



Sayem Sobhan, managing director of Bashundhara Group, and Md Arfan Ali, president and managing director of Bank Asia, pose during a signing ceremony of a syndicated term loan facility of Tk 700 crore for Bashundhara Industrial Complex Ltd, at Le Méridien Dhaka on Thursday. While Bank Asia is the lead arranger and agent of the syndicated deal, the other participatory banks are Dhaka Bank, First Security Islami Bank, Pubali Bank, Social Islami Bank and United Commercial Bank.

Phoenix Finance approves 6pc cash, 6pc stock dividends

STAR BUSINESS DESK

Phoenix Finance & Investments has recently approved 6 per cent cash and 6 per cent stock dividends for 2019.

The shareholders of the company took the decision at its 25th annual general meeting held through a digital platform on Thursday.

Azzur Rahman, chairman of the company, presided over the meeting.

Directors Md Jamirul Islam, Dost Mohammad, Md Rafiqur Rahman and Rakibul Islam Khan, Independent Director Reshad Imam, Managing Director SM Intekhab Alam, Deputy Managing Director and Company Secretary Mohammad Sayduzzaman participated in the meeting.

India to ask foreign firms to source more local materials for government projects

REUTERS, New Delhi

India will demand foreign firms use more locally produced materials when working on government-run projects, a government order said late on Friday.

Indian authorities have been aggressively promoting Prime Minister Narendra Modi's flagship campaign of a self-reliant economy by urging domestic manufacturers to cut down on imports.

Indian gold dealers bank on festivals to bring back customers

REUTERS

Gold jewelers in India pinned hopes on an upcoming festival season, with dealers offering discounts for a fifth straight week to lure customers back to shops, as activity remained muted in Asian bullion hubs.

In India, discounts eased to \$23 an ounce over official domestic prices, inclusive of 12.5 per cent import and 3 per cent sales levies, from last week's \$30.

"Festival season is approaching. If prices remain stable, demand could start improving in coming weeks," said Mukesh Kothari, director at Mumbai-based dealer RiddiSiddhi Bullions.

On Friday, domestic gold futures prices were around 51,500 rupees per 10 grams, on track for a 0.5 per cent gain for the week. Jewelers are waiting for a clear price trend

and could start building inventory early next month for festivals, said a Mumbai-based dealer with a bullion importing bank.

In China, discounts eased slightly to \$44-\$48 an ounce from last week's \$45-\$50, with most purchases coming only from the investment side.

"The physical market is unlikely to recover by end of this year," said Peter Fung, head of dealing at Wing Fung Precious Metals.

China has been operating at discounts since February as the coronavirus pandemic hammered demand.

Sales could pick up during the October holiday period, but will still be relatively lower year-on-year, said Samson Li, Hong Kong-based precious metals analyst at Refinitiv GFMS.

Gold was sold at \$0.80-\$1.50 an ounce premium in Singapore.

"Investors are likely on the sidelines hoping for lower prices," Vincent Tie, sales manager at Silver Bullion said, adding supply chains were still strained due to the pandemic.

Japan saw premiums of \$0.30-\$0.50. Both buyers and sellers were active this week, a Tokyo-based trader said.

In Bangladesh, domestic prices were hiked for a second time this week with the best quality gold priced at 76,458 taka (\$903.44) per Bhoori as a weaker domestic currency drove up import costs.



REUTERS/FILE

A salesman arranges gold ornaments, on a display board, inside a jewellery showroom during Akshaya Tritiya, a major gold buying festival, in Kochi, India.

US details up to \$14b in new aid for farmers

REUTERS, Chicago

The US Agriculture Department on Friday released details of a second round of COVID-19 aid for farmers, which will pay up to \$14 billion to growers of major crops such as corn, soybeans and wheat, as well as livestock, dairy and tobacco.

President Donald Trump announced the assistance on Thursday night at a campaign rally in Wisconsin, a crucial battleground state.

Farmers widely backed Trump in 2016.

The aid follows a \$19 billion relief program announced in April to help US farmers cope with disruptions to the food supply chain and plummeting demand from restaurants during the pandemic. Less than \$10 billion has been paid out to date.

"We listened to feedback received from farmers, ranchers and agricultural organizations about the impact of the pandemic on our nations' farms and ranches, and we developed a program to better meet the needs of those impacted," Agriculture Secretary Sonny Perdue said in a statement.

The administration has been criticized for the \$28 billion spent over 2018 and 2019 to compensate farmers for lost sales during a tariff war with China.

"Once again, the Trump administration is funneling too much money to farmers that do not need it and not enough to those that are facing economic ruin," said Scott Faber, senior vice president of government affairs at the Environmental Working Group. "The only plausible explanation is that this is just old-fashioned vote buying."

The new aid package will largely be funded by the Commodity Credit Corp, a Depression-era program created to support farm income. Funds from the corporation do not need to be approved by Congress.

The USDA also said that up to \$100 million in aid for tobacco farmers will come from the Coronavirus Aid, Relief, and

Economic Security Act.

In North Carolina, the top tobacco-producing state, Republican Senator Thom Tillis, in a statement, thanked Trump and Perdue for helping farmers in his state.

Tillis trails his Democratic challenger, former state Senator Cal Cunningham, who has also steadily outraised him in campaign donations.

Based on the government's latest harvest projections, farmers could receive about 23 cents a bushel for corn, or \$3.427 billion, and 31 cents a bushel for soybeans, or \$1.337 billion, according to a Reuters analysis of figures from the USDA and the American Farm Bureau Federation. The program also allows farmers to apply for aid at \$15 per acre for major row crops

such as corn, soybeans and wheat.

The USDA said that major row crops were eligible for the program because the national average price for them fell at least 5 per cent between mid-January and late July.

Prices have rallied sharply since then, with a surge in buying from China pushing the soybean futures market Sv1 to its highest in more than two years. Corn Cv1 was trading at its highest in more than six months and wheat Wv1 recently hit a five-month top.

The new plan adds nearly 100 specialty crops like honey, ginger and macadamia nuts. It also eases restrictions on aid for such crops that farmers said limited the benefits of the previous payment program.



REUTERS/FILE

A farmer's corn harvesting combine is seen at Eldon in the US.

New storm stirs in US Gulf as oil production recovers from Sally

REUTERS, Houston

A new Tropical Storm stirred on Friday in the Gulf of Mexico off the coast of Mexico as energy firms continued to reopened more offshore crude oil production shut just days earlier.

Beta, the 23rd named storm of the Atlantic hurricane season, formed in the Bay of Campeche, about 280 miles (450 km) southeast of the Rio Grande River, with 40 miles (64 km) per hour winds.

It was only the second time in history forecasters have taken to using the Greek alphabet for storm names, having exhausted names selected before the season began. The first year storms exceeded given names was 2005, when there were a record 27 named storms.

Beta, which forecasters predicted could become a hurricane next week, is the third named storm in the US Gulf of Mexico in less than a month, following Laura and Sally. Hurricane Sally swept through the eastern Gulf and struck Alabama on Wednesday with winds of up to 105 miles per hour.

Beta will approach the western coast of the US Gulf of Mexico over the next three days, moving northwest toward the south

Texas coast then turning northeast, the US National Hurricane Center said at 4 p.m. CDT (2100 GMT).

Its winds could strengthen to 75 mph by Monday morning, a category one hurricane on the five step Saffir-Simpson Wind Scale, the NHC said.

The storm took shape Friday as energy producers had nearly completed flying crews back to oil production platforms on the opposite end of the Gulf of Mexico.

Energy firms reported 37 platforms remained unstaffed on Friday out of the 149 that initially had been evacuated for Hurricane Sally. That was down from 70 platforms unoccupied a day earlier.

Oil output in the US offshore remained down 21 per cent of normal, or 396,554 barrels-per-day (bpd), at midday, offshore regulator Bureau of Safety and Environmental Enforcement (BSEE) said.

Natural gas output from the offshore US Gulf also was down 16 per cent, or 435 million cubic feet per day (mmcf), BSEE said. Production in Gulf was shut because of the threat from Hurricane Sally.

US Gulf of Mexico offshore oil production accounts for 17 per cent of total US crude oil production and 5 per cent of US dry natural gas production.

Stimulus loans for large borrowers quickened recovery: experts

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The banking regulator has also formed a refinance scheme of Tk 15,000 crore for the smooth implementation of the stimulus package, bringing huge relief to the cash-strapped banking sector.

Under the refinance scheme, lenders will get funds in the form of working capital at 4 per cent interest from the BB. In order to receive funds from the refinance scheme, banks will have to give at least 50 per cent of each loan from their coffers.

Borrowers now get funds at a low-cost due to the central bank's stimulus package, which has given a great boost to the financial sector, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

Lenders are enjoying available liquid funds thanks to the efforts of the central bank, which injected a large amount of fund in many forms, especially the stimulus packages, he said.

Private sector credit growth has been on the rise thanks to the implementation of the packages, said Rahman, also a former chairman of the Association of Bankers, Bangladesh, a forum of banks' chief executives.

Year-on-year credit growth stood at 9.2 per cent in July, up 8.61 per cent from a month earlier. However, demand for loans is still lower than what was in the pre-Covid-19 period as they are yet to regain full confidence, said Rahman.

Mansur said the financial sector would require more than one year to get back its full tempo. The service sector will not enjoy a full turnaround until a vaccine for the novel coronavirus is available for the people on a wide scale, he said.

The export sector has almost attained 80-90 per cent of the recovery riding on the stimulus package, said Emranul Huq, managing director of Dhaka Bank.

"We were initially afraid of the recession. But dark clouds are moving away from our skies, helping the banking sector get back its confidence as well," he said.

A good number of borrowers have already started paying back their dues, playing a role in strengthening the financial health of banks, Huq said.

Steel makers want policy support for faster recovery

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Dealers and users are now failing to pay regularly for their previously purchased finished products either, Shahidullah said.

In regards to the supply chain disruption, many countries with which letters of credit were opened for purchasing raw materials have been unable to meet Bangladesh's requirements and so new sources should be sought, according to the managing director.

Shahidullah also urged the banking sector to come forward with an open mind to support the steel industry and for an extension on the existing five-year term

loan scheme to 12 years to help reduce the burden of instalments.

Although the country's steel sector is mostly import oriented for raw materials, tax barriers in the import process are too high, Shahidullah said, while underscoring the need to relax such barriers imposed by the National Board of Revenue.

Abu Sayem Chowdhury, deputy managing director of Bayezid Steel, said the demand for steel from the private sector is very low as the companies affected by the pandemic are not going for new investments or new projects.

17 may lose directorship for failing to hold minimum shares

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If the directors have not begun the process to keep at least 30 per cent shares jointly, the regulator will take a tough measure, the chairman added.

"This is a good initiative," said Prof Abu Ahmed, a stock market analyst.

"When sponsors hold most shares, they work for the company with much interest. Otherwise, they don't care about the performance of the company."

The order on the minimum shareholding should have been implemented

much earlier, according to Ahmed. The strict policy of the commission has lifted the confidence of the investors, he said.

"The initiative must continue. Then it would ensure discipline in the market."

Investors also appreciated the BSEC move, saying it will help the commission gain acceptance among market intermediaries.

In 2011, some 14 directors from four listed companies went to the High Court challenging the BSEC order on minimum shareholding. The court rejected the appeal.

'Document verification system' to ensure financial discipline

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Muhammad Farooq, president of the ICAB, said all the companies registered with the Registrar of Joint Stock Companies and Firms (RJSC) must be audited by CA firms.

"We have found that there is a big mismatch among the data of ICAB, NBR and RJSC in relation to the number of companies audited by practising members,

the number of annual returns submitted with RJSC and the number of corporate TIN holders, he said. Md Shabbir Ahmed, director at the Central Intelligence Cell at the NBR; Mohammed Forkan Uddin, vice president of the ICAB, and Md Humayun Kabir, member council and chairman of taxation and corporate laws committee, also spoke.

Govt serious about offloading shares of state banks: Kamal

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"Ultimately, the decision of the government became fruitful as the economy is gradually rebounding and the pandemic situation is improving," Kamal said.

"People are participating in the economy. So, I am hopeful that we will be able to achieve 8.2 per cent GDP growth."

Kamal also talked about the amnesty given to whiten the black money.

"If we don't see any progress regarding the amnesty, we will consider that there is no black money in the country," he said.

The National Technical Advisory Committee formed to tackle the Covid-19 pandemic has advised the government to go for an advance payment in a bid to procure the Covid-19 vaccine quickly.

"If a booking is not made, vaccines would not be available easily as demand would be high," said Kamal.