Prime Bank approves 13.5pc cash dividend

Star Business Desk

Prime Bank yesterday approved 13.50 per cent cash dividend (Tk 1.35 per share) for 2019 in its annual general meeting (AGM).

The 25th AGM was held through a digital platform due to the Covid-19 pandemic and risk of the virus spreading among the participants of the meeting, the bank said in a statement.

This year listed companies are using virtual platforms to hold annual general meetings as the Bangladesh Securities and Exchange Commission (BSEC) in March temporarily relaxed rules on holding AGMs, extraordinary general meetings and board meetings on digital platforms to contain the spread of the deadly bug.

Tanjil Chowdhury, chairman of the bank, presided over the meeting which was attended by directors, including chairmen of all assistive committees of the board, and representatives of statutory auditors.

Almost 400 shareholders also digitally connected to the AGM.

The shareholders also approved audited financial statements of the bank for 2019 and appointed statutory and compliance auditors for the year 2020.

The bank's managing director and CEO, Rahel Ahmed, and deputy managing directors Md Touhidul Alam Khan, Mohammad Habibur Rahman Chowdhury and Faisal Rahman were also present in the AGM.

As of yesterday, the stocks of Prime Bank traded at Tk 14.2.

PRIME BANK

Tanjil Chowdhury, chairman of Prime Bank, presides over the bank's 25th annual general meeting yesterday through a digital platform.

Tesla 'very close' to level 5 autonomous driving technology, Musk says

Reuters, *Shanghai/Beijing*

US electric vehicle maker Tesla Inc is "very close" to achieving level 5 autonomous driving technology, Chief Executive Elon Musk said on Thursday, referring to the capability to navigate roads without any driver input.

"I'm extremely confident that level 5 or essentially complete autonomy will happen and I think will happen very quickly," Musk said in remarks made via a video message at the opening of Shanghai's annual World Artificial Intelligence Conference (WAIC).

"I remain confident that we will have the basic functionality for level 5 autonomy complete this year."

Automakers and tech companies including Alphabet Inc Waymo and Uber Technologies are investing billions in the autonomous driving industry.

However industry insiders have said it would take time for the technology to get ready and public to trust autonomous vehicles fully.

The California-based automaker currently builds cars with an Autopilot driver-assistance system.

India inflation likely slowed in June as output returns

Reuters, *Bengaluru*

India's consumer price inflation likely eased in June from March, a Reuters poll predicted, as loosened coronavirus-led restrictions in most of the country drove a slight recovery in economic activity and helped reduce a supply crunch.

The July 3-8 poll median of over 35 economists showed India's retail inflation in June moderated to 5.30 per cent from March's revised 5.84 per cent, still breaching the Reserve Bank of India's medium-term target of 4.00 per cent.

Headline inflation numbers were not released in April and May due to inadequate data collection owing to lockdown restrictions.

If the consensus is realised it would be the lowest inflation rate since November last year but would still exceed the central bank's mandate for a ninth consecutive month.

"The drop in inflation is caused by a marked increase in economic activity which ground to a halt during the lockdown phase and has only been recovering slowly as restrictions have been eased," said Hugo Erken, head of international economics at Rabobank.

A decline in price pressure might help the RBI, which has already cut its repo rate by a cumulative 115 basis points since the lockdown started on March 25, to stay on its accommodative path and ease policy further.

"The central bank's cautious assessment of growth prospects, normal monsoon and easing food pressures provide sufficient indication that inflation is likely to decelerate over the next few months," said Radhika Rao, economist at DBS Bank.

REUTERS/FILE

A vendor sleeps as his son waits for customers at their roadside vegetable shop in New Delhi.

Sri Lanka slashes key interest rates to aid virus-hit economy

Afp, *Colombo*

Sri Lanka's central bank on Thursday cut interest rates for the fifth time this year in a new bid to breathe life into the coronavirus-stricken economy.

The Central Bank of Sri Lanka monetary board reduced its lending rate by 100 basis points to 5.5 per cent.

The deposit rate was cut by the same amount to 4.5 per cent.

A bank statement said the board wanted to "aggressively enhance lending to productive sectors of the economy, which would reinforce support to COVID-19 hit businesses as well as to the broader economy".

Sri Lanka's economy has been slumbering since last year's Easter Sunday suicide bombings by militant Islamists which badly hit tourism.

The government imposed a nationwide coronavirus lockdown on March 20 which lasted until last month, adding to the economic woes.

Sri Lanka's economic growth slowed to 2.3 per cent last year compared to 3.3 per cent in 2018.The International Monetary Fund in April predicted growth of 3.5 per cent this year, but many private-sector analysts fear it will be closer to zero because tourist arrivals are at a standstill. Faced with a serious foreign exchange crisis, the country has slapped an indefinite ban on non-essential imports, including vehicles.

The bank said this had helped stabilise the local currency which hit record lows in April prompting the government to ask public employees to donate their May salary to the state.

Virus crisis sends Canada deficit soaring to all-time high

Afp, *Ottawa*

The coronavirus pandemic sparked an explosion in Canada's federal budget deficit to an all-time high of CAN $343 billion for the current fiscal year, Finance Minister Bill Morneau said Wednesday.

With government spending at a level not seen since World War II, the total for the 2020-2021 fiscal year starting April 1 -- equal to US $254 billion -- is 10 times higher than estimates the minister gave before the crisis.

It is equal to 15.9 per cent of the Group of Seven nation's gross domestic product (GDP).The health crisis forced several of Canada's main economic sectors to shut down from mid-March for more than two months, putting a significant dent in government tax revenue.

"Faced with the most profound downturn since the Great Depression, our government acted to support the economy," Morneau said, giving an economic and fiscal snapshot to the House of Commons in Ottawa.

Given the volatility of the situation, Morneau was forced to skip his presentation of the fiscal year budget in late March.

The Liberal government of Prime Minister Justin Trudeau put in place a $230 billion crisis recovery plan, which Morneau called the "most comprehensive and substantial peacetime investment in Canada's history.

"As a result, though, the government's debt is going to explode, from $765 billion in March 2020 to $1.236 trillion by March 2021.That means the federal debt-to-GDP ratio is expected to rise from 31 per cent in 2019-20 to 49 per cent in 2020-21, Morneau said.

Trudeau tried to tamp down concerns about the deficit, recalling that Canada "entered this crisis on a strong footing with a net debt-to-GDP ratio considerably lower than the rest of the G7.

"He also noted that interest rates were at historic lows, making the repayment of the debt more manageable in the coming years. "The government is well-positioned to support Canadians and the Canadian economy to meet funding challenges in response to the COVID-19 pandemic," Morneau insisted.

International ratings agency Fitch recently stripped Canada of its perfect AAA debt rating -- a move that was not followed by the other top agencies of record. "Under Justin Trudeau's watch, Canada is falling behind," said opposition Conservative leader Andrew Scheer.

"Over the past five years, the Trudeau Liberals have completely abandoned their fiscal anchors. "Morneau's snapshot did not include budget projections for coming years, contrary to usual practice, which would offer a five-year outlook.

Private sector economists consulted by the finance ministry predicted the Canadian economy would shrink 6.8 per cent in 2020 -- its biggest drop since the Great Depression.They are, however, hoping for a 5.5 per cent rebound in 2021.

Explore new markets, train manpower to boost remittance: experts

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Emphasis can be laid on the four East Asian countries to export more manpower in order to make the inflow vibrant as their economies will pick up soon, said Mahbubur Rahman, also a former chairman of the Association of Bankers, Bangladesh, a forum of banks' CEOs.

Among the top 10 remittance originating destinations for Bangladesh, there was a contraction of the inflow from the United Arab Emirates, Kuwait, Qatar and Singapore last fiscal year, showed the central bank data.

Remittance from Saudi Arabia, the US, the UK, Oman, Malaysia and Singapore enjoyed an increasing trend.

JAMUNA BANK

Fazlur Rahman, chairman of Jamuna Bank; Nur Mohammed, chairman of Jamuna Bank Foundation; Md Ismail Hossain Siraji, a director of the bank, and Mirza Elias Uddin Ahmed, CEO, attend an event at Jamuna Bank Tower in the capital yesterday, when the bank opened its 'Gulshan Corporate Branch'.

Gold rises towards nine-year peak as virus cases spike

Reuters

Gold firmed above the key $1,800 level on Thursday just shy of a near nine-year peak on growing fears that surging coronavirus cases will put the brakes on a global economic recovery, with focus shifting to US jobs data later in the day.

Spot gold was up 0.2 per cent at $1,814.53 per ounce by 0921 GMT. It climbed to its highest since September 2011 at $1,817.71 on Wednesday. US gold futures were 0.2 per cent higher at $1,823.60.

"The combination of global central bank easing, geopolitical risks, the persisting pandemic impact and global recession could continue to push gold prices higher in the medium term," said Bank of China International analyst Xiao Fu.

But the analyst also said: "There's volatility ahead ... There could be some better economic data or (signs economies are) returning to normal, it could slow down the rally to certain extent."

Global coronavirus cases exceeded 12 million on Wednesday, with more than half a million dead. In the United States alone, cases have been on the rise in 42 of the 50 states over the past two weeks, according to a Reuters analysis.

Keeping alive worries over the economic fallout, U.S. Federal Reserve officials on Wednesday suggested the recovery in the world's largest economy may be stalling.

In recovery mode, technology will build resilient banking

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These technologies further help bankers to make better decisions and drive innovation, enabling them to stay ahead in the new normal.

With change becoming a constant in these unpredictable times, banks need more significant changes to sustain the prevailing economic downturn.

To build resilience as the economy starts to improve, banks have to integrate digitalisation into their blueprints to mitigate the business impact.

The writer is the managing director of Oracle Bangladesh

Firms asked to remove anomalies in accounting of forfeited provident funds

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An audited financial report on the employee provident funds must be submitted to the FRC and other regulatory bodies within 120 days after the end of an accounting year, according to the circular.

If anyone breaches the circular, they would face up to Tk 5 lakh in fines, or five years in imprisonment, or both, said the FRC.

Promising Asian markets could revive export earnings, say analysts

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Tareque Rafi Bhuiyan Jun, general secretary to the Japan-Bangladesh Chamber of Commerce and Industry, said he believes the following is required and should be considered seriously: the signing of free trade agreements (FTA) between Japan and Bangladesh.

"Signing an FTA between Bangladesh and Japan will definitely enhance exports from Bangladesh to Japan and also increase Japanese investments in Bangladesh," Jun told The Daily Star in response to a WhatsApp message yesterday.

"The Araihazar economic zone development should happen on time so that it can attract Japanese companies soon," Jun added.

The government allocated special economic zones to all three of the Asian economic tigers -- Japan, India and China -- as investment proposals are coming from those countries.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, in an interview with The Daily Star earlier this week, also called for seizing the opportunities the Asian giants provide amid this pandemic.

Apart from the EU and US markets, Bangladesh should focus more on the Asian markets to revive the country's earnings from export amid the Covid-19 outbreak, said Rahman.

Some 80 per cent of the country's exports are destined for European and American markets and little focus is given to the Asian markets even though those destinations have a lot of promise for Bangladesh.

Asian markets, especially the Indian and Chinese ones, are very important for the country. For instance, China has allowed duty-free facility for 97 per cent of products.

"This is a big opportunity for our country. We need to grab this opportunity in Chinese markets," Rahman said.

Bangladeshi exports to Chinese markets are growing as the demand for Bangladeshi products, especially garment items, is growing among the middle-income people in China.

Although China has a big consumer base, not all Chinese consumers can afford the high-end garment items made in their country.

As a result, many Chinese clothing brands source garment items from Bangladesh at competitive prices for their domestic customers even though China is the world's largest apparel supplier with a 34 per cent global market share.

To cut costs, govt suspends buying vehicles for 2020

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In another circular, the finance ministry said the doctors, nurses and healthcare workers who are directly treating coronavirus patients would be entitled to a special honourarium equal to the basic pay of two months.

The government has already allocated funds to the health division for the purpose. The honourarium would be in addition to other financial supports already announced, the notice said.

In April the government said it decided to compensate all government employees who would contract Covid-19 while discharging duties amid the coronavirus outbreak.

The beneficiaries would include doctors, nurses and health officials as well as officials of law enforcement agencies and armed forces.

A government employee on grade 1-9 will get Tk 10 lakh if the person contracts the disease. The amount will be Tk 50 lakh if he/she dies, according to a circular.

For grade 10-14, the amount will be Tk 7.5 lakh and Tk 37.50 lakh respectively, while for grade 15-20, it will be Tk 5 lakh and Tk 25 lakh, the circular added.