

German inflation expected to more than double in Dec

REUTERS, Berlin
 German annual inflation probably more than doubled in December, hitting what would be the highest level in more than three years and giving a welcome boost to the European Central Bank, regional data suggested on Tuesday.
 Conversely, it may put a damper on Germans' appetite for spending.
 Non-harmonized inflation data from five federal states showed that prices had increased by at least 1.7 percent year-on-year at the end of 2016.
 This is close to the European Central Bank's inflation target of near 2 percent. The number for Germany as a whole is due later on Tuesday.
 The ECB has been pouring money into the euro zone economy in an attempt to boost inflation from a near-deflationary level, so Tuesday's strong data is likely to intensify calls from fiscal conservatives on the bank to start reversing its policy.
 DZ Bank economist Michael Holstein said the state data suggested that German EU-harmonized consumer prices overall rose by 1.5

percent on the year.
 This would be the highest annual inflation rate since November 2013 and it would also be higher than a Reuters consensus forecast for a rise to 1.3 percent after 0.7 percent in November.
 Consumer prices in the 19-country euro zone rose 0.6 percent in November. For December, economists expect the euro zone figure, due on Wednesday, to rise to 1.0 percent on the year.
 Rising prices may be good news from the ECB from a pan-euro zone perspective, but they do not necessarily bode well for the German economy. It has been relying on private consumption, a booming construction sector and government spending for growth.
 Private consumption and construction have been boosted by the ECB's low-interest rates and record-high employment and rising price pressures would make traditionally frugal Germans more reluctant to take their wallets out.
 German government bond yields nudged up from two-month lows as investors anticipated that the data would show sharply rising consumer prices.

Still, economists expect Germany's labor market to remain robust in 2017.
 The Federal Labour Office said on Tuesday that unemployment fell more than expected in December, keeping the jobless rate in Europe's biggest economy at a record low.
 "The positive development related to unemployment continued at the end of the year," Frank-Juergen Weise, head of the Federal Labour Office, said.
 "The strong increase in employment that has been going on for a long time slowed since the summer months, but demand for new workers remains at a high level," he added.
 The seasonally adjusted jobless total fell by 17,000 to 2.638 million, the Labour Office said. That was more than three fold the 5,000 forecast in a Reuters poll.
 The adjusted unemployment rate remained at 6.0 percent, the lowest level since German reunification in 1990.
 In 2016 as a whole, a record 43.4 million people were employed in Germany - 1 percent more than in 2015 and the tenth year in a row that the workforce expanded.



Alamgir Morshed, managing director and head of financial markets at Standard Chartered Bank Bangladesh, poses with the "Best foreign exchange bank in Bangladesh" award at a ceremony at Marina Bay Sands in Singapore. International Finance Magazine, a London-based international financial publication, gave the award.

Global banking regulators postpone approval of new rules

REUTERS
 Global banking regulators on Tuesday postponed the approval of new capital rules designed to avert a repeat of the financial crisis, saying they needed more time to finalize the long-awaited and contentious reform.
 Central bank governors and heads of supervision from nearly 30 countries were due to meet on Jan. 8 to approve new rules that will determine how much capital lenders in the world's major financial centers must hold against loans and other assets.
 But the proposed changes have proven divisive, with European regulators worrying they would curb bank lending - the prime source of funding for companies in the region.
 After failing to strike an agreement in Chile late last year, the Basel Committee said on Tuesday more work was needed

before the new rules could be submitted for approval by its oversight body, the Group of Central Bank Governors and Heads of Supervision (GHOS).
 "More time is needed to finalize some work, including ensuring the framework's final calibration," the Basel Committee said.
 "A meeting of the GHOS, originally planned for early January, has therefore been postponed. The Committee is expected to complete this work in the near future."
 Sources told Reuters last month regulators had softened the new rules, including a "floor" on how much capital a bank needs to hold irrespective of what its own model says.
 This rule is bound to have a major impact on large banks such as Germany's Deutsche that use their own, rather than standard, computer models to determine their required capital buffers.



Md Ahsan-uz Zaman, managing director of Midland Bank, attends a programme in Bogra on January 1 when the bank distributed bicycles to unprivileged school girls of the district as part of the bank's corporate social responsibility.

India's BSE exchange gets market regulator's clearance for IPO

REUTERS
 BSE Ltd, India's second-biggest stock exchange, got clearance for its long-awaited initial public offering (IPO) from the Securities and Exchange Board of India (SEBI), according to the regulator's website.
 Asia's oldest exchange had filed a draft prospectus for the IPO with SEBI in September, seeking to list its shares on larger rival National Stock Exchange (NSE).
 The IPO is expected to raise about \$200 million, and could be launched as early as this month, banking sources have said.

New president for SAFA

STAR BUSINESS DESK
 ASM Nayeem has recently been appointed as the president of South Asian Federation of Accountants for 2017.
 He has previously served the federation as vice president in 2016, the federation said in a statement yesterday.
 The federation which is the apex body of Saarc formed in 1984 is a forum of professional accountability bodies in the Saarc Region. The Institute of Chartered Accountants of India hosts SAFA Permanent Secretariat in New Delhi.
 Nayeem is the past president of the Institute of Chartered Accountants of Bangladesh and also a council member of the institute since 1998.



Remittances to Mexico jump by most in 10yrs after Trump win

REUTERS
 Remittances to Mexico posted their biggest jump in over ten years in November in a possible reaction to the US election victory of Donald Trump, who threatened to block the transfers and eroded confidence in the peso currency during the campaign.
 Mexicans abroad sent home nearly \$2.4 billion in transfers in November, 24.7 percent higher than a year earlier, marking their fastest pace of expansion since March 2006, according to Mexican central bank data on Monday.
 President-elect Trump ran a campaign steeped in anti-Mexican rhetoric and threatened to halt transfers from Mexican nationals unless Mexico agreed to pay for the massive wall he has vowed to build on the US southern border to keep out illegal immigrants.
 Trump's surprise Nov. 8 election triumph also sent the Mexican currency to record lows in a sell-off fueled by his threats to scrap a trade deal between

Mexico and the United States, and to levy punitive tariffs on Mexican-made goods.
 Goldman Sachs economist Alberto Ramos said in a client note the weak peso fanned the remittance surge, noting workers could be "strategically front-loading" transfers to avoid potential taxes or restrictions from the incoming US administration.
 The value of the remittances considerably exceeds that of Mexico's oil exports, Ramos noted.
 The payments from Mexicans living in the United States are a key source of income for many families in Mexico, where around half the population lives in poverty.
 Bank BBVA Bancomer has forecast that those Mexicans will have sent a record \$27 billion in remittances into Mexico in 2016, an increase of more than \$2 billion over 2015.
 Mexico's central bank governor Agustin Carstens said last month that a rise in remittances was due to a weak exchange rate, more US jobs and fears over Trump's policies.

Textile millers go for water saving tech

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 Before adopting the water saving technologies, his company used more than 120 litres of water for washing a kilogram of fabrics, but now the quantity declined between 80 litres and 85 litres, Mondol said.
 The company washes and dyes 500 tonnes of fabrics a month, Mondol said.
 Once the second phase is implemented, water consumption will fall further, he said. The implementation of the first phase took 14 months, he added.
 The PaCT of IFC supports textile wet processing factories in adopting cleaner production, said Yasin Ahmed, resource efficiency consultant of the Bangladesh PaCT.
 "To date, PaCT has provided advisory services to around 200 textile factories (washing, dyeing and finishing units) on

resource efficiency measures," Ahmed said in an email to The Daily Star.
 Before joining the programme, factories saw their average water consumption for processing each kilogram of fabrics at 201 litres, which declined to 147 litres after the implementation, with a 27 percent fall, he said.
 "We do not have country-specific data. However, the global industry best practice is 70 litres of water for per kg of fabric," he said.
 The PaCT programme was initiated in 2014 with 95 textile factories; the number rose to 192 in 2016.
 The partnership is based on both brand and factory contributions. Once the PaCT partner brands nominate their supply chain members, factories pay a participation fee of \$2,000-\$6,000 as per the production capacity of the plant, Ahmed said.

BB once again looks to reward good borrowers

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 A Sonali Bank official said the state-run bank wants to repay the other banks the non-funded loans given to Hall-Mark Group, but he called for withdrawal of cases filed against the loans and no interest rate on them.
 A total of 41 banks issued Tk 1,314 crore non-funded loans against 2,342 bills to Hall-Mark Group through Sonali Bank.
 If the party does not repay the loans

against the bills, the borrower's bank has to repay it to the other banks.
 Following the central bank's intervention, Tk 755 crore has been taken out from Sonali Bank's accounts and paid to other banks so far. But Tk 599 crore is still outstanding.
 Subsequently, Kabir advised the banks to withdraw the cases against the bills and settle the issue.



AHM Mozammel Hoque, chairman of Hamid Fabrics Ltd, and Abdullah Al Mahmud, managing director, attend the 22nd annual general meeting of the company, at Trust Milonayaton in Dhaka on December 28. The company approved 15 percent cash dividends for its shareholders.



Jamuna Bank Director Golam Dastagir Gazi Birprotik opens the 112th branch of the bank at Rupganj in Narayanganj on January 2. Jamuna Bank Foundation Chairman Nur Mohammed and Jamuna Bank Managing Director Shafiqul Alam were also present.