KNOWLEDGE PRODIGY

Knowledge Prodigy has launched the US-based Institute for Supply Management (ISM) in Bangladesh through a programme at Shinepukur Suites in Gulshan 1 recently. Knowledge Prodigy Chairman Md Rashed Ali and Managing Director Iqbal Anwarul Islam and ISM USA Senior Vice President Nora Neibergall and ISM India Head Krishan Barta attended the programme.

PRIME BANK

Ziaur Rahman, senior executive vice president of Prime Bank, and Mahmud Afsar Ibne Hossain, executive vice president of Guardian Life Insurance, signed an agreement at the former's head office in Dhaka recently to provide comprehensive life insurance benefits to the bank's employees and their families.

India's private equity investments hit record

Reuters, *Mumbai*

Private equity investments in India rose 38 per cent to hit a record high of $62.2 billion in 2020 despite uncertainty caused by the coronavirus crisis, a private equity report showed on Wednesday.

Investors are optimistic about the fund raising environment for 2021, the report published by The Indian Private Equity and Venture Capital Association and Bain and Company showed.

Investments into Reliance Industries' Jio platforms and Reliance Retail totalled $26.5 billion, making up 40 per cent of the total deal value. Healthcare deals saw a 60 per cent surge over 2019.

Saudi Arabia's state-run Public Investment Fund made the largest aggregate investments worth $3.3 billion in three deals in 2020, while global private equity giant KKR made six investments totalling $3 billion.

"Although overall investment activity remained muted from March to May due to Covid-led uncertainties, investor confidence recovered strongly in (the second half) to pre-Covid levels with late-stage and buyout deals witnessing increased traction," the report said. There has been a steady rise in the number of active private equity funds in India in 2020.

Fund raising shrunk by 33 per cent from 2019 levels across major Asia-Pacific markets, while India's share in the Asia-Pacific fundraising remained steady at 3 per cent. The report showed overall exit value in India declined by 30 per cent year on year in 2020.

"Investor confidence has remained high, with India-focused dry powder holding steady at $8 billion, and more than 90 per cent of closed funds at target or oversubscribed," the report said.

A broker reacts while trading at his computer terminal at a stock brokerage firm in Mumbai, India. REUTERS/FILE

Pandemic seen driving southeastern Europe warehouse boom

Reuters, *Prague*

Logistics and warehouse companies are accelerating expansion plans in southeastern Europe where business is expected to boom as the pandemic spurs manufacturers to relocate operations close to main markets.

Like others in the sector, Dutch group Raben has seen increasing interest from firms looking to establish supply chains near core Western European markets to avoid costly disruptions such as those caused by Covid-19.

Privately-held Raben Group-- which operates in 13 European countries serving industries including retail and automotive -- expects rising costs elsewhere in emerging Europe to drive growth in southeastern states and the Balkans.

Raben and other industrial warehouse firms said they were in talks with companies looking to shift some operations from Asia and elsewhere but it was too early to share details.

"Companies will return to Europe from Asia. We need to be ready to take over when this happens," Raben CEE director Tomasz Niezwicki told Reuters.

He said the company would open three new warehouse locations in Romania this year to add to its portfolio of seven as it speeds up its expansion plans. Setting up in European Union nations Romania and Bulgaria represents a big selling point for these and neighbouring countries like Serbia where it is often cheaper and easier to get projects running, company officials and analysts say.

The region's deep pool of skilled labour and less burdensome permit requirements to build new facilities are helping to lure manufacturers away from more established bases like the Czech Republic, warehouse and logistic operators say.

Improved roads and other infrastructure in Romania and surrounding countries as well as developments like Britain's exit from the EU and shifting relations with China have boosted their prospects, they add.

"These have the potential to bring in some manufacturing or logistics activities in Romania, particularly if we regard that labour costs in manufacturing, for instance, are comparable between Romania and China," real estate company Colliers International said in its 2021 outlook for the market.

Foreign investors have also been drawn by yields on industrial and logistics properties that hovered in 2020 between 8-10 per cent for Romania and Bulgaria and 5-7 per cent in Poland, the Czech Republic, Slovakia and Hungary, Colliers said, compared with 4.5 per cent in Germany or France.

Wages around three times less in Serbia and about half as much in Romania and Bulgaria compared with the Czech Republic are helping to attract manufacturers, JLL real estate consultancy's Andrew Peirson said.

"The big manufacturing requirements are moving south," Peirson, the consultancy's general manager for the Czech Republic told Reuters. "Bulgaria, Romania and Serbia - they will impact the whole of the region."

While central Europe remains attractive for retail logistics and warehouse businesses due to proximity to bigger markets like Germany, growth from online retailers such as Romania's eMAG are also helping to boost warehouse demand. Poland and the Czech Republic represent the biggest markets in the industrial and logistics warehouse sector in emerging Europe with 20 million metres and 9 million square metres of warehouse space -- equivalent to about 1,300 football pitches -- compared to 5 million square metres in Romania.

However, southeastern Europe is growing at a faster clip and closing the gap. This has pushed industrial property developer CTP to expand in the region. The company -- which posted a 73 per cent year-on-year rise in first quarter profit to 98.5 million euros ($120 million)-- acquired 95,000 square metres of buildings from Australia's Cromwell Property Group last November in the biggest deal in the Romanian logistics market in 2020.

REUTERS/FILE

Employees work in the warehouse for medical equipment of logistics company Fiege in Apfelstaedt near Erfurt, Germany on April 3, 2020, as the spread of the coronavirus disease continues.

Malaysia's Top Glove profit soars on pandemic demand

But ban crimps US sales

Reuters, *Kuala Lumpur*

Top Glove Corp Bhd, the subject of a US import ban over concerns about forced labour, is waiting for customs authorities there to verify remedial action it has taken on workers' recruitment fees, the Malaysian firm said on Wednesday.

The world's largest maker of medical gloves did not know when US customs might lift the ban on its goods, but verification of the remediation payments is underway, said Managing Director Lee Kim Meow. "We have no timeline given, but we have tried our best," he told a results briefing, adding that Top Glove was liaising closely with customs, and hoped there were no further issues.

In April, Top Glove said it had resolved all signs of forced labour in its operations, a step verified by London-based ethical trade consultant Impactt Limited. The company said removal of the ban would boost sales, which have suffered since shipments to the United States halted temporarily in its financial third quarter.

A 68 per cent reduction in sales to North America was the main reason for volumes easing from the preceding quarter, it said. The North American market accounted for just 8 per cent of sales during the March-May quarter, down from 23 per cent in the previous period. Total sales volume dropped 9 per cent from a year ago, the firm added.

"Nonetheless, global glove demand remains resilient as usage continues to rise, driven by the ongoing pandemic," it said. US Customs and Border Protection (CBP) told the country's ports to seize Top Glove's goods in March, after having barred import of its products last July, citing evidence of forced labour practices at production facilities across Malaysia.

Top Glove shares closed 1.3 per cent higher on Wednesday. They have slumped more than 20 per cent this year. The US action has also stalled Top Glove's pursuit of a $1 billion listing in Hong Kong, as potential investors raised concerns about the impact, Reuters has reported.

Top Glove, which has net cash of 4.23 billion ringgit, has said regulators were reviewing its listing process and it was working closely with advisers.

"Listing in Hong Kong is for the longer term," said Executive Chairman Lim Wee Chai. "(The CBP ban) caused us a delay in Hong Kong, (but it) is only temporary."

On Wednesday, Top Glove reported a jump of 485 per cent in third-quarter net profit benefiting from strong demand for gloves during the pandemic. It had posted record profit for the four straight quarters prior, bolstered by greater use of gloves over hygiene concerns.

A stock exchange filing showed net profit for the period jumped to 2.04 billion ringgit ($495.63 million) from 347.9 million a year ago. UBS had forecast a profit of 2.54 billion ringgit, according to Refinitiv data.

Its revenue rose 147 per cent to 4.16 billion ringgit. Top Glove, which produces 100 billion pieces of gloves a year, said average selling prices declined during the period from February's peak, and it had made adjustments in line with market pricing trends.

A worker inspects newly-made gloves at Top Glove factory in Shah Alam, Malaysia on August 26, 2020. REUTERS/FILE

India retail inflation likely rebounded to 5.30pc in May

Reuters, *Bengaluru*

India's retail inflation likely rose last month after a three-month low in April, lifted by higher food and energy prices, but stayed within the Reserve Bank of India's target range for the sixth consecutive month, a Reuters poll found.

"In April, the retail prices of petroleum products were kept unchanged because of multiple state elections being held then, despite rising crude prices," said Kunal Kundu, India economist at Societe Generale.

"But immediately thereafter, the retail prices were increased about seven times in May itself, which led to substantial shooting up of this inflation component."

The June 4-9 poll of 40 economists showed consumer price inflation rose to 5.30 per cent in May from a year ago, after dipping to a three-month low of 4.29 per cent in April.

If realised, inflation will have held within the RBI's 2 per cent -6 per cent comfort range for the sixth month in a row.

While there were fewer supply chain disruptions during the recent pandemic lockdowns compared with last year, a general rise in inflation globally has elevated domestic price pressures.

"Higher international prices for commodities including crude, edible oils and gold are clearly spilling over into consumer inflation," said Abhishek Upadhyay, senior economist at ICICI Securities PD.

Inflation was forecast to average 5.0 per cent this fiscal year, according to a Reuters poll of economists late last month. That was similar to the RBI's estimated average of 5.1 per cent, at its June meeting.

Inflation holding within the target range will likely help the RBI to focus its policies more towards the economy, which has taken a hit from a second coronavirus wave.

Even before that wave struck, Asia's third largest economy expanded just 1.6 per cent in the Jan-March quarter from a year ago.

For this fiscal year, predictions for growth have been repeatedly downgraded by economists and major institutions in recent weeks.

"Concerns of pent-up demand coming in like last year are very curtailed because people have spent a large amount of their savings on health expenses," said Yuvika Singhal, economist at QuantEco Research.

"Savings in the economy are depleted and ... people would want to hold on to certain amount of liquidity."

While that suggests demand would be subdued, rising input costs were likely to pressure some components of the inflation basket higher.

The wholesale price index was expected to rise 13.07 per cent in May from a year ago, as compared to 10.49 per cent in April.

"Upside risks emerge from generalised increase in input prices ... starting to feed progressively into final prices charged to consumers," added ICICI's Upadhyay.

The poll also showed industrial output likely jumped 120.0 per cent in April from a year ago, when it plunged 57.3 per cent from a stringent lockdown imposed back then.

India's infrastructure output - which comprises of eight main industries and accounts for about 40 per cent of the total factories' production - rose 56.1 per cent in April.

REUTERS/FILE

A woman shops inside the Big Bazaar retail store in Mumbai, India on November 25, 2020.