



Kazi Akram Uddin Ahmed, chairman of Standard Bank, opens the 113th branch of the bank on Islampur Road in Dhaka yesterday. Mamun-Ur-Rashid, managing director, was also present.

Bulgaria's economy: a tale of extremes

AFP, Lovech, Bulgaria

Bent over the machines for hours with headphones to block out the whirring noise, textile workers in Bulgaria, which holds elections Sunday, earn a pittance even after 10 years of EU membership.

"We sew more cheaply here than in China," industry association chief Radina Bankova shrugged in her factory in the northern town of Lovech as her employees cut, stitched and sewed.

The women working here produce high-end clothes for a German fashion brand but with monthly salaries starting at 230 euros (\$250), they are unlikely to be able to afford to buy what they are making.

And ahead of the third parliamentary election in four years in the European Union's poorest country, they are not expecting any improvement to their lives any time soon.

"I don't care about politics. Whoever comes, it's all the same. I commute here and I am happy to

have a job, as low-paid as it is," said a Roma woman in her 50s employed at the factory.

"We work from 8 am to 5 pm with one half-an-hour break five days a week for the minimum wage. If there is a big order to finish, we also work Saturdays without additional pay," said another worker in a textile company from the town of Dupnitsa.

"Nobody dares to say a word for fear of being sacked."

The textiles and clothing sector was a major employer under communism and 25 years after the advent of democracy it remains the second largest employer, after the state, with about 100,000 workers.

Salaries have improved in recent years but not by much. Workers in similar sectors such as construction, hospitality and farming also earn around 300-400 euros per month.

Bulgaria's average monthly salary is 500 euros, the lowest in the EU, around half the bloc average, and a fraction of what workers earn in western Europe.

This has put many people off working, leading to a slump in labour force participation rates, and prompted over three and a half million Bulgarians to emigrate since 1990.

In 2016 alone, 30,000 young and highly educated workers upped sticks, taking advantage of the ability to work anywhere in the 28-country EU.

Out of an economically active population of 4.7 million only 2.9 million people work, with the majority of the rest being long-term unemployed or not looking to find a job.

But there are also some bright spots, as can be seen in the spacious and peaceful offices of US software company EPAM in downtown Sofia where rows of people work in front of computers.

The sector, which employs 40,000-50,000 people, contributes some 3.5-4.0 percent of Bulgaria's economic output -- twice that of textiles despite half the number of employees.

The average salary in the sector is

1,400 euros per month but industry sources say that top professionals with niche or very specialised qualifications can earn 10 times that.

"(They) can negotiate the same conditions in Bulgaria as in any other Western country in terms of net salary, if you take into account the lower cost of living here," EPAM Bulgaria director and Outsourcing Association chairman Stanimir Nikolov said.

Together with other booming areas like auto parts, Bulgaria's IT and outsourcing sector has attracted billions of euros in foreign direct investment in recent years.

They helped Bulgaria to notch up economic growth of 3.4 percent in 2016, one of the highest rates in the EU.

But putting many investors off is the high level of corruption.

"Decisive action needs to be taken to unburden the economy from monopolisation, cartels and corruption," analyst Evgeni Daynov said.

India's finance ministry calls banks to discuss new facility to drain cash

REUTERS, Mumbai

The finance ministry of India has called bankers into a meeting on Friday to discuss setting up a new facility to absorb surplus cash in the banking system, according to a letter sent to heads of lenders seen by Reuters on Thursday.

The finance ministry wants to discuss implementing a new framework called a "standing deposit facility", the letter said, that would drain surplus cash at a rate lower than the repo rate without the need for any collateral.

The cash would be deposited with the Reserve Bank of India, and revives a proposal issued by the central bank in 2014 as another way to drain funds.

The finance ministry said it was calling the meeting with bankers to address "the absorption of surplus liquidity from the system, but without the need for providing collateral in exchange," according to the letter.

A finance ministry spokesman declined to comment. By offering a rate below the repo rate, the regulator could also be looking to encourage banks to lower their lending rates, which in India track short-term money market rates.

In a potential boost to an economy struggling to revive private investments, banks have cut their lending rates by around 80 basis points since Modi's shock move resulted in the surge in deposits.

Banks would need to incorporate the rate offered by the RBI into calculating its lending rate under India's complex rules, though lenders typically have leeway in how they arrive at a final borrowing cost.

At the moment, the RBI removes funds through various facilities, including mandating banks to park excess certain types of cash and deposits with the central bank as well as through repos and reverse repos based on market rates.

But using a "standing deposit facility" would differ by not requiring collateral and by determining a set rate.

"If the RBI drains cash at a lower rate than the repo rate then effectively all (short-term market) rates will converge to that rate, and therefore, help banks to lower their lending rates as well," said a senior bank treasury official.

If implemented, the plan would resolve a major headache facing Indian regulators: how to reduce a surge in cash deposits since Prime Minister Narendra Modi banned higher-value notes in November.

Those cash deposits have resulted in liquidity rising to around 4 trillion rupees (\$61.13 billion) in March from 2 trillion in January.

That amount of cash had raised concerns about inflation at a time when the RBI is seeking to prevent rising prices by changing its policy stance to "neutral" from "accommodative."

Bonds fell sharply after Reuters reported the plan, with the benchmark 10-year government bond yield up five basis points at 6.83 percent, as it could tighten cash conditions in markets.



A man holds 2,000-rupee notes as he gets out of a bank in Mumbai.



Managing Director of Esquire Plastic Ltd Arifur Rahman, Brand Ambassador Sadia Islam Mou and CEO Sharifur Pervez Bhuiyan open a new showroom—Sangsar—of the company at Munshiganj.

AT&T, Verizon join Google ad boycott

AFP, Washington

AT&T and Verizon on Wednesday joined global firms pulling ads from Google, saying they did not want their brands associated with inappropriate content on the internet giant.

The moves by the two US telecom giants came despite a pledge by Google this week to offer new tools for companies to avoid placing ads alongside undesirable websites or videos.

"We are deeply concerned that our ads may have appeared alongside YouTube content promoting terrorism and hate," an emailed statement from AT&T said, indicating it was removing non-search ads from Google.

Verizon said it discovered its ads were appearing on "non-sanctioned websites," and that it takes "careful measures to ensure our brand is not impacted negatively."

A Verizon spokeswoman said in an email: "We took immediate action to suspend this type of ad placement and launched an investigation. We are working with all of our digital advertising partners to understand the weak links so we can prevent this from happening in the future."

The announcements follow similar

actions from the British arm of Havas, one of the world's top advertising agencies, as well as banking giant HSBC, retailer Marks & Spencer, the BBC and the Guardian newspaper group.

On Monday, Google apologized for the placement of ads on extremist content and pledged it would address the concerns. "We know advertisers don't want their ads next to content that doesn't align with their values," Google's chief business officer Philipp Schindler said in a blog post.

Asked about the latest actions, Google said in a statement to AFP it did not comment on specific customers but noted that "we've begun an extensive review of our advertising policies and have made a public commitment to put in place changes that give brands more control over where their ads appear."

The company added that it is "raising the bar for our ads policies to further safeguard our advertisers' brands."

The boycott began last week after the Times newspaper of London found BBC programs were promoted alongside videos posted by American white supremacist and former Ku Klux Klan member David Duke as well as videos by Wagdi Ghoneim, an Islamist preacher banned from Britain for inciting hatred.

Oil up from four-month lows

REUTERS, London

Oil prices climbed off four-month lows on Thursday but the recovery was cautious with investors fretting that Opec-led supply cuts were not yet reducing record US crude inventories.

Brent crude, the international benchmark for oil, was trading at \$50.84 a barrel by 0915 GMT, up 20 cents on the day and rebounding from Wednesday's slide to \$49.71, its lowest level since Nov. 30 when Opec announced plans to cut output.

US light crude was up 20 cents at \$48.24.

Brent remains well below this year's high above \$58, hit shortly after Jan. 1 when the deal between the Organization of the Petroleum Exporting Countries and non-Opec states to curb supplies by 1.8 million barrels per day (bpd) came into effect.

German consumer sentiment falls

REUTERS

German consumer sentiment unexpectedly fell to its lowest level in five months going into April, a survey showed on Thursday, partly due to people's concerns that rising inflation will erode their purchasing power.

The consumer sentiment indicator, published by the Nuremberg-based GfK institute and based on a survey of around 2,000 Germans, fell to 9.8 going into April. Economists polled by Reuters had on average expected the headline figure to remain unchanged at 10.0.

GfK said people's economic expectations and propensity to buy picked up, while the third component of the index - personal income expectations - fell for the second month in a row.

"A rise in inflation in Germany and the resultant intensified concerns over income buying power have obviously hindered full recovery of consumer sentiment," GfK researcher Rolf Buerkl said in a statement.

Germany's inflation rate rose to 2.2 percent in February from 1.9 percent a month earlier, driven mainly by rising energy and food costs.

Citing a 10 percent fall in the price of crude in the first half of March, GfK said it expected inflation to fall below 2 percent

in the coming months.

It expects rising shale oil production in the United States to add to downward pressure on crude prices.

"Experience shows that Germans react sensitively to changes in certain signal prices, such as petrol, diesel or heating oil," Buerkl said. "In particular, they see the purchasing power of their income impaired by rising energy prices."

Despite the slight fall in sentiment, the survey showed that the people remained ready to spend.

The propensity to buy rose, making up for most of the losses in previous months, largely thanks to the robust labour market.

"The stable employment market trend is obviously of greater importance, since it reduces the fear of job losses, thus providing for a higher level of planning security, especially when it comes to larger purchases," Buerkl said.

The index measuring economic expectations also rose after falling in February on fears that protectionist policies pursued by U.S. President Donald Trump could hurt the economy.

"Uncertainty amongst many consumers with regards to the policies of the new U.S. president has given way to a greater level of economic optimism again," Buerkl added.

British retail sales rebound in February

AFP, London

British retail sales recovered strongly in February, official data showed Thursday, causing the pound to rally in response.

Retail sales increased by 1.4 percent in February after a drop in January when rising food and fuel prices weighed on consumer spending, the Office for National Statistics (ONS) said in a statement.

The pound rose to \$1.2520 in reaction to the better-than-expected data, a boost of over 0.2 percent against the US currency on the day.

"The solid data underpinned the GBP-bulls," said Ipek Ozkardeska, an analyst at LCG.

Better sales of goods across the board were behind the February increase, with the exception of food sales which stagnated, ONS said.

Analysts polled by Bloomberg had been looking for a much more modest 0.4 percent rise in February, after a revised drop of 0.5 percent in January.



Abdullah Al-Mahmud, chairman of Crystal Insurance Company Ltd, and Mia Fazle Karim, CEO, attend the 17th annual conference of the company at its corporate office in Dhaka on Wednesday.