

PwC China faces 6-month business ban

REUTERS, Hong Kong

Chinese regulators will likely order business suspension for a big part of PricewaterhouseCoopers' auditing unit in mainland China for six months, as part of punishment for its work on troubled property developer Evergrande, five sources said.

The business ban is expected to be imposed on PwC Zhong Tian LLP, the registered accounting entity and the main onshore arm of PwC in China, said the sources, who have knowledge of the matter but declined to be named as the information was private.

The six-month ban is expected to focus on PwC Zhong Tian's securities-related business - which would affect the firm's work for clients including listed firms, IPO-bound companies, and investment funds on the mainland, said the sources.

It will be accompanied by a fine which is expected to be at least 400 million yuan (\$56 million), three of the people said. Combined

The business ban is expected to be imposed on PwC Zhong Tian LLP, the registered accounting entity and the main onshore arm of PwC in China

with the business suspension, it would be the toughest ever penalty received by a Big Four accounting firm in China, the three people added.

The PwC penalties, which are being mainly handled by China's Ministry of Finance (MOF), the primary regulator of accounting firms in the country, are yet to be finalised, said one of the sources. "Given this is an ongoing regulatory matter, it would not be appropriate to comment," a PwC spokesperson said in statement.

The MOF did not immediately respond to requests for comment.

PwC has been under regulatory scrutiny for its role in auditing China Evergrande Group since the troubled property developer was accused in March of a \$78-billion fraud. PwC audited Evergrande for almost 14 years until early 2023.

Chinese regulators are expected to announce PwC's penalties in the coming weeks, three of the people said.

The Financial Times first reported on Thursday that PwC China expected a six-month business ban by Chinese authorities as early as September.



The growing middle-income consumer segment is driving demand for edible oil in Bangladesh, with global analysts and industry experts saying that the country will become a major export destination in the years to come.

PHOTO: STAR/FILE

Bangladesh to become major soybean export market

Says US Soybean Export Council

REFAYET ULLAH MIRDHA, from San Francisco

Bangladesh will become a major export market for soybean products as the changing dietary habits of its growing middle-income population are boosting demand, according to an expert on the industry.

This is because catering to increasing consumption of meat, fish and edible oil in the country will necessitate the use of more soybean products, such as soybean cakes and seeds.

Soybean cakes are a protein-rich source of animal feed and a by-product of crushing soybean seeds for edible oil.

Bangladesh is an emerging economy in South Asia and its growing middle-class needs more edible oil, fish and meat, raising the country's requirement for soybean products, said David Mielke, a senior analyst of Oil World.

Oil World is an independent global market analysis and forecast service that provides statistics on major commodities such as palm, soybean, rapeseed and sunflower oil.

Bangladesh can produce only up to eight lakh tonnes of soybean seeds each year, forcing the country to import more than 4 million tonnes to meet demand.

Mielke made these comments at this year's Soy Connex, an annual global summit of the US Soybean Export Council (USSEC) comprising American soybean farmers, traders, millers, distributors, exporters and consumers.

The event, held at the Marriott Hotel in San Francisco on August 20, aims to provide

participants with key insights on current market developments and future supply trends.

Responding to queries after delivering a keynote on the supply and demand outlook, Mielke said the global soy complex is just that: complex.

He also said emerging markets like those in Africa will be major export destinations for soybean products as their demand is rising in line with the peoples' growing income and changing diets.

Bangladesh is an emerging economy in South Asia and its growing middle-class needs more edible oil, fish and meat, raising the country's requirement for soybean products, said an expert

Meanwhile, India will be the biggest market for soybean products in the next decade because of the rising income and changing dietary habits of its sizeable population.

However, the country is already one of the largest soybean producers worldwide, Mielke added.

Another speaker at the event Anja Manuel, a former US diplomat, author, and adviser on foreign policy and technology, warned that ongoing geopolitical tensions will affect global trade.

Manuel also mentioned how the severe fallouts of Covid-19 and higher shipping charges are affecting commodity prices.

Against this backdrop, she suggested that

the World Trade Organisation focus more on resolving trade disputes involving its members.

Kevin Roepke, the USSEC's regional director for South Asia and Sub-Saharan Africa, in a written reply to queries said Bangladesh's soybean imports peaked in 2021-2022 at about 2.5 million tonnes.

A steep drop has been witnessed since then, with imports now hovering between 2 tonnes and 2.5 million tonnes with another million tonnes of soybean meal imported each year.

"Moreover, we're seeing several new large-scale plants coming online and being built to satisfy the expectations of increased growth opportunities," he added.

Bangladesh has already emphasised the need for and importance of food security through the zeroing out of tariffs on both soybeans and soybean meal, he said regarding the tariff issue.

However, free trade agreements could be beneficial to lock these tariffs into place.

"Throughout the course of history, we've seen that leaning into trade has been a major impetus to achieving rapid economic growth," Roepke said.

Moreover, the US is not only the world's largest exporter of food, but also the largest importer.

"This paradox highlights the need for looking at global markets to increase consumer choice and build more resilient and sustainable food supply chains," he added.

USSEC Board Chairman Lance Rezac also spoke at the summit, which ended on August 21.

Office gossip: A double-edged sword

MAHTAB UDDIN AHMED

In Bangladesh, gossip is a national pastime, both inside and outside the workplace. During tea breaks, or "cha breaks", employees gather to exchange the latest news, often drifting from work-related topics. A significant portion of time is also spent gossiping over the phone or through messages after office hours. Unfortunately, much of this chatter focuses on negative news. Here, there's a saying that negative news flies fast and sounds juicy because it makes the person engaged in the gossip feel superior or smarter.

In my last job at Robi, the senior management was alarmed by numerous business secrets being leaked. After some scrutiny, we discovered that a few "chatter cum smokers" among the senior leaders preferred to have their smoke and tea breaks at the kiosk downstairs, where company secrets like strategy and tactics became well known to the tea boy managing the kiosk. So, if you wanted insider info about your competition, you knew exactly where to go.

According to a study by the American Psychological Association, nearly 15 percent of work time is spent gossiping. This figure might be even higher in places like Bangladesh, where socialising is deeply embedded in the culture. A survey in Dhaka revealed that 60 percent of employees admitted to spending significant time gossiping during work hours, and 75 percent acknowledged continuing these conversations after work via phone or messages. Alarmingly, only 10 percent of this gossip was considered positive or constructive (Dhaka Tribune, 2023).

Gossip at work—who doesn't love a bit of juicy office chatter? Whether it's about who's dating whom or



the latest managerial blunder, gossip is the unofficial glue holding many workplaces together. While some might clutch their pearls at the thought, everyone dabbles in it. And guess what? It's not all bad.

Gossip, by definition, is just informal talk about someone not present. Sure, it can bite, like when you find out a colleague

from accounting thinks your presentation "sucks". But sometimes,

gossip is another way of processing information and understanding our surroundings.

There's this thing called positive gossip. Think of it as spreading the good word, like when Azim from IT heroically fixes the server five minutes before a major crash. Sharing these pieces of heroism can boost morale faster than a Thursday evening email announcing early dismissal. And let's face it, it's much more fun to talk about someone's triumphs.

Then there's the dark side, harmful gossip. It's like the office equivalent of junk food—tasty but not necessarily good for us. However, it can sometimes shine a light on real issues. For example, when the whispered complaint about the coffee machine turns out to be the catalyst for finally getting a decent one. Plus, bonding over mutual frustrations can create an "us against the world" friendship that, oddly enough, strengthens team dynamics.

Let's not forget that while gossip has its pluses, it also has some significant downsides. For one, it can make your workplace a productivity black hole. Remember when you spent 30 minutes talking about Adil's third vacation this year? And then there's the problem of misinformation. Office gossip is like a game of telephone. By the time the story makes the rounds, it's completely changed, like your mild comment about Karim's newborn baby having a dark complexion turning into a wild story that the baby was not human but a crow.

So, how do we navigate this minefield without blowing up our careers or company interests? Simple. Stick to positive or neutral topics. Share constructive and helpful things, like feedback, that can help someone get better rather than bringing them down. And remember the golden rule: if you wouldn't say it to their face, don't say it at all. Confidentiality is crucial, and knowing when to keep quiet is valuable in today's open-plan offices.

Gossip at the workplace is like fire; it can keep you warm or burn everything down. Use it wisely.

The author is the founder and managing director of BuildCon Consultancies Ltd

India surpasses China to become Russia's top oil buyer

REUTERS, New Delhi

India overtook China as the world's biggest importer of Russian oil in July as Chinese refiners bought less because of lower profit margins from producing fuels, a comparison of import data showed.

Russian crude made up a record 44 percent of India's overall imports last month, rising to a record 2.07 million barrels per day (bpd), 4.2 percent higher than in June and 12 percent more than a year ago, data on Indian shipments from trade and industry sources showed.

That surpassed China's July oil imports from Russia of 1.76 million bpd via pipelines and shipments, based on Chinese customs data.

Indian refiners have been gorging on Russian oil sold at discounts after Western nations imposed sanctions against Moscow and curtailed their energy purchases in response to Russia's invasion of Ukraine.

"India's requirement for Russian oil is going to go up as long as there are no further tightening of sanctions," an Indian refining source said.

India's trade with Russia has increased since Russia began its war against Ukraine in February 2022 mainly because of oil and fertiliser imports, a move helping to keep a lid on global prices and controlling inflation.

India's rising purchases are changing the flow of Russian ESPO Blend crude from traditional Chinese buyers to South Asia. ESPO imports to India jumped in July to 188,000 bpd as larger Suezmax vessels were used, according to the data.

Refiners in northeast China are typically the biggest ESPO buyers because of their close proximity, but their demand has fallen because of tepid fuel demand.

King dollar's crown is slipping

REUTERS

If the pressure on global markets from the tumult at the start of the month has abated, nobody told the dollar.

The US currency remains on the back foot - trading near its lowest level in more than a year versus the euro and Britain's pound. The dollar index, reflecting the currency's value against a basket of peers, is down 2.7 percent so far this month and is set for its biggest monthly drop since November.

For sure, the end of dollar resilience has long been anticipated and long been proved wrong, given strength in the economy and interest rates staying higher for longer.

Still, the latest developments suggest dollar pain will continue for now. First, Wednesday's minutes from the Federal Reserve's July meeting suggest the central bank appears to be set for a September interest rate cut.

Second, data showed US employers added far fewer jobs than originally reported in the year through March, adding to a sense that labour market conditions are weakening.

And third, data on Thursday shows euro zone business activity displayed surprising strength in August despite firms raising prices, potentially weakening expectations for two more rate cuts from

the European Central Bank this year.

Interest-rate futures are back to pricing in just over 100 basis points of Fed easing by year-end, compared to roughly 65 bps in the euro area.

Worth noting is that the ECB has already delivered a quarter point rate cut.

Thursday's US data calendar is light, with some focus on the release of the S&P Global flash August snapshot of business activity - the Purchasing Managers Index (PMI).

July US existing home sales numbers are also due out.



A woman walks in front of an electronic board displaying the exchange rates for various currencies, including the US dollar, in Tokyo on August 1.

PHOTO: AFP

US stock futures were just a touch firmer, suggesting the positive momentum on Wall Street could continue.

Oil prices are also in many people's sights after falling for a fifth straight day on concern about weakening demand in the global economy.

US West Texas Intermediate crude, trading around \$71.64 in early London trade, is hovering near its lowest levels since February.

Elsewhere, eyes are on plans for an unprecedented rail stoppage in Canada that could badly damage its economy and have a significant impact on cross-border trade with the United States.

Canadian National Railway and Canadian Pacific Kansas City have shut down their rail networks in the country on Thursday and locked out nearly 10,000 workers after unsuccessful negotiations with a major labor union.

The Canadian and US economies are highly integrated, with rail transport accounting for 14 percent of total bilateral trade of roughly \$382 billion between the countries for the first half of 2024, according to the U.S. Department of Transportation.

Vice President Kamala Harris, the Democrat candidate for the Nov. 5 US presidential election, will address the Democratic National Convention in Chicago on its final night.