# Prime Bank holds regulatory training in Sherpur

STAR BUSINESS DESK

Prime Bank Ltd organised a daylong training initiated by Bangladesh Financial Intelligence Unit (BFIU) on "Prevention of Money Laundering and Combating Financing of Terrorism" for commercial banks operating in Sherpur.

Syed Kamrul Islam, additional director of the BFIU, as chief guest inaugurated the training which was participated by 66 bankers from 20 commercial banks.

Asaduzzaman Khan and Mustafa Najmus Shantanu, joint directors of the BFIU, and Sahalam Kazi, deputy director, conducted the training where Md Ziaur Rahman, deputy managing director and chief anti-money laundering compliance officer of Prime Bank, was present.

Syed Kamrul Islam, additional director of Bangladesh Financial Intelligence Unit, poses for photographs with participants of a training programme on "Prevention of Money Laundering and Combating the Financing of Terrorism" for the commercial banks operating in Sherpur at Alishan Restaurant and Community Centre in Sherpur recently. PHOTO: PRIME BANK

# Rakub gets new DMD

STAR BUSINESS DESK

Md Abdur Rahim has recently joined Rajshahi Krishi Unnayan Bank (Rakub) as a deputy managing director (DMD).

Rahim was working as a deputy managing director (DMD) in the head office of BASIC Bank Ltd prior to joining Rakub, said a press release.

He started his professional career with Rupali Bank as a senior officer in 1998.

He previously worked for Bangladesh Krishi Bank (BKB) as general manager (dispatch) and head in local principal office, divisional head of Dhaka and principal of BKB Staff College.

He obtained his bachelor's and master's degrees in geography and environment from the University of Dhaka.

Md Masudur Rahman Bhuiyan, police commissioner of Khulna Metropolitan Police, inaugurated a Khulna sub-branch at KMP Shopping Complex in Khulna sadar thana yesterday. PHOTO: COMMUNITY BANK BANGLADESH

# Community Bank opens Khulna sub-branch

STAR BUSINESS DESK

Community Bank Bangladesh Ltd yesterday launched a Khulna sub-branch at KMP Shopping Complex in Khulna Sadar Thana.

Md Masudur Rahman Bhuiyan, police commissioner of Khulna Metropolitan Police, inaugurated the sub-branch, said a press release.

"Community Bank runs on three core building blocks of trust, security and progress. We look forward to growing sustainably by ensuring the highest level of corporate governance and customer service," said Masihul Huq Chowdhury, the bank's managing director and chief executive officer.

# Nissan, Renault ready to announce new alliance deal

REUTERS, *Tokyo*

Nissan and Renault will make an announcement in the coming days on their restructured alliance and have finalised the deal, three people familiar with the matter said, capping 10 months of sometimes tense negotiations.

The automakers announced a framework agreement in February and had aimed to finalise negotiations as early as March. Under the framework, the Japanese automaker would take as much as 15 per cent of Renault's new electric vehicle unit, Ampere, while Renault would reduce its 43 per cent stake in Nissan.

That timeline was extended when senior Nissan executives and some directors challenged detailed provisions of deal, citing the need to better protect Nissan's intellectual property, Reuters has reported.

The delay complicated Nissan's drive to put its decades-long relationship with Renault onto a more equal footing. Nissan executives sought to rebalance the alliance built by former Chairman Carlos Ghosn after his ouster sent the automaker into turmoil.

Nissan has been working to establish a lower threshold for its pledged strategic investment in the Renault unit that would be below the 15 per cent maximum it announced in February, two of the people said. While the size of the investment ultimately hinges on the value of Ampere, Nissan is likely to take less than 10 per cent, one of them said.

All of the people declined to be identified because the information is not public.

"Nissan and Renault are engaged in constructive and ongoing negotiations. We will make a statement in due course when the agreements are concluded," the Japanese company said in a statement.

# Bapi inks deal with Arab drug makers

STAR BUSINESS DESK

The Arab Union of the Manufacturers of Pharmaceuticals and Medical Appliances (Aupam) and the Bangladesh Association of Pharmaceutical Industries (Bapi) have signed a memorandum of understanding to cooperate on strengthening capacities and encourage trade between members.

Dr Abdulnaser Sijari, president of Aupam, and Muhammad Halimuzzaman, treasurer of Bapi, on behalf of Md Nazmul Hassan, president of Bapi, inked the deal at the Bangladesh embassy in Amman, Jordan on Tuesday, said a press release.

Headquartered in Amman, Aupam operates under the Council of Arab Economic Unity. Its members include major pharmaceutical industries from Morocco, Algeria, Tunisia, Libya, Egypt, Sudan, Yemen, Saudi Arabia, Oman, United Arab Emirates, Iraq, Syria, Lebanon, Palestine and Jordan.

Bapi represents pharmaceutical companies of Bangladesh. A Bapi delegation is currently visiting Jordan to attend "Arab Pharma Manufacturers' Expo 2023".

Dr Abdulnaser Sijari, president of the Arab Union of the Manufacturers of Pharmaceuticals and Medical Appliances, and Muhammad Halimuzzaman, treasurer of Bangladesh Association of Pharmaceutical Industries (Bapi), on behalf of Md Nazmul Hassan, president of Bapi, exchanged signed documents of a memorandum of understanding at the Bangladesh embassy in Amman, Jordan on Tuesday to cooperate on strengthening capacities and encourage trade between members. PHOTO: BANGLADESH ASSOCIATION OF PHARMACEUTICAL INDUSTRIES

Britain's Prime Minister Rishi Sunak (L) and Chairman of the Board at Tata Natarajan Chandrasekaran visit Land Rover for an announcement on an electric car battery factory in Warwick, England yesterday. PHOTO: REUTERS

# Tata to invest over £4b in UK electric battery factory

AFP, *London*

Indian conglomerate Tata Group announced plans Wednesday to build a £4 billion ($5.2 billion) electric car battery factory in Britain to supply its Jaguar Land Rover brands, bolstering the country's efforts to phase out fossil fuel vehicles.

Britain plans to ban the sale of new high-polluting diesel and petrol cars from 2030, forcing its car manufacturing sector to switch production to electric vehicles.

The factory -- Tata Group's first gigafactory outside India -- will be built in Somerset, southwest England, after the site reportedly beat competition from Spain.

"Tata Group will be setting up one of Europe's largest battery cell manufacturing facilities in the UK. Our multi-billion-pound investment will bring state-of-the-art technology to the country," said Tata chairman N. Chandrasekaran.

The government said the factory will be a "huge boost to the UK's automotive sector", providing almost half of the battery production that the UK will need by 2030.

The investment would "secure UK-produced batteries for another Tata Sons investment, Jaguar Land Rover, as well as other manufacturers in the UK and Europe, the government said.

Production is due to begin at the factory in 2026, creating up to 4,000 jobs and thousands more in the wider supply chain.

The UK's goal of phasing out new diesel and petrol cars is part of its long-standing goal to achieve net zero carbon emissions by 2050 in order to help tackle climate change.

UK Business and Trade Secretary Kemi Badenoch said in a statement the multibillion-pound investment demonstrated that the "government has got the right plan when it comes to the automotive sector".

Greenpeace senior climate campaigner Paul Morozzo hailed the announcement as a "significant moment for the UK car industry and a signal that the government has finally started the engine in the international clean technology race, while other are speeding ahead.".

# Why China could become the luxury industry's next sore spot

REUTERS, *Shanghai/Paris*

The luxury goods industry has relied heavily on China and North America for growth in recent years, but latest Chinese economic figures and a disappointing sales update from Cartier-owner Richemont suggest both markets may be starting to slow.

Major luxury brands have invested millions to reach new customers in the two markets, venturing beyond traditional high-end shopping centres to open new stores in places like Wuhan and Zhengzhou, or Charlotte and Nashville.

A post-pandemic US splurge had already shown signs of flagging, leaving investors to pin their hopes on Chinese shoppers to sustain the months-long spending spree that has boosted the sector's fortunes.

China's economy faltered in the second-quarter, however, prompting banks JP Morgan, Morgan Stanley and Citigroup to trim their growth forecasts for this year.

On Monday, Swiss-based Richemont announced sales for the three months to the end of June that fell short of expectations, with sales in the Americas down 4 per cent and those in Asia also disappointing.

Its shares closed down 10.43 per cent, with Hermes dragged 4.21 per cent lower, LVMH down 3.7 per cent and Kering slipping 1.95 per cent.

China will "not be going through a V-shape demand recovery but rather a multi-year consumption catch-up at home and abroad," analysts at Citi predicted following a call with Richemont executives.

First quarter earnings for companies including LVMH and Chanel had already shown North American growth slowing to single digits after double-digit quarterly expansions for much of 2021 and 2022. Kering and Ferragamo saw double-digit declines compared to the same period last year.

Whether luxury companies can offset that largely US slump will depend on how China's recovery in domestic and tourist demand unfolds over the rest of this year, analysts say.

ANALYSIS

Luxury executives have been banking on China's comeback to push the industry as a whole into positive territory in 2023 - likely around 5 per cent according to Bain estimates - though some brands, such as Hermes and Chanel, will fare better than others. Their wealthier target consumers are better insulated against macroeconomic headwinds.

"The luxury industry seems to be outperforming the consumer market as a whole in China, but you know, really, almost everyone you speak to, there's a level of uncertainty," said Agility's managing director Amrita Banta.

"There's a level of not feeling entirely comfortable with their future economic position that is really affecting almost everybody in China."

In China, jewellery is emerging as the most in-demand product category, outpacing casual shoes, leather goods and clothing, with watches also seeing strong sales, consultants say. As for accessories and clothing, Chanel, Dior and Balenciaga saw the highest increases in purchases in the most recent quarter.

The spending slowdown in the United States largely reflects elevated prices, high interest rates and slowly deteriorating credit conditions. Those factors disproportionately affect "aspirational" luxury customers who can easily live without another Gucci bag or $900 pair of sneakers.

In China, luxury consumers are younger than in the rest of the world with an average age of 28, according to BCG - something companies had seen as positive for future growth.

But rising unemployment among the younger generation - China's youth jobless rate climbed to 21.3 per cent in June from 20.8 per cent in May, a new record high - could spell trouble in recruiting new consumers, within luxury's top-tier brands and outside.

"In the trends that I'm seeing in the US and also in China, more aspirational younger consumers are feeling more of a pain," Morningstar senior equity analyst Jelena Sokolova said.

Morgan Stanley data shows some luxury players, including Richemont, already generate around 40 per cent of global revenues in China, raising worries about over-reliance on one market, especially one widely seen as a future geopolitical flashpoint.

But according to HSBC's Erwan Rambourg, one silver lining of the pandemic has been that European luxury brands have started to pay more attention to local clienteles, potentially making them less vulnerable to China risks than in 2019.

"This means the sector which used to be Japan-centric 25 years ago and China-centric pre-Covid is now really more of a play on global wealth rather than just one nationality. This is very healthy," Rambourg said.

"However, given the wealth creation in both China and the US and a cultural awakening to luxury recently in the latter, these two markets should continue to account for the bulk of incremental growth."


PHOTO: REUTERS
Shoppers walk past luxury stores at Tsim Sha Tsui district in Hong Kong.