BASHUNDHARA LPG

Officials and employees of Bashundhara LPG pose at the company's annual sales conference in Gazipur recently.

China starts 2020 with forecast of a 2pc sales decline

REUTERS, *Beijing/Shanghai*

Automakers in China need to get used to a new normal of "low speed growth" in the world's largest car market, the country's top auto body said on Monday, as it reiterated predictions that sales will likely shrink for the third consecutive year in 2020.

The China Association of Automobile Manufacturers (CAAM) expects a 2 percent fall in vehicle sales. That would compare with an 8.2 percent drop last year, when sales were pressured by new emission standards in a shrinking economy also contending with tit-for-tat import tariffs with the United States.

CAAM, affirming its forecast announced last month, also said auto sales declined for the 18th consecutive month in December. Annual sales started falling in 2018, by 2.8 percent, halting a growth march that had started in the 1990s.

Industry watchers, though, are hoping a sales recovery in lower-tier cities, and an easing of trade tensions between China and the United States, can help ease the decline.

"We have moved away from the high-speed development stage. We have to accept the reality of low-speed development," Shi Jianhua, a senior official at CAAM, told a news briefing. "We had high-speed growth for a consecutive 28 years, which was really not bad, so I hope everyone can calmly look at the market."

Sales of new energy vehicles (NEV) sank 27.4 percent in December, resulting in an overall 4 percent decline to 1.24 million units in 2019. China's NEV sales jumped 62 percent in 2018 but a subsidy cut hurt sales last year.

When asked if the industry could sell 2 million NEVs this year, a target originally set by China's industry ministry in 2017, CAAM's assistant secretary general, Xu Haidong, said this was "not possible".

NEV sales for 2020 would likely "stay at the same level or slightly increase" versus last year, Xu said.

Walmart sacks 56 executives in India as part of restructuring

REUTERS, *New Delhi*

Walmart Inc, the world's largest retailer, has fired 56 of its executives in India as it restructures in the country.

The move underscores the challenges Walmart has faced in expanding its wholesale business in India. The Bentonville, Arkansas-based company currently operates 28 wholesale stores in the Asian country where it sells goods to small shopkeepers, and not to retail consumers.

Reuters reported the firings earlier on Monday, citing three people with direct knowledge of the matter, adding the move had mostly affected executives in Walmart's real estate division, which takes care of store expansion, as the wholesale business model did not bring in expected growth.

Eight of the 56 executives fired were in "senior management" roles and the rest from middle or lower management, Krish Iyer, President and CEO of Walmart India said in a statement.

"We are also looking for ways to operate more efficiently, which requires us to review our corporate structure to ensure that we are organized in the right way," Iyer said, adding the fired executives had been offered enhanced severance benefits.

Walmart has placed bold bets on India's e-commerce sector. In 2018, it paid $16 billion to buy a majority stake in India's online marketplace Flipkart, in its biggest global acquisition.

"It's happening because focus is shifting to e-commerce rather than physical (stores)," according to one of three people, who spoke to Reuters ahead of the company announcement.

A second source said Walmart could slow down the pace of opening new wholesale stores in India as it focuses on boosting sales through business-to-business and retail e-commerce.

As businesses hold back, US consumers seen boosting big banks' profits

REUTERS, *New York*

Consumer lending is expected to propel profits for big US banks when they unveil fourth-quarter results this week, though stress in corporate lending and uneven capital markets may cast a shadow over results.

Balances for individual borrowers keep reaching new records as the US job market has stayed robust, prompting people to spend, and as interest rates have declined, prompting them to borrow — especially on credit cards.

Overall, US consumer-loan balances at the 25 largest banks reached $1.19 trillion the last week of December, up 13 percent from a year earlier, according to Federal Reserve data. The biggest annual increase came from cards, where outstanding debt rose 16 percent.

The banks held another $1.46 trillion in residential mortgage loans.

That spells good news for quarterly profits at JPMorgan Chase & Co and Citigroup Inc, which have been working to grow their card businesses in recent years. The Fed's decision to lower rates in 2019 boosted mortgage activity, which will help major home lenders like Wells Fargo & Co. Those three banks are scheduled to report results on Tuesday.

"The consumer-lending business is going to be very profitable for the banks," RBC Capital Markets analyst Gerard Cassidy said in an interview.

REUTERS/FILE

Signs of JP Morgan Chase Bank, Citibank and Wells Fargo & Co bank are seen in this combination.

Americans borrowing to buy cars and pay for vacations has been a mainstay for industry profits recently. Consumer strength has helped offset weakness in trading, underwriting or business-loan demand at various points, with bank executives cheering it as a sign that the US economy is not on the brink of recession.

Analysts expect tepid business borrowing to have continued through the fourth quarter. Global trade disputes, political uncertainties and market fluctuations have left CEOs wary of seeking financing to buy competitors or invest in operations, they said.

However, those issues could take a back seat to the thriving US consumer.

As Americans' loan balances have climbed, their incomes have grown even faster. That debt is now about equal to disposable personal income after climbing to as much as one-third higher in 2007.

Analysts say they are also encouraged that banks appear to be lending more responsibly to consumers, partly due to new regulations. Consumer delinquency rates are low at 2.8 percent, compared with an average of 4.3 percent since 2003, according to Fed data. In the recession, the rate reached 8.2 percent.

However, analysts cautioned that credit mistakes often occur in the best of times and that it is hard to see them with the economy growing for the 11th straight year.

Higher real-estate values have allowed property owners to raise cash by selling or refinancing. As competition has heated up in cards, some borrowers have been transferring zero-interest balances from one bank to another for a small fee, without paying off the debt.

And although unemployment is at a 50-year low and wages are higher, there are still lots of consumers living paycheck-to-paycheck.

A Fed survey last year found 39 percent of Americans would have a hard time handling an unexpected $400 expense. People with credit cards generally are not at such risk, but still about 16 percent said they would put the expense on a card.

Fred Cannon, research director at Keefe, Bruyette & Woods, said a rise in unemployment in the next recession would expose bad loans. "There certainly could be some problems," he said.

SONALI BANK

Sonali Bank Chairman Ziaul Hasan Siddiqui and CEO Md Ataur Rahman Prodhan hand over the key of an AC bus to Bangabandhu Sheikh Mujib Medical University Vice-Chancellor Kanak Kanti Barua at the bank's head office in Dhaka yesterday.

RFL

Ahsan Khan Chowdhury, chairman and CEO of Pran-RFL Group, and RN Paul, managing director of RFL Group, attend the dealers' conference of RFL's housewares brand Tel Plastic, footwear brand Walkar and paints brand Rainbow at the RFL Industrial Park in Kaliganj, Gazipur on Friday.

China's US trade deal commitments not changed in translation: Mnuchin

REUTERS, *Washington*

China's commitments in the Phase 1 trade deal with the United States were not changed during a lengthy translation process and will be released this week as the document is signed in Washington, US Treasury Secretary Steven Mnuchin said on Sunday.

Mnuchin told Fox News Channel that the deal reached on Dec. 13 still calls for China to buy $40 billion to $50 billion worth of US agricultural products annually and a total of $200 billion of US goods over two years.

"It wasn't changed in translation. I don't know where that rumor started," Mnuchin said on the "Sunday Morning Futures with Maria Bartiromo" show.

"We have been going through a translation process that I think we said was really a technical issue," Mnuchin said. "And the language will be released this week. So I think it is — the day of the signing, we will be releasing the English version."

"And people can see. This is a very, very extensive agreement," he added.

White House officials had said as late as Friday that the final Chinese text was not yet completed, even as invitations went out to more than 200 people for a Jan. 15 signing event at the White House.

Asked if he still expected China to purchase $40 billion to $50 billion in US farm products under the deal, Mnuchin said: "I do. Let me just say, it is $200 billion of additional products across the board over the next two years, and, specifically in agriculture, $40 billion to $50 billion."

Thus far, Beijing has not confirmed those purchase commitments, and recent government actions here in the agriculture industry have raised questions over the $40 billion to $50 billion target cited repeatedly by Trump administration officials.

Chinese officials have been careful not to publicly discuss details of the Phase 1 deal, because Washington has changed its position multiple times during negotiations, three Chinese officials with knowledge of the situation told Reuters last week.

Signing of the trade deal on Wednesday eases Trump's 18-month trade war aimed at altering China's trade and economic practices, but will leave in place tariffs on about $370 billion worth of Chinese imports per year.

Those are expected to be addressed in Phase 2 negotiations, which the Trump administration wants to launch this year, covering thornier issues untouched by the Phase 1 trade deal, including Beijing's heavy subsidies to Chinese state-owned enterprises and restrictions digital trade and cybersecurity issues.

'Smile with your eyes': How to beat South Korea's AI hiring bots and land a job

REUTERS, *Seoul*

In cram school-obsessed South Korea, students fork out for classes in everything from K-pop auditions to real estate deals. Now, top Korean firms are rolling out artificial intelligence in hiring - and jobseekers want to learn how to beat the bots.

From his basement office in downtown Gangnam, careers consultant Park Seong-jung is among those in a growing business of offering lessons in handling recruitment screening by computers, not people. Video interviews using facial recognition technology to analyze character are key, according to Park.

REUTERS/FILE

Kim Seok-wu, a university senior majoring in management, demonstrates an AI interview program in Sungnam, South Korea.

"Don't force a smile with your lips," he told students looking for work in a recent session, one of many he said he has conducted for hundreds of people. "Smile with your eyes."

Classes in dealing with AI in hiring, now being used by major South Korean conglomerates like SK Innovation and Hyundai Engineering & Construction, are still a tiny niche in the country's multi-billion dollar cram school industry. But classes are growing fast, operators like Park's People & People consultancy claim, offering a three-hour package for up to 100,000 won ($86.26).

There's good reason to see potential. As many as eight out of every 10 South Korean students are estimated to have used cram schools, and rampant youth unemployment in the country - nearly one in four young people are not in the workforce by certain measures, according to Statistics Korea - offers a motive not present in other countries where cram schools are popular, like Japan.

"The AI won't be naturally asking personal questions," said Yoo Wan-jae, a 26-year-old looking for work in the hospitality industry. "That will make it a bit uncomfortable ... I'll need to sign up for cram schools for the AI interview," said Yoo, speaking in Seoul's Noryangjin district, known as 'Exam Village', packed with cram schools and study rooms.

Businesses around the world are experimenting with increasingly advanced AI techniques for whittling down applicant lists.

But Lee Soo-young, a director of Korea Advanced Institute of Science and Technology (KAIST) Institute for Artificial Intelligence, told Reuters by telephone the new technology is being more widely embraced in South Korea, where large employers wield much influence in a tightening job market.

According to Korea Economic Research Institute (KERI), nearly a quarter of the top 131 corporations in the country currently use or plan to use AI in hiring.