



Talukdar Noman Anwar, country head of communications for HSBC Bangladesh, and Md Khairul Islam, country director for WaterAid Bangladesh, attend an event to celebrate World Water Week 2016 with the children of T&T Adarsha Girls High School in Mohakhali and BK Aftab Govt Primary School in Tejgaon to teach them about the importance of proper use of water. HSBC Bangladesh and WaterAid Bangladesh organised the event.

## India's Rajan warns against low rates worldwide

India's outgoing central bank chief Raghuram Rajan warned countries against a rush to low interest rates as his tenure as governor of the Reserve Bank of India came to an end. Rajan, who famously predicted the 2008 global financial crisis, told the New York Times that central banks across the world would find it hard to raise rates again for fear this "would see growth slow down". The 53-year-old, who clashed with the Indian government over the speed of cuts, said low interest rates should not be an alternative to reforms that may be needed to boost growth, according to the paper. Interest rates are low across many major economies, including in the United States, Europe, and Japan -- where rates are in negative territory -- but they have yet to stimulate a sluggish global economy. "Often when monetary policy is really

easy, it (low interest rates) becomes the residual policy of choice," the newspaper quoted Rajan as saying, adding that "other instruments of policy" may be needed to encourage economic growth. Rajan, who was immensely popular amongst the Indian public and media during his tenure, officially stepped down on Sunday, with deputy governor Urjit Patel taking over. Rajan was widely credited with bringing inflation down in India, stabilising the rupee and creating a stable environment for growth. He slashed interest rates to their lowest level since 2011 but angered some in the ruling Bharatiya Janata Party (BJP) who wanted deeper cuts intended to boost growth further. The former governor, who returns to a life of academia in Chicago, told the New York Times in the article published Sunday he did not think that was the reason his three-year-term was not renewed by the government.

## UAE eases visas for Chinese visitors

Chinese visitors to the United Arab Emirates will now be granted visas on arrival, the Gulf state's prime minister announced on Sunday, in a new bid to boost tourism. China, the world's second-largest economy, has a burgeoning and increasingly prosperous middle class that is travelling abroad in numbers greater than ever before. "We have approved a decision to grant visas on arrival at the country's airports to visitors from the Republic of China," said Sheikh Mohammed bin Rashid al-Maktoum, who is also the ruler of Dubai. "Our relations with China are strategic and a priority," he added in remarks published on his official Twitter account. Chinese tourists previously had to obtain visas before travelling to the UAE. The UAE has invested billions of dollars over more than a decade to put itself on the map as a regional business and tourism hub. Among the UAE's seven emirates, Dubai is the most attractive for tourists. More than 14.2 million people visited Dubai in 2015, but the target is 25 million by 2020 when the Gulf emirate hosts the global trade fair Expo 2020. In February, local media quoted Dubai Tourism chief Issam Kazim as saying that 450,000 Chinese visitors made the trip to the emirate in 2015, in a 29 percent increase over the previous year.

## Record jump in UK services sector

Activity in Britain's crucial services sector recorded a record jump in August, rebounding strongly from a slump immediately following the country's vote to exit the EU, a survey showed Monday. The latest Purchasing Managers' Index data mirrors a strong recovery for the manufacturing PMI month-on-month, indicating that Britain is likely to avoid a recession following the outcome of the Brexit referendum in June, at least in the short term, according to analysts. The PMI for the services industry surged to 52.9 points in August, from 47.4 in July. The figure had stood at 52.3 in June ahead of the referendum. A reading under 50 indicates shrinkage to activity. "A record rise in the services PMI adds to the encouraging news seen in the manufacturing and construction sectors in August to

suggest that an imminent recession will be avoided," said Chris Williamson, chief business economist at survey compiler IHS Markit. "Uncertainty has certainly eased considerably, helped by the swift settling-in of a new government and central bank stimulus. "However, although improving on July's seven-year low, business confidence is still at one of its lowest levels seen over the past four years," he added in comments accompanying the data. The Bank of England and analysts still expect Britain's economy to struggle in the coming months as the government negotiates its exit from the European Union. Prime Minister Theresa May wants to control immigration from the EU while retaining strong trading ties, despite warnings from other nations that single market access is incompatible with limits on the free movement of people.

## Russia, Saudi agree cooperation on oil price but not freeze

The world's two biggest oil producers Saudi Arabia and Russia said Monday they had agreed to "act together" to try to stabilise oil prices, but failed to make headway on a production freeze. The two nations "noted the particular importance of constructive dialogue and close cooperation between the largest oil-producing countries with the goal of supporting the stability of the oil market and ensuring a stable level of investment in the long term," the energy ministers from both countries said. Their comments came in a joint statement after a meeting at the G20 summit in China. "To this end the ministers agreed to act together or in cooperation with other oil producers," the statement said, adding they had agreed to set up a "joint monitoring group" to offer recommendations aimed at preventing price fluctuations. Russia's Energy Minister Alexander Novak described the announcement as marking a

"new era" in cooperation between Russia and Saudi Arabia and insisted it would have a "critical significance" for oil markets, news agency Interfax reported. But there were no details in the announcement on any elusive agreement to freeze oil output, just weeks before Moscow and OPEC meet in Algeria to discuss the crisis. The globe's major oil producers have been unable to strike a deal on freezing output, due mainly to a dispute between Saudi Arabia and Iran over Tehran's desire to raise production levels after the lifting of sanctions. Saudi Arabia's Energy Minister Khaled al-Falih told Al-Arabiya television channel there was "currently no need to freeze production" after meeting Novak. "A freeze is one of the preferred options but it is not needed for the moment," he said. President Vladimir Putin met Saudi Deputy Crown Prince Mohammed bin Salman on the sidelines of the G20 on Sunday and said they would work to address a global glut and overproduction that has hammered prices for the past two years.

## Oil pares gains after Saudi, Russia sign pact

Crude oil futures pared gains on Monday after top producers Russia and Saudi Arabia said they have agreed to cooperate on stabilising the oil market, including limiting output. Brent crude futures for November delivery were up \$1.12 per barrel at \$47.95 a barrel at 11:25 GMT, after hitting a session high of \$49.40 U.S. crude for October delivery was up \$1.11 a barrel at \$45.55 a barrel, after reaching a high of \$46.53 a barrel earlier in the session. Saudi Arabia and Russia said on the sidelines of the G20 summit in China that they signed an agreement to set up a task force to review oil market fundamentals

and to recommend measures and actions that will secure market stability. Russian Energy Minister Alexander Novak said the two countries were moving to a strategic energy partnership and that a high level of trust would allow them to address global challenges. Saudi energy minister Khalid al-Falih told a UAE-based television channel he was optimistic about cooperation with other producers ahead of a meeting this month in Algiers, adding freezing production is not the only solution. Saudi deputy crown prince told Russian President Vladimir Putin on the sidelines of the same summit that cooperation between the two countries would bring benefit to the global oil market.

## Dollar weakens as emerging markets gain

The dollar weakened and emerging markets rose after Friday's US jobs data cooled speculation that the Federal Reserve will raise interest rates this month. Oil surged, then pared gains as Saudi Arabia's energy minister released details of talks with Russia. The greenback fell against most of its major peers, with South Africa's rand and Asian currencies among the biggest climbers. The MSCI Emerging Markets Index had its biggest two-day advance in a month and the Stoxx Europe 600 Index closed at a four-month high. The pound was little changed, trimming earlier gains after a gauge of UK services jumped the most on record. Financial markets in Canada, India and the US were shut for holidays. While Friday's US payrolls data showed hiring moderated more than economists forecast in August, the estimate of the number of jobs added in July was revised higher and financial markets still reflect the potential for a September interest-rate increase.



Rajeev Gopalakrishnan, chairman of Bata Shoe Company (Bangladesh) Ltd, presides over the 44th annual general meeting of the company, on the premises of its factory in Tongi, Gazipur yesterday. The shareholders approved the audited financial statements and 320 percent cash dividends for 2015. Chitpan Kanhasiri, managing director, was also present.

## Iran banks to set up in Germany

Two private Iranian banks will open branches in Munich, officials confirmed Monday, as the Islamic republic looks for ways around ongoing barriers to international financing. The central bank announced late on Sunday that Middle East Bank and Sina Bank would set up in Germany's Bavaria state, following a visit by local economy minister Ilse Aigner to Tehran. "This is a first since the revolution of

1979. We hope to open our branch by the end of 2016," Parviz Aghili, director general of Middle East Bank, told AFP. Iran's central bank is also now working with its German counterpart and several banks in the country to settle oil exports in euros. "The central bank is focused on developing banking relations with other countries," said Akbar Komeijani, vice president of the central bank, in a statement on its website.

## Indian services growth at 3-1/2 year high in August on strong demand

Growth in India's services industry accelerated to its fastest pace in more than 3-1/2 years in August, driven by a surge in domestic and foreign demand, but companies had a tough time raising prices, a private survey showed on Monday. The findings, coupled with a similar survey last week that found Indian factory growth expanded at a brisk pace in August, paint a brighter outlook for Asia's third-largest economy after official data showed overall economic growth slowed sharply in the April-June quarter. The Nikkei/Markit Services Purchasing Managers' Index jumped to 54.7 in August, its highest since January 2013, from July's 51.9. It marked the 14th straight month that the index has been above the 50 level that separates growth from contraction on a monthly basis. "The service sector showed upbeat levels of performance in August. New business was the main driver of activity growth, even amid increased competition for new work," said Pollyanna De Lima, an economist at survey compiler Markit. "It was encouraging to see rates of expansion in output and incoming new work reaching 43- and 42-month highs, respectively."

The new business sub-index surged to 54.5 in August, the highest since February 2013, from 51.7. Despite the jump in new business, firms only managed to raise selling prices marginally, suggesting overall inflation could remain muted over the coming months, giving the Reserve Bank of India some scope to ease policy further. Consumer inflation in India was 6.07 percent in July, above the RBI's March 2017 target of 5 percent. Economists polled by Reuters expect

just one more 25 basis point repo rate cut to 6.25 percent in the final three months of this year. But the survey also showed firms cut jobs in August for the first time in almost a year, although business expectations climbed the most since January 2015, indicating companies are optimistic about the future. The composite PMI, which includes both manufacturing and services, rose to 54.6 in August, the highest since February 2013, from 52.4.



Golam Hafiz Ahmed, managing director of NCC Bank, and Ikram Farazy, managing director of NEC Money Transfer Ltd, UK, exchange the signed papers of a remittance drawing agreement at a programme. Bangladeshi expatriates in 31 European countries can now remit money to Bangladesh through NCC Bank, TMSS and Ansar-VDP Unnayan Bank.



Porters prepare to load goods onto a train at a railway station in Kolkata.