

# Global policy barrier to SDGs implementation: economist

STAR BUSINESS REPORT

The current global policy environment is standing in the way of effective implementation of Sustainable Development Goals (SDGs) at country levels, said Debapriya Bhattacharya, distinguished fellow at the Centre for Policy Dialogue.

The good news is that the SDGs have hit the ground running and countries have already geared up to implement the 2030 agenda, he told a meeting of the United Nations in New York on Monday.

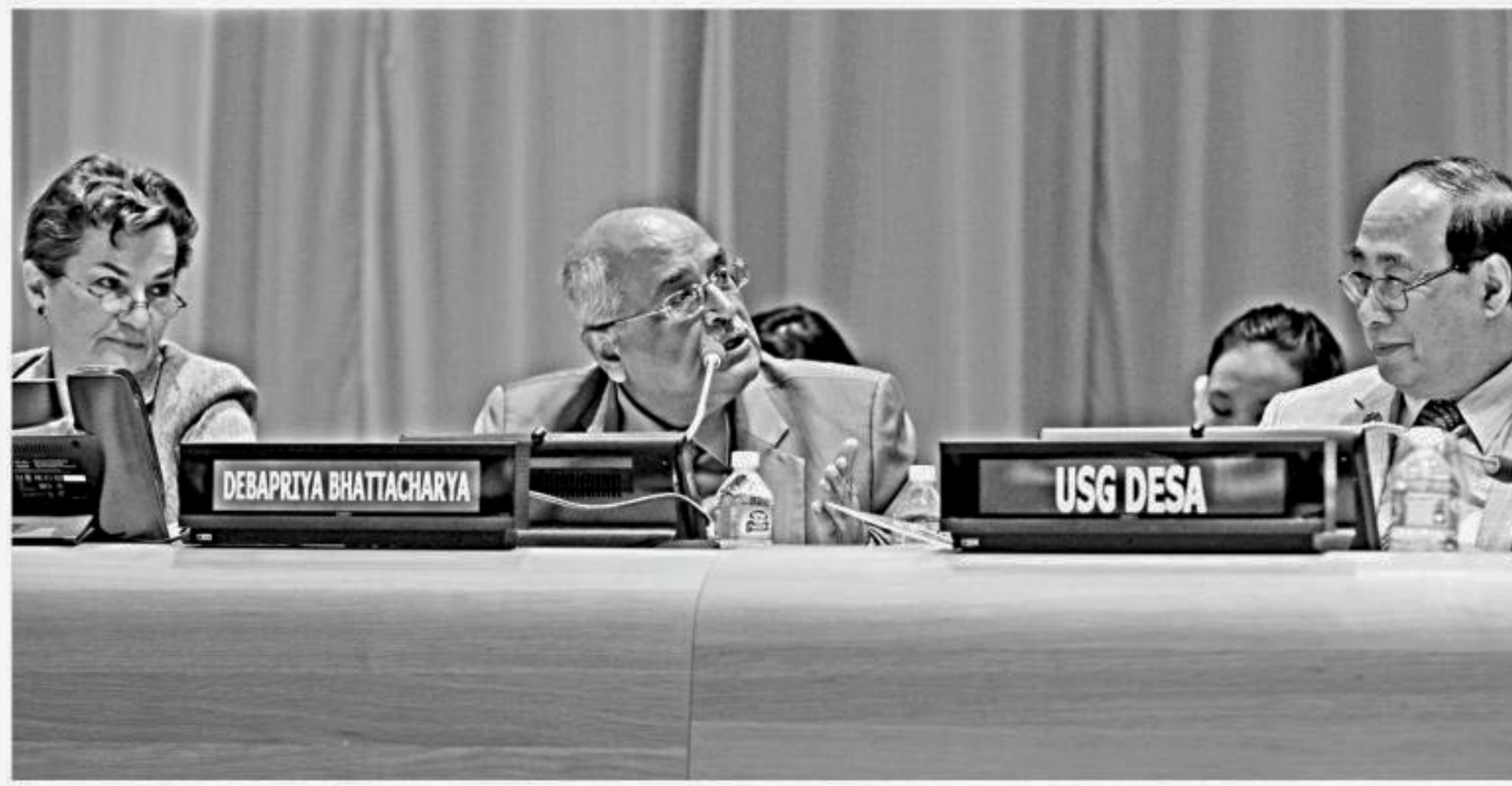
He spoke at the opening plenary session of the High Level Political Forum, the top body of the UN that monitors the implementation of the SDGs, said the CPD in a statement.

This was the first annual review by the UN of the progress in implementation of the SDGs.

The agenda was adopted by the UN in September 2015, and most of the countries have already integrated the SDGs in their respective national plans, said Bhattacharya.

"But they are facing challenges in the areas of institutional capacity, availability of financial resources and access to necessary data and information."

His comments came as the global economy faces faltering growth, rising inequality, new pandemics and dearth of peace and security.



Debapriya Bhattacharya, distinguished fellow at the Centre for Policy Dialogue, speaks at a meeting of the United Nations in New York on Monday.

There is a need to improve the global economic governance to bolster SDG delivery at the national level, said Bhattacharya, also the chair of Southern Voice on Post-MDG International Goals, a network of 49 think-tanks from Asia, Africa and Latin America.

Wu Hongbo, UN under-secretary-general for economic and social affairs, presented the 2016 SDG Progress Report on behalf of the UN head.

Hongbo pointed out the importance of political leadership in delivering the new global agenda, said the CPD statement.

Christiana Figueres, former executive secretary of the United Nations Framework for Climate Change, underscored a strong baseline for kick-starting the 2030 agenda.

Oh Joon, president of Economic and Social Council of the UN, chaired the opening session.

# IEA sees oil stabilising on higher 2016 demand

AFP, Paris

Higher-than-forecast demand should bolster oil prices throughout 2016, despite high stocks continuing to exert downward pressure on prices, the IEA said Wednesday.

Global demand for oil will grow by 1.4 million barrels per day (bpd) this year to 96.1 million bpd, the International Energy Agency (IEA) said in its monthly oil market report, revising up last month's forecasts of a 1.3 million bpd rise.

While predicting a "return to balance" in overall "big picture" market direction, the IEA said "the existence of very high oil stocks is a threat to the recent stability of oil prices."

Last month the agency had warned significant price rises were unlikely given that "there is an enormous inventory overhang to clear."

The IEA noted crude prices had edged off an early June peak above \$52 dollars per barrel to trade in a \$45-\$50 range -- a stark contrast to the nearly daily price falls earlier this year.

"Our underlying message that the market is heading to balance remains on track, but the modest fall back in oil prices in recent days to closer to \$45/bbl is a reminder that the road ahead is far from smooth," the IEA concluded.

"The adjustments to our data this month suggest that little has changed with the market showing an extraordinary transformation from a major surplus in 1Q16 to near-balance in 2Q16," the report added.

Oil prices, which slumped below the \$30

mark in January, rebounded earlier this week from two-month lows as an OPEC forecast pointed to an easing of global oversupply.

US benchmark West Texas Intermediate for August delivery Tuesday jumped \$2.04 to \$46.80 a barrel on the New York Mercantile Exchange, while in London, Brent North Sea crude for delivery in September added \$2.22 to \$48.47.

In its own July report, OPEC had forecast the global supply glut would ease this year as next, as producers outside the cartel, particularly the United States, cut production.

The 14-member cartel, which provides about one-third of the world's crude, has squeezed competitors in recent months by keeping the taps open, saying June production rose by 264,000 bpd to an average 32.9 million barrels bpd.

OPEC predicted global demand growth would pick up in 2017 to allow the market to remove excess stocks.

For 2017, the IEA forecast a 1.3-million-bpd increase to 97.4 million bpd, largely thanks to demand in non-OECD countries, led by India and China.

Demand in India was forecast to rise faster than anywhere in 2017, by 280,000 bpd, whereas "the main restraint on recent Chinese demand data continues to be the weakening of the domestic economy, with official estimates of economic growth easing."

The IEA saw Europe as having been the "saving grace for oil demand," with growth reaching a five-quarter high in the second quarter of this year.

# Venezuela's woes deepen as Citibank shuts teller window

AFP, Caracas

Venezuela's howling economic woes have worsened as Citibank closed the government's overseas payments account and multinational firms are packing up and leaving.

The beleaguered government -- the opposition is trying to organize a recall referendum against the president -- has responded by shifting more power to the military in order to cling to power and avert total collapse.

The army is now in charge of distributing food and other basic goods. Shortages are acute in this South American country blessed with the world's highest oil reserves but devastated by the drop in world crude prices.

Citibank confirmed Tuesday that after a risk assessment, it has closed the account that the Venezuelan government used to make international payments.

Socialist President Nicolas Maduro likened the move to a financial blockade.

Venezuela used the account to make payments to other accounts in the United States and elsewhere in the world.

Now its economic mess is worse because it will have to find another bank to deal with, so as not to get closed out of the international financial system altogether.

"This adds another problem because it makes external payments harder and complicates overseas transactions for a country that was already in a severe crisis," said opposition lawmaker Jose Guerra, a former central bank governor.

The snub from Citibank is the latest in a string of closures or scaling back of operations of foreign companies operating in Venezuela, such as Coca-Cola, US food giant The Kraft Heinz company, Clorox and airlines Lufthansa, Aeromexico and American Airlines.

# Robi-Airtel merger fee set at Tk 100cr

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On the other hand, Airtel entered the market in 2010 by buying a 70 percent share of Warid at an unbelievably low price -- \$100,000, which later raised questions; the issue is yet to be resolved. In 2013, Airtel also bought the rest 30 percent share from Warid at a price of \$85 million.

As of May, Robi has 2.77 crore active subscribers and Airtel 1.01 crore, making them the third and fourth largest operators in the country in terms of subscription.

Market leader Grameenphone has 5.74 crore active users and Banglalink, which holds the second spot, has 3.22 crore subscribers.

# Exports hit record

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The country is also receiving the work orders that are being shifted in bulk from China.

"China is no more a favourite destination for international garment retailers. They are shifting their work orders to other destinations and preferably to Bangladesh," Rahman added.

Apart from apparel items, exports of leather and leather goods increased 2.69 percent year-on-year to \$1.16 billion last fiscal year, and in doing so, crossed the \$1 billion-mark for the third year.

Earnings from footwear stood at \$219.18 million, up 15.69 percent year-on-year.

Jute and jute good exports are seeing a revival on the back of new demand of natural fibres worldwide and for a return of business-friendly environment in some Middle Eastern countries, industry insiders said.

In 2015-16, jute and jute goods fetched \$919.58 million, up 5.88 percent from a year ago.

Exports of terry towels increased 14.33 percent to \$47.80 million, head-gears or caps 130.69 percent to \$148.70 million, engineering products 14.10 percent to \$510.08 million, furniture 18.80 percent to \$46.26 million and pharmaceuticals 13.04 percent to \$82.11 million.

Exports of agricultural products like tea, vegetables, tobacco, cut flowers and foliage, fruits, spices and dry foods increased 1.71 percent to \$596.06 million.

However, earnings from the exports of shrimps and crabs decreased 7.33 percent to \$472.37 million, plastic goods such as PVC bags, plastic waste and others 11.50 percent to \$89 million and bicycle 21.35 percent to \$99.15 million, the EPB data showed.

# Robi gets first Bangladeshi chief executive

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He will return to Robi's leadership team from September 1 as the deputy chief executive officer, leading up to the completion of succession as CEO by November.

The announcement by Robi marks a culmination of the succession programme planned and executed over the past several years, according to the statement.

Earlier, Ahmed worked as the chief operating officer of Robi from April 2014 to March 2016. He joined Robi in 2010 as the chief financial officer, the position which he held until 2014.

years with Unilever where he held business and finance leadership positions, including the post of finance director in various operating companies like Unilever Pakistan, Unilever Arabia and Unilever Bangladesh.

Ahmed obtained honours and master's degrees in accounting from Dhaka University.

He is also a fellow member of Institute of Cost and Management Accountant of Bangladesh, FCMA & CGMA of Chartered Institute of Management Accountants (CIMA, UK). He is also an alumnus of the Harvard Business School.

# Weak consumer, capital goods curb US import prices

REUTERS, Washington

US import prices rose less than expected in June as rising costs for petroleum products were offset by declining consumer and capital goods prices, suggesting inflation could remain benign for a while.

The Labor Department said on Wednesday import prices increased 0.2 percent last month after an unrevised 1.4 percent jump in May. Economists polled by Reuters had forecast import prices rising 0.5 percent in June.

The modest increase likely reflects the lingering effects of the dollar's surge between June 2014 and December 2015, which continues to dampen imported inflation pressures and keep overall inflation below the Federal Reserve's 2 percent target.

US financial markets were little moved by the data. In the 12 months through June, import prices fell 4.8 percent, the smallest drop since November 2014.

Last month, imported petroleum prices rose 6.4 percent after soaring 16.3 percent in May.



Md Shaheen Howlader, head of SME and retail banking of Modhumoti Bank, attends the launch of 'Modhumoti Digital Banking' at Shiruail Union Digital Centre in Madaripur. The bank will provide banking services like account opening, cash deposit, cash withdrawal, money transfer and balance inquiry through the agent point.

# BASIC's newly rescheduled loans already turning bad

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BASIC, which succumbed to reckless lending during the tenure of its controversial chairman Sheikh Abdul Hye Bacchu between 2009 and 2013, is now trying to get back on its feet by rescheduling the loans lent then.

After restructuring the board and management in 2014, it moved to reschedule Tk 3,000 crore out of Tk 4,500 crore in bad loans.

The move is helping the bank in many ways. For instance, its bad loans and provisioning requirements have declined.

But most importantly, it is now able to make proper documentations against the loans and reduce the risks

as well. One of the best-run financial institutions until 2009, BASIC's downfall started when Bacchu took over as chairman in September that year.

The bank lent around Tk 5,500 crore during his tenure, most of which were approved and disbursed on inadequate documents and inflated mortgages. Of the amount, Tk 4,500 crore turned bad, throwing the once best state-owned bank into severe trouble.

Its dire state compelled the government to dissolve the Bacchu-led board in 2014 and appoint a new set, headed by Majid. The central bank also fired the then managing director of BASIC,

Kazi Faqurul Islam, for presiding over the irregularities.

Later, the bank has identified that about Tk 9,000 crore remained outstanding to only 214 borrowers and the majority of the loans were disbursed by the Bacchu-led board.

"It is a tough task to recover all the loans, but we are on track. It takes time," said the chairman.

The government provided Tk 1,578 crore to state banks last fiscal year to meet their capital deficit and yet it was not enough for the institutions.

Of the sum, BASIC was given Tk 1,200 crore, Sonali Tk 178.41 crore, Krishi Tk 140.08 crore and Rajshahi Krishi Unnayan Tk 55 crore.