

UK urges businesses to prepare for end of Brexit transition

REUTERS, London
Britain's government on Sunday urged businesses to prepare for the end of the Brexit transition period, saying that they need to take action whether or not a trade deal with the European Union is clinched.
Prime Minister Boris Johnson

has said Britain won't extend the transition period, which ends on Dec 31, and that progress must be made to bridge significant gaps between the two sides in the coming days if a deal is to be struck.
The business ministry argues that most of what businesses need to do is the same regardless of the outcome

of the negotiations and has planned a series of sector specific webinars in October.

"With just 81 days until the end of the transition period, businesses must act now to ensure they are ready for the UK's new start come January," said business minister Alok Sharma, who will write to businesses regarding the changes.

"There will be no extension to the transition period, so there is no time to waste."

Businesses needed to do things like ensure staff register for residency rights and prepare for customs procedures when trading with the EU, the government said.

The United Kingdom formally left the EU on Jan. 31, but more than four years since voting 52 per cent-48 per cent for Brexit in a 2016 referendum, the two sides are haggling over a trade deal to take effect when informal membership ends on Dec. 31.

The two chief negotiators, the EU's Michel Barnier and Britain's David Frost, say they are inching towards a deal ahead of an Oct. 15 deadline, but that important gaps remain on fishing, level playing field issues and governance. Both sides have planned for a no-deal scenario.



REUTERS/FILE
Britain's Prime Minister Boris Johnson arrives to attend a news conference at the European Union leaders summit dominated by Brexit, in Brussels, Belgium.



UCB
Land Minister Saifuzzaman Chowdhury inaugurates United Commercial Bank's Islamic banking window, Taqwa, at its corporate head office in Dhaka yesterday. Bazal Ahmed, vice chairman of the bank, and Mohammed Shawkat Jamil, managing director, were present.

RBI appeals to Supreme Court to allow NPA classification

REUTERS, Mumbai
The Reserve Bank of India has appealed to the country's top court to let banks classify loans as nonperforming, saying a ban imposed to help borrowers in the COVID-19 pandemic could greatly harm the nation's financial system.

The central bank, in a filing to the Supreme Court late on Friday, warned that failure to immediately lift an interim stay on banks classifying any loan as a non-performing asset (NPA) would also undermine the central bank's regulatory mandate.

The court granted the stay last month, responding to a plea filed by an Indian optician, later joined

by a wide range of borrowers whose income or revenue was hit by the COVID-19 pandemic.

The court is set to rule on the matter on Tuesday. The ruling could have far-reaching consequences not only for millions of borrowers, but also for banks and the country, as state-run banks dominate the sector. To help borrowers weather pandemic-related stress, the RBI has let banks offer a moratorium on loan payments for up to six months and permitted a one-time restructuring of accounts.

The RBI's measures ensured that accounts that were standard prior to the implementation of the nationwide lockdown in late March, would not be classified as NPAs if the borrowers

made use of the moratorium, which allowed repayments to be delayed until the end of August but with the loans continuing to accrue interest.

The central bank's appeal followed a request by the court for further details from the RBI and government on their plans to help the borrowers.

The RBI responded by detailing the wide range of measures it has put in place to address stress in various sectors. It warned against any further leeway. "Every regulatory forbearance has its trade-offs in terms of adverse incentives and unintended consequences," the RBI said. "All the issues that were advanced by the petitioners have been adequately addressed."

Daimler, Swiss Re launch mobility insurance venture

REUTERS, Frankfurt
Swiss Re and carmaker Daimler announced a joint automotive and mobility insurance venture on Monday, seeking to tap into a wealth of new data generated by highly automated vehicles to help insurers to calculate risk.

partners to better underwrite the risk," said Pravina Ladva, Swiss Re's digital transformation officer.
Swiss Re already offers to price risk by looking at the number of advanced driver assistance systems (ADAS) fitted to a car, calculating a car's capability under various traffic conditions considering safety as well as the cost of repairs.

creating new insurance challenges in the area of pricing and claims handling.

Movinx will position itself as a so-called Managing General Agent (MGA) to help insurers introduce new products across a range of currently fragmented markets, using a new jointly owned risk technology platform.

The reinsurer and Daimler, parent of the Mercedes-Benz passenger car brand, set up Movinx, a Berlin-based intermediary they will co-own equally, the companies said in a statement.

As connected and autonomous cars generate live data about traffic flows, vehicle reflexes and driver behaviour, the companies expect new opportunities will arise to customise automotive and mobility insurance products.

"Even before cars come off the manufacturing line, we know the specific features and how that car would react in an emergency situation and we can provide a score to insurance

Daimler, which has spent decades refining advanced driver assistance systems, sees an opportunity for monetizing its know-how about vehicle safety.

Ingo Telschow, chief executive of Daimler Insurance Services, said his company was "going deeper into the value chain of insurance business, having more influence on product development and pricing."

Aside from technological advances in the area of automated and connected vehicles, customer behaviour is also shifting from long-term ownership to short-term usage,

The first insurance products and services are planned to launch in France in 2021. In the coming years, further market entries are planned across Europe, in the Americas and in Asia.

"We want to offer products for people who use car sharing for minutes, or long-term insurance, or cover for rental, or subscription. Movinx will start with a motor insurance focus and explore mobility elements to enhance the respective solutions," Daimler's Telschow said.

The joint venture will be open for cooperation with car manufacturers or mobility service providers, the two companies said in their statement.

EU trade chief calls on US to drop tariffs in Airbus-Boeing dispute

REUTERS
The European Union's new trade chief has told the US to withdraw tariffs on more than \$7 billion of EU products or face additional duties on exports to Europe, as he urged a settlement to the dispute over Airbus SE and Boeing Co, the Financial Times reported on Sunday.
Repairing the transatlantic relationship would be EU's top priority, and the US should withdraw its Airbus-related tariffs as a confidence-building measure, the EU's new trade chief Valdis Dombrovskis told the FT.

"Of course, if the US is not withdrawing their tariffs we have no choice but to then introduce our tariffs," he was quoted as saying.

Washington was awarded the right by the World Trade Organization (WTO) last October, to impose tariffs on \$7.5 billion of annual EU imports in its case against Airbus. Washington then imposed 25 per cent duties on products ranging from single-malt whisky to olives and cheese and 10 per cent tariffs on most European-made Airbus jets.

In mid-February, the US government said it would increase tariffs on aircraft imported from the EU to 15 per cent from 10 per cent, ratcheting up pressure on Brussels in a nearly 16-year dispute over aircraft subsidies.

The EU for its part, has been cleared by the WTO to impose tariffs on US products worth \$4 billion to retaliate against subsidies for American planemaker Boeing, sources told Reuters last month, with the award expected to be published within weeks.

Job recovery gains momentum

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In the services sector, it fell to 6.52 per cent in March and recovered to 6.04 per cent in September. It is still lower than 6.71 per cent registered in September in 2019.

the respondents was reduced to zero, while 62 per cent of the low-income earners lost work opportunities. The pandemic left 28 per cent of the respondents economically inactive, it said.

In June, Brac said 95 per cent of the people surveyed across the country suffered a loss of income due to the shutdown and social distancing measures enforced by the government in late March to contain the spread of the Covid-19.

In Bangladesh, labour markets are a key channel through which welfare is affected, as labour incomes comprise more than 80 per cent of household income for the poorest 40 per cent of households, according to the World Bank.

is engaged in sectors directly impacted by the Covid-19. Compounded with pre-existing vulnerabilities and the absence of formal safety nets, households tend to manage income shocks with their own resources, it said last week.

"Going forward, the government's Covid-19 response will remain a paramount priority, including testing, quarantining and treating patients and providing economic relief to the poor and vulnerable," the WB said.

Household income of 51 per cent of

A large share of Bangladeshi workers



MIDLAND BANK
Ahsan-uz Zaman, managing director of Midland Bank, attends the bank's "Business review meeting 2020 for retail distribution" through a digital platform recently.

Leather turning into a big draw for foreign investors

FROM PAGE B1
Interest spiked when the government recently allowed tanneries at the country's Savar Tannery Industrial Estate (STIE) to set up their individual effluent treatment plants (ETPs).

certifications from the global body for the leather goods sector.

This leaves them with no choice but to sell goods to some non-compliant Chinese factories and accept prices that are 40 per cent lower than the international norm.

The use of ETPs ticks one of the boxes for global standards, added Islam, also managing director of Picard Bangladesh.

Md Shaheen Ahmed, president of the Bangladesh Tanners Association (BTA), said tanneries would surely benefit if foreign investment comes in the leather goods sector because it would increase demand for locally tanned rawhide.

Coupled with the cheap rates of an abundant source of raw materials, foreign investors see prospects of good business, he said.

Whatever investment that has been made in tanneries till date has come from locals, he said.

So far, the government has allowed two tanneries to construct their own ETPs for delays in the establishment of a central one for the STIE.

The establishment of ETPs by just 50 privately-run tanneries at the STIE can bring substantial benefits to the sector through the attainment of LWG certifications.

Currently, some 123 out of 155 tanneries at the STIE are operational.

Due to poor adoption of global standards set by Leather Working Group, Bangladeshi exporters have failed to avail compliance and environmental

added. Ahmed also expressed concern over the difficulties in monitoring of privately-run ETPs at the STIE by government officials.

M Abu Eusuf, professor of the Department of Development Studies at the University of Dhaka, also believes that this sector would immensely benefit from the arrival of foreign investment.

Bangladesh has revised its export target for leather goods to \$3 billion by the end of next year. If the foreign investment comes, achieving the target would be easier. Vietnam has already proved this, he said.

Currently, international brands like ABC-Mart, Adidas, Aldo, Esprit, Hugo Boss, H&M, Kate Spade, Kmart, Michael Kors, Marks & Spencer, Nike, Steve Madden, Sears and Timberland source leather goods and footwear from Bangladesh.



CPTU
Pradip Ranjan Chakraborty, secretary to the Implementation Monitoring and Evaluation Division, attends the opening ceremony of a four-day training on citizen portal and social media relating to public procurement at the conference room of Central Procurement Technical Unit (CPTU) in the capital yesterday.



UNION BANK
Ahsanul Alam, chairman of Union Bank, attends the bank's "3rd Quarter Business Conference-2020" at The Westin Dhaka yesterday. Managing Director ABM Mokammel Hoque Chowdhury was also present.