

First Bangladeshi vehicle with commercial goods to reach India today

PALLAB BHATTACHARYA, New Delhi

The first Bangladeshi vehicle carrying commercial goods will reach India today under a four-nation deal for improved regulation of passenger and cargo traffic.

Fitted with a global positioning system to track its movement, the vehicle which entered India through a land border will reach the inland container depot at Patparganj in the eastern part of Delhi.

"It is a historic moment as a vehicle from Bangladesh carrying imported consignment has been allowed to come into India without changing trucks," said Vinayak Azaad, additional commissioner at the depot.

The vehicle entered India in late August via Petrapole border in West Bengal, he said.

There was no provision to allow trucks registered in India to enter Bangladesh and vice versa until the Bangladesh-Bhutan-India-Nepal Motor Vehicles Agreement was signed in June last year, Azaad said.

The agreement allows vehicles to enter each other's territory and does away with time-consuming transshipment of goods from one country's truck to another at the border.

A function will be held at the depot in Patparanj today to formally receive the vehicle and customs clearance, according to an official statement.

The Indian Ministry of Road Transport and Highways and the customs have played a significant role in ensuring hassle-free entry of the vehicle into India.

"We have coordinated with the road ministry and state police forces to ensure hassle-free movement of the vehicle to Delhi," Azaad said.

New ED for central bank



STAR BUSINESS DESK

Kazi Sayedur Rahman has recently been promoted to the post of executive director of Bangladesh Bank, the central bank said in a statement yesterday.

Prior to the promotion, he has been serving the central bank as general manager, according to the statement.

Rahman joined Bangladesh Bank as an assistant director in 1988 after completing BCom (hons) in accounting and MCom from Dhaka University.

He served the banking regulation and policy department of BB for around 10 years.

Indian wheat supplies tight, may boost low global prices

REUTERS, Singapore/New Delhi

Wheat traders and industry representatives in India expect the country to step up international purchases significantly over the coming months, providing a potential boost to global prices languishing near 10-year lows.

Production in the last two years has fallen well below the peak of 2014/15, reducing stocks to the lowest level in nearly a decade and pushing domestic prices close to record highs. Some traders expect them to climb still further this year.

India has already bought about 600,000 tonnes of wheat in 2016, the most in nine years, but traders expect the government to reduce or even abolish the 25 percent import tariff to make imports cheaper and ease a domestic supply squeeze.

"The supply situation is getting very serious," said Veena Sharma, secretary of the Roller Flour Millers Federation of India, the country's main wheat industry body.

"A review of the import policy may be a viable and rational option to bridge the gap between demand and supply in the domestic market. There is hardly any wheat available in the open market; production is much lower than the number the government is citing."

Ramped up imports by the world's second biggest wheat producing and consuming nation could help support global prices, which have

fallen this week amid a projected rise in world stocks to a record 252.8 million tonnes. India rarely enters the global market beyond buying a few hundred thousands tonnes annually.

The last time it bought more was in 2006, when surprise purchases of close to 7 million tonnes, combined with production problems elsewhere, helped fuel a near 50 percent rally in global prices. The Food Ministry declined official comment, but a senior government source said there was no cause for panic.

"Although we're keeping an eye on the situation, we don't see any shortage at the moment. At the same time, we'll encourage the private trade and flour millers to import as much as they can," said the source, who declined to be named because he was not authorised to speak to the press.

"In terms of various options available to us, we can always abolish or lower the import tax. Please remember that there's no need to worry, as the world has plenty of wheat." Trade and industry experts said India was likely to import large volumes.

"In my view, India will have to import at least 4 million tonnes of wheat. A broad estimate suggests our imports will hover around 5 or 6 million tonnes," said Tejinder Narang, a veteran New-Delhi industry expert.

In a sign of tightening availability, authorities last month reduced the allocation of wheat each flour mill can buy from the government's open market sales scheme to 500 tonnes from 5,000.

It was subsequently raised to 2,000 tonnes, following a protest from millers.

Domestic prices are strong and trading near record highs set in June. The spread between Indian and global benchmark U.S. prices has widened to an all-time peak.

India's farm ministry in August pegged 2015/16 wheat output at 93.50 million tonnes, up from 86.53 million tonnes a year ago, but most traders estimate production at about 84 million tonnes.

India's state wheat reserves, which on Aug. 1 stood at 26.9 million tonnes, are falling rapidly, and traders estimate a drawdown of 2.5-3 million tonnes a month up from the usual 1.5-2 million tonnes.

"It will be difficult to maintain buffer stock levels," said a trader based in southern India. "The talk among traders is India will be left with (stocks of) 5-6 million tonnes by April."

India's minimum buffer wheat requirement, set in 2010/11, is 7.5 million tonnes on April 1, ahead of the arrival of the new crop.

Wheat consumption is estimated to rise to 93.1 million tonnes in 2016/17, up around 11 million tonnes on 2010/11 levels U.S. Department of Agriculture data show.

Although traders said increased Indian purchases were unlikely to spark a price rally on the scale of that in 2006, with global stocks so plentiful, they could prove a boon to exporters such as Australia.



Aktar Hussain, chairman of Rangs Group of Companies, attends the REL Business Conference 2016 at Hotel Cox Today in Cox's Bazar. Rangs Electronics Ltd (REL) is popularly known as Sony-Rangs.



Faruq A Choudhury, chairman of Delta Brac Housing Finance Corporation Ltd, presides over a board meeting of the company in the capital. The company recommended 35 percent dividends for the year ending on June 30, 2016. QM Shariful Ala, managing director, was also present.

Fate of garment industrial park uncertain

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"Moreover, the cost of setting up factories in Bausia is too high."

BGMEA and Oriental International Holding Ltd of China signed an agreement in 2014 to develop the industrial park on 530 acres of land at a cost of \$2.3 billion.

The Bausia project, a joint venture of BGMEA and Oriental, was supposed to house more than 200 factories that would export goods worth \$3 billion-\$5 billion a year and employ nearly 300,000 workers.

"The Chinese company has left the project over land acquisition problems," Hedayetullah Al Mamoon, senior secretary to the commerce ministry, told The Daily Star.

"We are hopeful that a new company will start developing the project soon, so that the garment makers can shift their units there." He did not mention the name of the new developer.

The government cancelled the land acquisition process for the proposed industrial park as the Chinese investors failed to compensate the affected land owners within the stipulated time.

The industrial park, which was supposed to be completed within three years of signing the agreement, will have utility services, a central effluent treatment plant, daycare centres, waste-dumping yards, banks and insurance offices.

Brand Forum honours ad campaigns

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Closeup Kache Ashar Shahoshi Golpo won two Grand Prix in the best use of content and video in web categories.

In the integrated campaign category, which is regarded as the comprehensive category, the campaign Grameenphone Prothom Bijoyollash (the first exultation) -- conceived and executed by Grey Advertising Bangladesh -- won Grand Prix.

The winning advertising agencies include Mindshare Bangladesh of Asiatic 3Sixty, Adcomm, Bitopi Leo Burnett, Strategieek Digital, Outbox, Sun Communications, Magnito Digital, Analyzen Bangladesh, BagherBachcha Digital, Protishabda Communications, Mighty Byte, Dope

Productions, YOLO, Half Stop Down and Facecard.

About 500 professionals from business organisations and marketing and creative agencies attended the award giving ceremony which took place at the end of the daylong Communication Summit at the same venue.

COMMWARD is an initiative of BBF which has been recognising advertising in business and marketing since 2009.

Organised in association with Cannes Lions and The Daily Star, this year's award was supported by Le Méridien Dhaka, Marketers Society of Bangladesh, television channel GTV, IT firm Aamra, Masthead PR, digital and social media marketing agency WebAble Digital, and photography agency Aatosh.

UK economy will suffer after Brexit vote: British PM

REUTERS, Hangzhou

Britain's economy will suffer as a result of the decision to leave the European Union despite signs in recent economic data that the impact has not been as severe as some predicted, Prime Minister Theresa May said on Sunday.

The June decision to leave the 28-country EU sent financial markets into shock in anticipation of a recession as Britain enters a years-long process of tearing itself away from its biggest trading partner and forging a new global economic role.

Sterling surged on Thursday after a stronger-than-expected survey of manufacturers offered the best signal yet that Britain's economy is performing better than many had initially feared.

Nevertheless, May predicted that the vote would damage the economy and said the government would continue to monitor economic data in the coming months before setting out its fiscal response to protect the economy later this year.

"There will be difficult times ahead," May told reporters on her way to a G20 summit in Hangzhou, China.

"We've seen figures giving some different messages in relation to the economy

at the moment. I think the reaction of the economy has been better than some had predicted post- the referendum, but I won't pretend it's going to be all plain sailing."

May was accompanied by Bank of England Governor Mark Carney, who launched a monetary stimulus package last month and forecast the economy would flatline for the rest of the year, and finance minister Philip Hammond, who has signalled a need for fiscal stimulus to protect growth.

Asked for her view on the need for a "fiscal reset" - a phrase used by Hammond on a separate trip to China in July - May said the government's response was not yet set in stone.

"We will be looking at this issue," she said. "We have to take all the data into account; by the time of the autumn statement there will be more data available. We'll have a better picture of what is happening."

No date has been set for the autumn budget statement, which May said would be when the government laid out its new fiscal position. Hammond is expected to loosen the grip of his predecessor George Osborne on the public purse by pushing back a target to run a budget surplus by 2020.

China, US pledge to refrain from competitive currency devaluations

REUTERS

China and the United States on Sunday committed anew to refrain from competitive currency devaluations, and China said it would continue an orderly transition to a market-oriented exchange rate for the yuan.

A joint "fact sheet", issued a day after US President Barack Obama and his Chinese counterpart Xi Jinping held talks, also said the two countries had committed "not to unnecessarily limit or prevent commercial sales opportunities for foreign suppliers of ICT (information and communications technology) products or services".

While China and the United States cooperate closely on a range of global issues, including North Korea's disputed nuclear program and climate change, the two countries have deep disagreements in other areas, like cyberhacking and human rights. Both countries said they would "refrain from competitive devaluations and not target exchange rates for competitive purposes", the fact sheet said.

Meanwhile, China would "continue an orderly transition to a market-determined exchange rate, enhancing two-way flexibility. China stresses that there is no basis for a sustained depreciation of the RMB (yuan). Both sides recognize the importance of clear policy communication."

China shocked global markets by devaluing the yuan in August 2015 and allowing it to slip sharply again early this year. Though it has stepped in to temper losses in recent weeks, the currency is still hovering near six-year lows against the dollar.

Xi and Obama met in Hangzhou in eastern China where leaders from the world's 20 leading economies, the G20, were gathering for a summit on Sunday and Monday.

Cash, not grains for two social safety projects

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Under the programme, women-led poor families -- particularly those widowed, divorced or abandoned -- will be given priority, said the guidelines.

The extreme poor families with children will be given preference as well. Those under the Vulnerable Group Development programme of the government's social safety net scheme will not be included.

To select the beneficiaries, a five-member committee will be formed at the upazila level, with a government official at the level acting as head of the body.

The members of the committee will include the union parishad chairman and two noted persons of the union. An upazila level committee headed by the local lawmaker will scrutinise the list. For every 500 households there will be a dealer, and the dealers will sell the rice to the target group as per the list prepared by the committee.

The government introduced a similar project in February 2011 to distribute rice at lower than the market price to the grassroots poor. The scheme, which was called the 'fair price card' scheme, is currently dormant.

Garment exports to US on the rise

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The companies blamed a variety of temporary factors -- such as delayed inventory shipments, bad weather, and fewer international tourists -- for the slowdown in business.

But Americans are increasingly spending less on clothes and home furnishings, a trend that could hurt the companies' businesses for years to come.

While lower gas prices mean consumers theoretically have more disposable income, the Commerce Department recently reported that US retail sales were flat as shoppers have other priorities.

A recent report by Morgan Stanley shows that millennials are spending more on expenses like rent, cellphones, and personal services than young people a decade ago. This leaves less money for buying clothes, the Business Insider said.

In apparel export, Bangladesh does not enjoy duty benefit in the American markets. As a result, Bangladesh's competitiveness eroded by 15.62 percent, Vietnam 8.38 percent, China 3.08 percent and India 2.29 percent.



Officials of Butterfly Marketing Ltd pose during a six-day visit to Korea at the invitation of LG Electronics. MA Mannan, managing director of Butterfly Marketing Ltd, led the 38-member delegation.