Indian buyers purchased around 76,000 tonnes Ukrainian wheat

REUTERS

Indian importers have purchased around 76,000 tonnes of Ukrainian-origin wheat in the past couple of weeks as India increases its wheat imports after a poor crop, European traders said on Tuesday.

One shipment of around 51,000 tonnes was purchased for September shipment and another of 25,000 tonnes was bought for October shipment, they said.

It is possible that more could have been purchased, they said.

The deals were in addition to wheat bought by India from Ukraine reported in early September.

"For Indian imports, much will depend on whether the Indian government decides to end or prolong its import duties on wheat," one trader said.

In June, the Indian government extended the 25 percent tax on wheat imports but gave no time scale for the extension.

Wheat traders and industry representatives in India said on Sept. 2 they expect the country to increase international wheat purchases significantly over coming months after disappointing harvests.

India has already bought about 600,000 tonnes of wheat in 2016, the most in nine years and recent purchases could have brought the total close to 900,000 tonnes, traders said.

"If India decides to keep the import duty in place there is speculation that some recent purchases may not be delivered," another trader said.

REUTERS/FILE

Workers stand as a crane loads wheat onto a ship at Mundra Port in Gujarat.

Vietnam to delay TPP ratification: lawmaker

AFP, *Hanoi*

Vietnam will delay ratifying the Trans-Pacific Partnership (TPP) until after the US elections, a lawmaker said Wednesday, in the latest blow to the massive trade pact.

Prospects that the 12-country deal could be ratified in Washington this year have dimmed, with US lawmakers casting doubt on whether President Barack Obama's signature Pacific trade deal will receive substantial backing or even come to a vote.

Both US presidential hopefuls Donald Trump and Hillary Clinton have said they oppose the TPP, raising questions about the future of the pact come the November ballot.

Vietnam, which stands to gain enormously from the trade deal that spans 40 percent of the world's economy, had set a July target to approve it, according to the government's website.

But a member of the National Assembly, or parliament, told AFP Wednesday the deal would not be discussed in the next parliamentary session that opens on October 20 and runs until mid-November.

"The important issue here is to find a proper time to discuss and ratify the trade deal. Everybody knows that the US is the most important member in this deal and the country is in the middle of an election," Dung Trung Quoc told AFP.

"Therefore, Vietnam pushing back the discussion of TPP is only normal," he said, adding that the pact still had full support from parliament.

Lufthansa signs joint venture with Air China

AFP, *Frankfurt*

German airline Lufthansa and Air China said on Tuesday they had signed a deal to jointly operate all the groups' connections between Europe and China.

"The Chinese aviation market is one of the most important growth markets worldwide. We want to profit from this growth together," Lufthansa chief executive Carsten Spohr said in a statement.

The Chinese flag carrier and Lufthansa, Europe's largest airline, have had a joint venture in their sights since signing a memorandum of understanding in 2014.

The move is "another major step of Air China's globalisation strategy," chairman Cai Jianjiang said.

Yen strengthens on scepticism about BOJ's new framework

REUTERS, *London*

The yen rebounded on Wednesday, with investors skeptical about whether the Bank of Japan's latest measures will be enough to generate inflation and many also cautious about the dollar before the Federal Reserve policy announcement.

Japan's central bank has overhauled its massive stimulus program, scrapping its focus on monetary base and setting targets for long-term rates. It also committed to overshooting its elusive 2 percent inflation target.

The BOJ maintained the 0.1 percent negative interest rate for some of the excess reserves that financial institutions park with the central bank. But it abandoned its base money target and instead set a "yield curve control," under which it will buy long-term government bonds to keep 10-year bond yields around their current zero percent.

The BOJ's measures boosted global risk sentiment and banking stocks and initially put pressure on the safe-haven yen, which tends to do well when financial markets comes under stress. But the yen bounced back to trade higher against the dollar and the euro in the European session.

"The announcements likely won't eradicate the scepticism in the market over the BOJ's ability to achieve its inflation goal through additional easing," said Derek Halpenny, European head of market research at Bank of Tokyo Mitsubishi.

"The strengthening of the inflation goal by now seeking an overshoot is all well and good, but if there is deep doubt over reaching even 2 percent, there will be even greater doubt over achieving an overshoot. So there is nothing in today's announcement to make us turn suddenly yen bearish.

The dollar, which had risen more than 1 percent to a one-week high of 102.79 yen, fell to 101.40 yen, down 0.3 percent on the day. BOJ Governor Haruhiko Kuroda's upbeat comments on the economy also helped the yen.

The euro, which had surged to 114.36 yen, was trading at 113 yen, down 0.35 percent on the day.

Traders said the BOJ's move to boost inflation surprised those who doubted that the central bank had much left in its arsenal. The BOJ's announcements initially saw the yen weaken in Asian trade before it regained ground in Europe.

Investor attention will now shift to the Fed. The U.S. central bank is expected to leave interest rates unchanged at 0.25 percent to 0.50 percent and could hint at a rate increase by the end of the year.

Nevertheless, weaker-than-expected U.S. economic data and subdued inflation and wage growth have prompted investors to call off bets for a Fed rate hike on Wednesday.

New Russian parliament faces tough economic times

AFP, *Moscow*

A crushing victory for Russia's ruling party at parliamentary polls has been hailed as a big win for President Vladimir Putin -- but for the deputies elected it might just prove a poisoned chalice.

With Russia locked in a damaging economic crisis and its cash piles dwindling, the authorities are facing a balancing act -- juggling the need to slash spending against keeping Putin's popularity high ahead of presidential elections set for 2018.

Eventually, analysts agree, the country will need to carry out tough reforms -- potentially increasing the age of retirement, cutting back on job security and raising taxes.

But for now there is little doubt which way the wind is blowing -- ensuring Putin gains a fourth term is the priority and any radical changes are on ice until then.

"Changes are definitely coming. They will be unpopular and controversial but they are now inevitable as the country can no longer afford not to make these changes," said economist Chris Weafer of Macro Advisory told AFP.

"But I don't see any possibility of any of these measures being even publicly debated until after Putin is re-elected in March 2018."

Analyst Alexei Makarkin wrote in Vedomosti business daily Tuesday that the new Duma -- which is entirely subservient to the Kremlin -- will be forced to adopt "unpopular but necessary" measures, but only following the 2018 elections.

Austerity measures already adopted in the past few years have included major job cuts in the public sector and caused the purchasing power of state employees and pensioners to fall.

Although the measures did not undermine Putin's popularity, they resulted in a string of small-scale protests and strikes in different parts of the vast country -- a rarity as protest activity stands at an all-time low.

Russia's economy contracted 3.7 percent in 2015, mostly due to a crash in global oil prices, and is expected to drop by at least 0.5 percent this year before a small bounce back in 2017.

The crisis has seen Russians' living conditions slip, with the population's real earnings last month falling 8.3 percent year-on-year.

Putin has pledged to push forward with liberal reforms but has dismissed the possibility of "shock therapy" changes like those in the 1990s that swiftly transformed Russia into a market economy but wiped out savings and jobs.

While major reforms are not on the cards for now, some in the Russian government appear to be pushing for spending cuts to go further faster.

The Russian press has reported that the country's finance ministry could be lobbying for the next budget -- to be debated in the legislature next month -- to include spending cuts for the oil industry, state media, space programmes and the military.

Suggestions of slashing the military budget -- which already represents more than five percent of GDP and has considerably increased in the past decade -- seem to be have unleashed a power struggle between different factions of the Russian government and business community.

Russia's Kommersant daily reported that Finance Minister Anton Siluanov and Defence Minister Sergei Shoigu had heated exchanges at a recent government meeting addressing the rearmament of the Russian military, which is conducting a bombing campaign in Syria in support of the regime.

These behind-the-scenes power struggles come as the finance ministry has warned the government against depleting its financial reserves built up from oil export revenue in previous years when crude prices were high.

"As always it will be Putin who will act as arbitrator in this battle," Weafer said.

Putin will be reluctant to cut spending on defence and social programmes -- precisely what the finance ministry has reportedly been calling for -- but would also dread weakening the country's already fragile financial situation which could spur higher inflation that would quickly hit the pocketbooks of Russians.

"He will not want to risk Russia being placed in a vulnerable financial position," Weafer said. "To be seen by the West to be in that position would undermine his geopolitical bargaining position as well as risk losing public support at home."

China-funded roads get green light

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The preliminary cost of the project has been estimated at Tk 25,573 crore. After detailed appraisal, the cost may shoot up.

A non-binding preliminary agreement was signed last year for this as well.

Kolatoli-Inani-Shilkhali marine drive spanning 48km has already been built with the government's own fund, with another 32km of Shilkhali-Teknaf-Sabrang highway currently under construction.

When the new marine drive is completed, economic activities in the region will increase and the tourism industry will get a boost, said the proposal. Besides, the marine drive will play a big role in connectivity with the Asian Highway and Bangladesh-China-India-Myanmar corridor.

When the government gives consent, the state-owned company will ensure financing of the projects by the Chinese government, road ministry officials said.

The two projects were approved under the new policy for implementation of projects with soft loans from China.

Bangladesh will continue to allow China to select contractors only for priority projects financed with low-cost loans from Beijing, as Dhaka's efforts to enforce limited bidding are yet to produce any positive outcome.

The cabinet committee made the decision in August. However, before taking the decision, approval has to be taken from the cabinet committee on economic affairs.

For more than a year, the government has been pushing for putting in place a limited tendering system for all projects funded with concessional loans from China.

But the issue remains pending as China has not given its final decision on the limited tendering despite agreeing on the issue and exchanging several letters and holding talks over a period of more than a year. This prompted the government to take a decision to follow a two-way policy for projects financed with low-cost loans from China.

BTRC seeks support of police to track illegally registered SIMs

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The culprits took the advantage of customers' unawareness, according to the letter.

Now the retailers or distributors are making money by selling those SIMs at high prices in the open market. Police had earlier seized lots of SIMs which were re-registered illegally in different parts of Dhaka, Chittagong, Mymensingh and Natore.

The country's six mobile operators re-registered 11.60 crore SIMs through biometric verification under a process that started on December 16 last year and ended on May 31 this year.

The government also plans to take an initiative to cross-check the information of the re-registered SIMs with the database of the Election Commission to find out which mobile connections bear duplicate fingerprints or fake national identity cards.

The Election Commission may lead the initiative, for which a meeting was held at BTRC office in presence of State Minister for Telecom Tarana Halim and senior officials of the National Identity Registration Wing (NIDW).

However, the government is yet to take a decision on how to cross-check the information, said Brigadier General Sultanuzzaman Md Saleh Uddin, project director of NIDW.

A decade on, but no good news for victims of Jubok scam

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Shitangshu Kumar Sur Chowdhury, a deputy governor of the central bank, said the commission led by former Bangladesh Bank Governor Mohammed Farashuddin received a number of claims but those have not been ascertained. "A list of the affected people was prepared to gauge what has actually happened at Jubok and the gravity of the situation. It would be a mistake if people think that the list was made to return the money to the affected clients."

"The commission chief made a primary assessment, not a commitment," he said. Muhith said the commission received more than 500 applications from the supposedly conned people, but nobody went to court.

"Investment in fictional companies is nothing new in Bangladesh. People get cheated but again go after them."

"What the government can do is to stop the scope so people don't get cheated. Our objective is to protect public interest. We are taking different steps so it doesn't happen."

Formed in 1994, Jubok lured in funds by promising abnormal returns. After getting wind of its duplicitous activities, the central bank shut it down in 2006.

To date, 3.03 lakh people have claimed money by producing documents against four Jubok concerns including Jubok Housing and Real Estate Development Ltd.

To find ways to return the swindled funds, the government formed two commissions in 2010 and 2011, headed by Farashuddin and former Joint Secretary Rafiqul Islam respectively. Due to the enormity of the tasks, both the commissions recommended for a permanent commission.

In August 2014, the government formed a seven-member inter-ministerial committee to review the recommendations of the previous two commissions.

The committee, which handed in its report to the commerce ministry in December 2014, too called for a permanent commission. That commissioned has not been formed yet.

Release of probe report deferred again

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Muhith said Bangladesh's ambassador to the Philippines met the new president of the country and invited him to visit Bangladesh.

President Rodrigo Duterte told the ambassador that he will not visit Bangladesh until his country returns the money, the finance minister added.