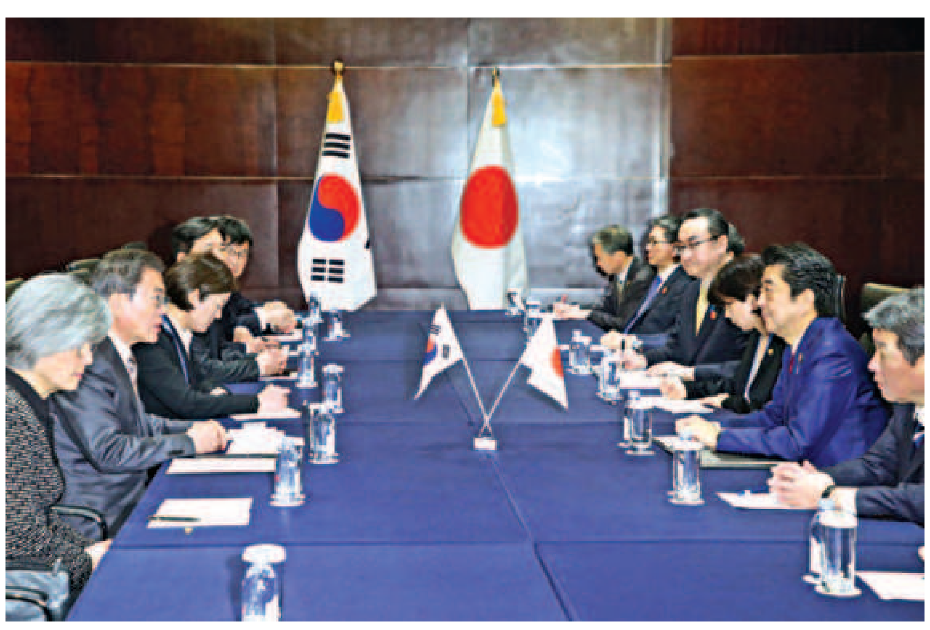
Crown Cement pioneered in cement export in 2003 and paved the way for earning hard-earned foreign currency. It is the largest cement exporter in Bangladesh with around 50 percent market share of the cement export from the country.

The major export market of Crown Cement is Indian states of Tripura, Meghalaya and Assam.

"Although this segment is not that significant volume-wise, it has brought an extra surge to the industry. Crown has been maintaining its leadership position in the export segment since long."

The company plans to go for an expansion project with one more vertical roller mill technology in 2020 and enhance market share to 8.5 percent from the current 7.5 percent.

CROWN CEMENT AT A GLANCE
Began commercial production in October 2000
Manufactures and markets ordinary Portland cement and Portland composite cement
Has production capacity of 3.3 million tonnes per annum
Employs 1,397 people
Pioneered cement export in 2003; accounts for half of national cement exports
Earned national export trophies for 2008-09, 2009-10, 2013-14



AFP

South Korea's President Moon Jae-in and Japan's Prime Minister Shinzo Abe attend their meeting in Chengdu, southwestern China's Sichuan province on Tuesday.

Amid trade war, China seeks closer ties with neighbours

AFP, *Chengdu*

CHINA made overtures on trade to Japan and South Korea and offered support for an infrastructure initiative as it hosted the leaders of its two neighbours this week amid strained ties with the US.

Chinese Premier Li Keqiang said Wednesday at a meeting with Japanese Prime Minister Shinzo Abe that Beijing was willing to strengthen economic cooperation with Japan in third-country markets.

At the meeting on the sidelines of a trilateral summit in the southwestern city of Chengdu, Li added that China would "further open up its services industry" to Japan.

During a separate meeting on Monday with South Korean President Moon Jae-in, Li said China was willing to work on a rail network linking Korea with China and Europe, Yonhap news agency reported.

Li's remarks come as China and the United States edge closer to an initial trade agreement after imposing tariffs on billions of dollars worth of goods over nearly two years in a bruising trade war that has hit the global economy.

On Friday US President Donald Trump touted a "very good talk" he had held with China's President Xi Jinping on a deal to resolve the dispute.

However, details of the so-called "phase one" deal between the world's two largest economies have yet to be published in writing, with officials citing incomplete translation and legal work.

Meanwhile relations between the pair have been further strained by US legislators' support for the pro-democracy movement in Hong Kong, and their condemnation of the mass internment of Muslim minorities in the western Chinese region of Xinjiang.

Li stressed on Wednesday the importance of China's trade ties with Japan and South Korea, saying their vast volume of trade was due to the "joint protection of regional stability and peace".

China, Japan and South Korea held a summit on Tuesday that also touched on a planned free-trade agreement between the three nations, which has been many years in the making.

Trade among the trio was worth more than $720 billion in 2018, according to a joint statement issued Tuesday night by the leaders.

The countries will "speed up the negotiations" on the agreement and "strive to realize a free, fair, non-discriminatory, transparent, predictable and stable trade and investment environment", the statement said.

The leaders plan for the new trilateral free-trade agreement (FTA) to build on a separate, sprawling China-backed Asian trade pact, which if signed would be the world's biggest trade deal.

Decade in review: What the smartphone has wrought

REUTERS

WHEN the first Apple iPhone hit the market in 2007, not everyone was convinced it would supplant the flip-phone. When Google's Android software system arrived a year later, the Blackberry still seemed to have bright future.

But with the iPhone 4 in 2010, featuring a high-resolution display, sleek design and front-facing camera, our collective fate was sealed. Here are 10 ways the smartphone has made its mark over the decade.

Today some 5 billion smartphones are in use around the world, according to Canalys Research. The total number of internet subscriptions has soared to 7.2 billion globally from 1.3 billion in 2010, the vast majority of them mobile subscriptions, International Telecommunications Union data shows. The explosion in connectivity has been especially dramatic in the developing world, where there are now more mobile connections than people.

Apple Inc, once a niche computer company, is now one of the world's most valuable companies thanks to the iPhone. The five largest Fortune 500 technology companies - Apple, Amazon, Google, Microsoft and Facebook - currently boast a market cap of $4.7 trillion, compared with about $800 billion for the top five in 2010. Not all of that is due to the smartphone, of course, but the mobile-related technologies and services accounted for nearly $4 trillion in economic activity in 2018, according to trade group GSMA.

Whether we're hailing a cab, ordering food, playing a game, finding a date, listening to music or shopping for just about anything, there's a good chance we'll be doing it with a smartphone app that didn't exist in 2010. Many of most popular apps are free, but consumers are still expected to spend more than $120 billion in app stores during 2019, according to App Annie, a mobile apps analytics firm.

The endless scroll on Facebook, Instagram, Twitter and other social media apps now consumes 34 minutes of every U.S. adult's day, according to Nielsen. Fewer people are sitting on the sofa to watch live TV at set times, and advertisers are following. Mobile ad spending surpassed TV for the first time in 2018 in terms of percentage share of the U.S. market, according to research firm eMarketer. We can also thank the smartphone for Instagram influencers, "sextortion," and fake news.

Global shipments of digital cameras dropped from their 2010 peak of 121 million to just 19 million units in 2018, according to the Camera & Imaging Products Association (CIPA). Meantime the latest phones pack as many four camera lenses and cutting edge software that makes it easier than ever to get that perfect shot. The front-facing camera might be the busiest: Google reports that its Android devices take 93 million selfies every day.

The satellite tracking technology known as GPS, combined with information from cell towers and Wi-Fi networks, has made the smartphones incredibly powerful tracking devices. Google maps and its poorer cousins enable even the most directionally impaired find their way around unfamiliar locales with ease.

For the privacy-minded, though, it's a disaster: Phone companies and app makers routinely record the movements of subscribers and sell that data to advertisers, a $20 billion-a-year business. The data is "anonymised," but as numerous studies and a recent New York Times investigation have revealed it is often a simple matter to identify who is behind the dot on the map. Nearly 50 percent of companies surveyed by Verizon this year used or planned to soon use smartphone management tools to track their employees.

The 2010 edition of the venerable Encyclopedia Britannica, all 32 volumes and 129 pounds of it, turned out to be the last. But untold barroom arguments or dining room debates can now be settled on the spot: Wikipedia is consulted more than 240 million times daily.

In 2018 alone in the United States, 2,628 fatal crashes involved a distracted driver, and of those deadly crashes, about 13 percent involved mobile phone use, according to the National Highway Traffic Safety Administration (NHTSA).

Apple Pay and Google Pay are still afterthoughts for most U.S. consumers, but China may be a harbinger. Alipay and WeChat pay, China's two big smartphone payment services, have reached a combined adoption rate of over 80 percent since they were launched around the beginning of the decade, according to a study by Bain. The QR code now peppers storefront windows. Even streetside beggars have adapted, sometimes rejecting cash and asking that payments be made via WeChat Pay or Alipay.

REUTERS/FILE

People look at their smartphones in Times Square in New York City, US.