EBL

M Nazeem A Choudhury, head of consumer banking at Eastern Bank (EBL), and Rafy Alam, CEO of Mir Technologies Ltd (MTL), exchange documents after signing an agreement at EBL Gulshan office in Dhaka. EBL will process online payments for MTL merchants through EBL SKYPAY, powered by MasterCard payment gateway service. Customers of MTL's web merchants will be able to make online payments for goods and services through Diners Club, Discover, MasterCard, Visa credit or debit cards.

Tajikistan awards contract to build $3.9b mega-dam

AFP, *Dushanbe, Tajikistan*

Tajikistan announced Friday it had awarded the Italian company Salini Impregilo a $3.9 billion (3.5-billion-euro) contract to build a hydroelectric dam that threatens to raise tensions in Central Asia.

The ex-Soviet country's presidential press service said a state commission approved on June 27 the Rogun project seen as vital to the water-rich republic's efforts to step up electricity production.

The dam on the Vakhsh river, which at a planned 335 metres (1,099 feet) would be the tallest dam in the world, was begun during Soviet times but faces major opposition from downstream Uzbekistan.

Tajikistan's more populous and militarily powerful neighbour depends on water that flows through Tajikistan for its agricultural sector.

Uzbekistan's septuagenarian President Islam Karimov has in the past even warned of potential wars over water in the economically depressed and occasionally volatile region.

Tajikistan views Rogun as a means of ending regular winter power outages in the republic and increasing electricity exports to the wider region.

The World Bank has endorsed the project after carrying out extensive economic, environmental and technical studies but has not offered to finance construction.

Tajikistan is the poorest of the five Central Asian countries that gained independence from the Soviet Union in 1991, with up to half of working-age men leaving the country to find employment in Russia and other countries.

US auto sales rise in June but pace slows

AFP, *Chicago*

Buoyed by robust demand from US consumers for crossover SUVs and trucks, automakers reported strong June sales in those categories Friday, while overall sales figures pointed to a cooling market.

Nissan, Ford, Fiat Chrysler's US unit, Subaru and Honda all reported sales increases. General Motors, Toyota and Volkswagen fell short.

The drop in sales at GM and Toyota -- the two biggest automakers in the US market -- suggested a slowdown in growth.

Total US auto sales rose 2.5 percent in June from a year ago, according to industry research firm Autodata. The June sales pace was at a seasonally adjusted annual rate of 16.66 million units, down 2.0 percent from a year ago and 1.4 percent from May.

"We have been expecting a retracement in vehicle sales this year and view (16 million to 17 million) as a reasonable sustainable pace," Barclay's automotive analyst Michael Gapen told AFP.

Michelle Krebs of Autotrader told AFP that she expected another record year in 2016, but one that indicates slowing growth.

"We think this year we may see some bumps along the way in the second half, but we still think we will eke out a record. But, next year is questionable," said Krebs, who predicted 2016 sales of 17.5 million to 18 million vehicles.

Toyota, the world's largest automaker, reported a 5.6 percent US sales drop to 198,257 units. It saw declines in its Corolla and Camry sedans of 11 percent and 12 percent, respectively.

GM, the largest US automaker, struggled as it pivots away from sales to rental fleets, to focus more on retail sales. The automaker said June sales fell 1.6 percent from a year ago to 255,210 vehicles, after they fell 13.4 percent in May.

Volkswagen sales plummeted almost 22 percent as the company deals with the aftermath of the diesel-emissions scandal. The automaker reached a $15 billion settlement in the United States on Tuesday to address the company's use of software on 2.0-liter diesel cars that cheated emissions tests. Still, there were positive signs across the industry.

Fueled by low gas prices and increased employment, consumers were feeling more confident, Kreb said, adding that another important factor was the age of cars on the road, currently "the oldest fleet we've ever had" at an average 10 years for cars and 11 years for trucks.

Consumers continued to appear more willing to replace their older cars with trucks and sport utility vehicles, rather than sedans or compact cars.

Sales at South Korean carmaker Hyundai were flat year-over-year, with losses among its sedans and eye-popping gains among its compact SUVs. The Tuscon and Santa Fe brands doubled sales, with a combined 25,538 units.

Toyota's overall sales declines were countered by far better figures for its RAV4 SUV, which saw a 15.5 percent increase. GM reported strong sales growth in its Chevrolet and GMC trucks and SUVs.

Nissan reported the biggest year-over-year sales increase for June, with a 13 percent climb to a record 129,495 vehicles. Among those numbers was an 84 percent increase in sales of its Frontier pickup truck.

Ford, the number-two US automaker, reported a six percent bump from June 2015 to 240,109 vehicles, driven by its F-Series trucks which were up 29 percent from a year ago.

China cement deal collapses amid oversupply woes

AFP, *Beijing*

A deal for China's largest cement maker to take over a major rival collapsed after failing to gain government approval, the company said Friday, in a blow to Beijing's pledges to tackle oversupply.

Anhui Conch Cement offered nearly $600 million for a controlling stake in struggling West China Cement late last year, but China's commerce authorities failed to approve it by the June 30 deadline, scuttling the deal, Anhui Conch said on its website.

Rumours the deal was in danger saw West China Cement shares plunge 33 percent in Hong Kong on Tuesday before they were suspended from trading.

The companies said in a joint statement Thursday to the Hong Kong Stock Exchange that they would "continue to explore future opportunities for business collaboration in different structures or manners".

China's government has repeatedly pledged to tackle overcapacity, which is rife in its inefficient, largely state-owned heavy industry.

But most major industrial firms have powerful political backers, making efforts to shutter or merge them particularly challenging in the face of vested interests.

China's cement industry boomed during the country's three decades of massive investment in highways, airports, apartment buildings, and office blocks, bloating to more than 3,300 firms.

Beijing has said it wants to reorient the economy away from relying on such debt-fuelled spending to boost growth and towards a consumer-driven model, but the transition has proven challenging.

Anhui Conch is a state-owned enterprise (SOE) controlled by the government of China's eastern province of Anhui.

Analysts said its easier access to financing as an SOE would have boosted highly-indebted West China Cement's ability to borrow after it posted losses of 309 million yuan ($46 million) last year.

In recent months the stock had rallied as investors expected the deal to go through due to government commitments to cut oversupply.

Rwanda hikes import duties on secondhand clothes

AFP, *Kigali*

Rwandan has massively hiked import duties on secondhand clothes and shoes, coming mainly from Europe and North America, to help promote local manufacturers, officials said Friday.

The measure "takes effect from July 1", Rwandan Revenue Agency manager Drocelle Mukashyaka told AFP.

Import duty on each kilogram (2.2 pounds) of shoes and clothing was previously $0.2 (0.18 euro), but it has been raised to $2.5 for clothes and five dollars for shoes, she said.

Secondhand clothing imported wholesale from the West is highly popular in Rwanda as in other African nations where these garments are sold at low prices.

But the thriving market has "completely killed the textile industry" in developing countries, Trade Minister Francois Kanimba said in mid-June.

Annual imports of secondhand clothes were worth a quarter of the $125 million spent on textiles, he explained.

Last February, the five heads of state in the East African Community -- Burundi, Kenya, Rwanda, Tanzania and Uganda -- agreed to introduce a total ban on imports of secondhand clothes by 2019.

Rwandan Economy Minister Claver Gatete on Wednesday said that ending the trade was not just about industry, "it is just not even acceptable according to our dignity."

"I don't know if there is any trade on secondhand clothes between any European countries among themselves," he told a press briefing.

Patel Ritesh, the director of Utexrwa, one of the two textile factories in the small central African nation, hailed the new taxes as good for business in a sector hit hard by cheap competition.

Chinese-run firm C&H Garment currently makes textiles only for export, but will in July launch products on the Rwandan domestic market. "Of course we're going to produce because demand will be higher," said management official Saidi Hitima.

But ordinary Rwandans are less keen on the measure, fearing a rise in prices of imported clothing while local industry is not up to meeting demand.

"I'm going to have difficulty dressing my children," said Clementine Icyitegetse, a mother of three who finds clothing too expensive. "This decision will only benefit the rich."

Higher gold prices keep Asian buyers at bay

REUTERS, *Mumbai/Bengaluru*

REUTERS

Gold jewellery is on display as a salesman waits for customers inside a jewellery showroom.

Gold demand in Asia remained sluggish this week as higher prices continued to deter physical traders from making fresh purchases, with discounts in India widening to a record high.

Bullion registered its biggest monthly gain since February in June, on the back of safe-haven buying spurred by political and economic concerns following Britain's vote to leave the European Union last week.

The yellow metal, often perceived as a hedge against economic and financial uncertainty, has risen more than 25 percent this year and is on track to log its biggest yearly gain since 2010.

"We don't see much uptick in demand for physical gold in Asia," said Brian Lan, managing director at Singapore-based gold dealer GoldSilver Central, adding that people were more interested in selling than buying because of higher prices.

"This is what we see in Asia where people buy more gold only when the prices are lower."

Physical gold demand in top consumer China remained subdued as consumers preferred to stay on the sidelines with bullion turning dearer after Brexit.

"Prices need to be around $1,240-$1,260 for people to buy physical gold," said William Wong, assistant head of dealing for Wing Fung's precious metals desk.

Bullion prices in China were seen at a discount of $1-$2 per ounce to the global spot benchmark, which has been rallying for five weeks. Prices were at a premium of $1 last week.

Meanwhile, in India, the world's second largest consumer, dealers were offering a discount of up to $47 an ounce as consumers shied away from making new purchases. Discounts rose to a record high of $57 an ounce on Monday, compared with $30 to $55 Last week.

"Consumers are postponing buying expecting a correction in prices. Even after offering steep discounts they are not ready to make purchases," said Ghanshyam Nichani, owner of Dhanraj Jewellers in Mumbai.

Gold prices hit the highest since Sept. 9, 2013 at 31,925 rupees per 10 gram last week.

"Jewellers are not making purchases due to volatility in the rupee and overseas gold prices. They are waiting for prices to stabilise," said a Mumbai-based dealer with a private bank.

Among other major trading centres in Asia, premiums in Singapore were seen at 60 cents, compared with 60-80 cents last week, while Hong Kong prices were at a discount of $1-$2 this week, versus a $1 discount the week before.

In Tokyo, prices continued to remain flat compared with the global benchmark as consumers waited for prices to come down.

India factory growth at 3-month high in June

REUTERS

Indian manufacturing activity edged up to a three-month high in June, driven by stronger demand, but firms barely raised prices, a private survey showed, leaving the door open for another rate cut by the central bank this year.

The Nikkei/Markit Manufacturing Purchasing Managers' Index (PMI) rose to 51.7 in June from May's 50.7, its sixth month above the 50 mark that separates growth from contraction after it fell below that level in December for the first time in more than two years.

"The domestic market continues to be the main growth driver, as the Indian economic upturn provides a steady stream of new business," said Pollyanna De Lima, economist at Markit.

"There were also signs of an improvement in overseas markets, as new foreign orders rose. However, it looks as if lackluster global demand remains a headwind for Indian manufacturers."

While retail inflation hit a near two-year high in May, the survey's output prices sub-index fell to a three-month low of 50.1 in June versus 50.5 the previous month, as input costs rose at a weaker pace.

There was also broadly no change to manufacturing employment in India during June, the survey showed.

"This lack of inflationary pressures provides the Reserve Bank of India (RBI) with further leeway to boost economic growth through cutting its benchmark rate," said De Lima.

According to a Reuters poll, RBI Governor Raghuram Rajan could deliver another rate cut before his term ends in September. After cutting rates in April, he has left the key interest rate unchanged at a five-year low of 6.50 percent. However, at the June policy meeting he signalled another rate cut later in the year if monsoon rains were sufficient enough to dampen upward pressure on food prices.

Rains are expected to be above average this year which could keep prices in control and give the government room to focus on key economic reforms in tandem with low interest rates.

All Tazreen victims get compensation

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The TCA paid $1.36 million or Tk 1.06 crore to nine missing workers' families, as one missing worker could not be verified by the TCA expert committee.

The TCA paid compensation worth $0.75 million or Tk 5.76 crore to 172 injured workers; 174 claims were filed, but TCA did not pay two as they could not be verified.

Payments from the ILO-brokered fund were made to the individual bank accounts at the Motijheel branch of Dutch-Bangla Bank that were opened for each beneficiary.

For the best use of the money now and in future, all the beneficiaries were offered assistance in purchasing government-issued savings bonds with an average interest rate of about 11 percent, with part or the full compensation amount.

Sixty-five from the Dhaka region and 51 beneficiaries from Rangpur region purchased the savings bonds, the statement said.

The total funds required to pay awards, and to provide long-term medical care for the injured workers was estimated at about $2.5 million. The required fund was given by C&A Foundation that contributed $1 million, Fung Foundation $1 million, Brac USA $250,000, KiK $150,000 and El Corte Ingles $100,000, the TCA statement said.

In addition, C&A Foundation covered the administrative and running cost of TCA.

Further programmes will continue as planned, including the educational trust for children of Tazreen victims, which is funded by C&A Foundation and Fung Foundation, the statement said.

The Tazreen Coordination Committee has allocated a budget of about $350,000 for long-term medical care for the injured workers.

The TCA Trust was set up in September 2015 in order to oversee implementation of a system for calculating and distributing loss of income payments to the families of those killed at Tazreen and to those workers who were injured in the fire.