

Gold prices extend gains in technical rebound

REUTERS, Bengaluru

Gold prices rose on Wednesday, extending gains after it hit a near two-week high in the previous session, on a technically-driven rebound in thin volume amid a slightly weaker dollar.

Spot gold was up half a percent at \$1,143.98 an ounce by 0636 GMT. Gold hit its strongest since Dec 14 on Tuesday at \$1,148.98.

US gold futures also rose 0.5 percent at \$1,144.50 per ounce.

"Currently we do not see many strong fundamental reasons to push gold prices further down. However, after the Fed conference in December, there should be some technical rebound in gold prices," said Jiang Shu, chief analyst, Shandong Gold Group.

"Since there are a few trading days left until the end of this year we think that the rebound will not be very strong."

Spot gold may bounce to \$1,210

per ounce before falling towards its Dec. 15 low of \$1,122.35 in the next three months, according to Reuters technical analyst Wang Tao.

Reflecting bearish investor sentiment, assets in the SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.14 percent to 823.36 tonnes on Tuesday. Holdings are down about 13 percent since the US presidential elections.

"Currently there are very strong expectations of more rate hikes next year," said Shu, adding that declining gold prices have had a negative impact on the bullish sentiment in physical gold prices.

The Federal Reserve raised U.S. interest rates earlier this month for the first time in a year and signalled three more increases next year from the previous projection of two.

US consumer confidence shot to its highest in more than 15 years in December as Americans saw more strength ahead in business conditions, stock prices and the job market

following the election of Donald Trump as president in November.

The upbeat data helped underscore expectations that the U.S. central bank would raise interest rates at a faster pace next year, which lowers demand for non-yielding assets such as bullion, while boosting the dollar, in which it is priced.

The dollar index, which measures the greenback against a basket of currencies, was down 0.1 percent at 102.90.

"We don't think much will be going on in the markets for the balance of the week. Sharp moves in either direction must be weighed against the fact that liquidity remains fairly light," INTL FCStone analyst Edward Meir said in a note.

Silver was down 0.3 percent at \$15.90 an ounce. The metal rose nearly 1.5 percent on Tuesday.

Platinum was up 0.5 percent at \$904.70 and palladium rose 0.5 percent at \$674.47, after rising over 2 percent in the previous session.



Hossain elected vice chairman of Standard Bank

STAR BUSINESS DESK

SAM Hossain has been elected as vice-chairman of Standard Bank Ltd, according to a statement.

He started his business career in the field of electronics in 1980. Now he is the chairman and managing director of Victor Group and proprietor of Victor Electronics.

He is also the chairman of Hotel Victory Ltd, Link Up Steel Mills Ltd, and Eastern Metal Ind (Ctg) Ltd.



Edison Group Managing Director Jakaria Shahid, Director of Marketing Ashraful Haque, Terre Des Italia's Country Representative Iole Valentina Lucchese and Project Manager Silvia Rovelli attend an agreement signing ceremony. Under the deal, over 200 feature phones and 20 smartphones will be handed over to the officials of TDH Italia. The mobile phones will be distributed by TDH Italia among the underprivileged slum girls at Pallabi in the capital. Edison Group markets Symphony branded mobile phones.

Emirates plans expansion in Bangladesh

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"We are very excited that Emirates is observing 30 years of operations in Bangladesh, and it shows the sustainability that we have; the commitment that we have to our customers of Bangladesh."

He cited the inclusion of Bangladeshi movies in Emirates's in-flight entertainment programme as a case in point.

Emirates's in-flight entertainment programme, known as ICE, contains more than 2,500 channels including Bangladeshi movies on six channels.

Hassan, who joined Emirates as a management trainee in 1996, said there is a room to improve the channels to better cater to the Bangladeshi customers.

"Plans are always there. Apart from movies, we will definitely look to add Bangladeshi dramas, music videos and other entertainment products into the ICE system. And we want to make sure that we cater to all those customers in the 154 destinations that we fly to."

Asked about business lounge facilities for its flyers from Dhaka, he said it is not possible to set up its own lounge at Hazrat Shahjalal International Airport for business class passengers at present as there are space constraints.

However, with a terminal coming in at the airport, Emirates will have its own dedicated lounge for business class passengers.

At present, the airline's business class passengers can enjoy the services and facilities provided at the Balaka Lounge.

Asked about the possibility of increasing the number of flights from Dhaka, he said

they don't have any plan to add more flights from Dhaka in near future.

Established in 1985 in Dubai, Emirates has emerged as the leading airline in the world.

"The key factor of Emirates' success is Dubai. Both Emirates and Dubai complement each other," said Hassan, who took charge of the airline's operations in Bangladesh in August 2013.

The airline has 253 aircraft, including 89 Airbus A380-800, in its fleet, which is the youngest in the world.

The average age of Emirates's aircraft is only 68 months in contrast to about 144 months for others, according to Hassan.

It will add 227 more aircraft, including 53 Airbus A380-800 and 115 Boeing 777-9Xs, in its fleet in the coming years.

"If you want to go to any part of the world, you will find that Emirates is either running its own flight there or has a partnership with another airline to take you there."

Hassan cited Emirates's code-share partnership with American low-cost airline JetBlue Airways as a case in point.

JetBlue offers connection options from Fort Lauderdale-Hollywood International Airport (FLL), the newest destination in Emirates's direct flight from Dubai, to over 26 destinations in the US and 19 destinations throughout the Caribbean and Latin America.

FIL, which is the airline's 11th destination in the US, serves the Miami and South Florida areas, and Emirates passengers can travel beyond this region with JetBlue.

BB to be tough on borrowers

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In 2013, the BB allowed defaulters to reschedule loans by paying only 1-2 percent of their loans as down payment.

The privilege was offered as businesses were affected by political unrest ahead of the January 2014 national election.

Generally, a defaulter can reschedule loans for the first time by paying a 10 percent down payment of the outstanding amount.

Defaulted borrowers, including the willful defaulters, took that special benefit to reschedule their loans.

According to bankers, half the borrowers who rescheduled loans under the facility have become defaulters now.

"We are in serious trouble with them as we have to keep provision against these loans from our profits," said a chief executive officer of a private bank.

However, chief executive of another bank

was of a different view on the BB stance on rescheduling the defaulted loans.

"I don't see anything wrong with rescheduling these loans if borrowers fulfil the central bank's rules in this regard," he said.

As of September 2016, the cumulative non-performing loans (NPLs) of the banks reached Tk 65,731 crore or 10.34 percent of the total outstanding loans. In terms of percentage, it is the highest since June 2014, according to the central bank.

If the written-off loans are added to the NPLs, the amount will stand at Tk 110,000 crore.

Analysts blamed the rising NPLs on the political turmoil from 2012 to 2015, loan scams, incoherent rules taken by the central bank and poor governance.

The diversion of loans into the purchase of lands is another reason behind the rise in NPLs.

Limited tendering for projects funded by China

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The proposed company for implementing the project is China North Industries Corporation.

Another proposal was for replacement of overloaded distribution transformer for providing reliable electricity under the Rural Electrification programme.

Non-binding preliminary agreements have been signed with several Chinese companies for implementing the project.

The Power Division also proposed to implement the Gazaria 350-megawatt coal-fired thermal power plant through a Chinese joint venture company -- Power Construction Corporation of China and Hubei Hongyuan Power Engineering.

Also at yesterday's meeting, the cabinet committee approved a roadmap for the tea sector involving Tk 976 crore.

The move is expected to boost production, create 30,000 additional permanent jobs and

improve the workers' standards of living.

The plan has been prepared by the commerce ministry.

Of the sum, Tk 834 crore will be mobilised as loans and the remainder will be grants. The roadmap will be implemented from 2016 to 2030.

Funds may come from the government's own coffers, according to the proposal.

In such a scenario, loans can be given from Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank at bank rates or subsidised interest rate.

Funds may also come from development partners such as the European Commission, the DFID, the Japan International Cooperation Agency, the United Nations Development Programme, the Asian Development Bank and the World Bank.

Alternatively, funds can be raised both from the government and development partners, according to the plan.

Fuel price cuts in Jan

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A 10-percent cut in petroleum price will lead to a rise in both the gross domestic product and private investment by about 0.3 percent, according to the Centre for Policy Dialogue, a think-tank.

Inflation will come down by 0.2 percentage points, it said earlier in January. Export, on the other hand, may increase 0.4 percent.

Households are likely to be benefitted, with a 0.6 percent rise in consumption on average, while firms' income may increase by the same margin.

The consumption of households in rural areas is expected to increase 0.7 percent.

This analysis also reflects the finance minister's comment made yesterday.



Noor-E-Alam Chowdhury, a lawmaker, inaugurates the 449th branch of Pubali Bank at Shibchar in Madaripur. Syed Moazzem Hussain, a director of the bank, and Md Abdul Halim Chowdhury, managing director, were also present.

After Asia, palm oil faces backlash in Africa

AFP, Libreville

Its lower cost has made it popular in commercial food production, but after being blamed for deforestation in Asia, palm oil plantations are now getting a similar rap in Africa.

The sheer scale of land required is having an impact in Gabon, Cameroon and the Congo Basin, environmentalists say.

With financing coming from American, European and Asian agribusinesses, palm bunches are cultivated then cut from trees and sent to factories where oil is extracted by hot pressing.

But the production process accelerates deforestation, contributes to climate change and threatens fauna and flora in vulnerable areas, opponents argue.

However the companies say that palm oil is not only less expensive than soya or sunflower oil but requires much less land to produce and provides much-needed jobs.

Gabon -- where forest covers 80 percent of the territory -- is feeling the brunt.

Brainforest and Mighty, two environmental groups, investigated the

activities of Olam, an agri-business from Singapore, which said it has planted 58,000 hectares of palm trees in Gabon.

"It is estimated that Olam has deforested 20,000 hectares in its Gabonese concessions of Awala et Mouila since 2012," the groups said in a report released in mid-December. "Investigators on the scene witnessed and filmed bulldozers knocking down huge trees en masse."

Olam said palm trees had been planted on 25,000 hectares of land which had previously been forested, but that this had been "highly logged and degraded secondary forest" and represented just 0.1 percent of Gabon's forests.

In response to the report Olam published advertisements touting the almost 11,000 jobs it has created, the 1,100 hectares of food crops planted and 251 kilometres (150 miles) of roads built.

But the impact appears wider. In their report, the environmental groups expressed fears that the Congo Basin, considered the lung of Africa, could go the same way as forests in Sumatra, Indonesia and on Borneo.

"A few decades ago, these places

were almost entirely covered with forests, a paradise for orangutans, rhinos, elephants and exotic birds. Today only 20-30 percent of the forest cover exists."

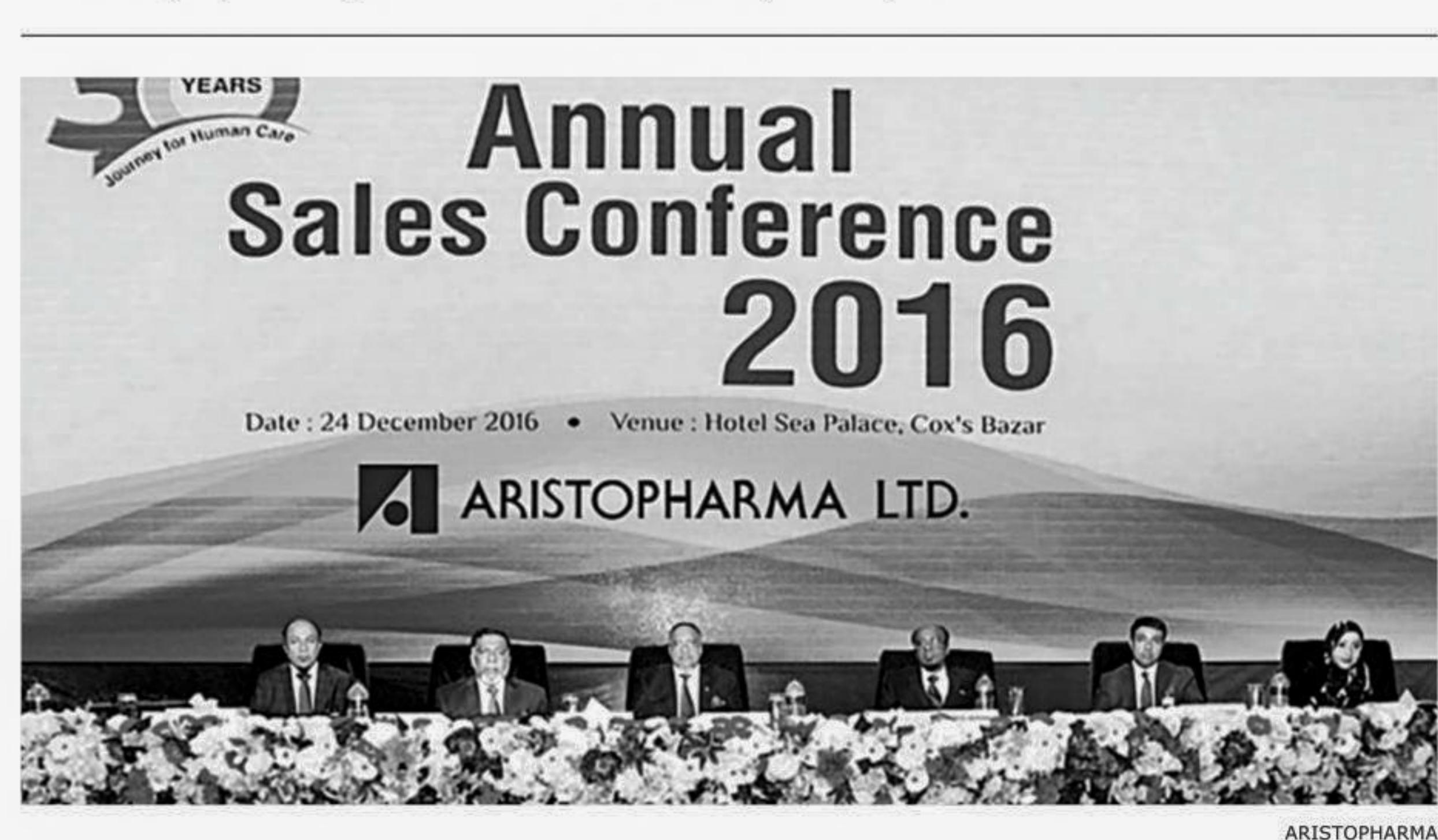
The report was released in Libreville when an environmental film festival honoured the French documentary "Et Maintenant Nos Terres" (And Now Our Land).

Its directors, Julien Le Net and Benjamin Polle, chronicled how villages in Cameroon and Senegal were being affected by what they called "land grabs" by multinational companies.

In southwest Cameroon 244 farmers have filed a trespassing complaint against a company that intends to plant 20,000 hectares of palm trees.

Hearings in the case against Sustainable Oils Cameroon, formerly a subsidiary of American company Herakles Farms, were postponed after reports of unrest in the area in November.

Greenpeace has asked Cameroon not to renew the company's concession which expired at the end of November, and it cited "six years of illegal logging, trampling of locals' rights, unfulfilled investments and destruction of forest".



MA Hassan, chairman and managing director of Aristopharma Ltd, attends the annual sales conference of the company in Cox's Bazar recently.