

ILO's training starts in Dhaka to support workplace cooperation

STAR BUSINESS DESK

The capacity of Bangladesh government to support workplace cooperation and handle grievances is set to increase through training provided by the International Labour Organisation (ILO) with the support of Sweden and Denmark.

A five-day training programme commenced in Dhaka yesterday to establish a pool of 30 master trainers comprising officials of the Department of Labour (DoL) and Industrial Relations Institutes (IRI).

The training is taking place at Amari Hotel in Dhaka.

Initial training focuses on workplace cooperation, with future sessions set to cover collective bargaining and grievance procedures, ILO said in a statement.

Once trained, these master trainers will play a crucial role to support the development of workplace cooperation plans in 34 non-unionised factories out of a group of 54 pilot factories provided by Bangladesh Garment Manufacturers and Exporters Association and Bangladesh Knitwear Manufacturers and Exporters Association.

These plans will provide a basis for the work of the participation committees in these factories, according to the statement.

By including IRI lecturers in the programme, the capacity of DoL's training arm will also be enhanced.

Gagan Rajbhandari, deputy director of ILO Bangladesh said, "This training marks an important first step in our efforts to create better social dialogue in Bangladesh."

Enhancing the capacity of the DoL and IRI will help build a more mature industrial relations environment for Bangladesh that will benefit employers and workers alike, Rajbhandari said.

The training programme has been developed with the support of the ILO's International Training Centre.

It is the first of a series to be held by the ILO's "Improving Social Dialogue and Harmonious Industrial Relations in the Bangladesh RMG sector" project.

Launched in December 2016, in collaboration with the government of Bangladesh, the initiative aims to develop dialogue mechanisms between employers and workers as a means of preventing and constructively resolving disputes.

Iceland considers pegging krona to euro or pound

AFP, Reykjavik

Iceland is planning to peg its krona to another currency, possibly the euro or pound sterling, to stabilise its fluctuating exchange rate, its finance minister told the Financial Times on Monday.

The Icelandic currency is booming as a result of the island's spectacular recovery after the 2008 economic collapse, which forced authorities to nationalise three failing banks and impose capital controls.

When these controls were lifted in March, analysts hoped the krona would depreciate.

Instead, a number of factors have driven the currency higher, such as booming tourism, robust consumption and comparatively high interest rates, which are attracting investors.

Iceland is basking in good times right now: alongside the explosion in tourism, the fisheries sector is thriving, and the economy grew by an impressive 7.2 percent in 2016, with 11 percent in the last quarter alone.

The one dark cloud is its currency, the krona, which hit its highest level in almost a decade in early March.

"Is the status quo untenable? Yes. Everybody agrees on that. We'd like to have a policy that would stabilise the currency," Finance Minister Benedikt Johannesson told the Financial Times.

The Icelandic krona should therefore be pegged to a strong currency for advantages comparable to those of Denmark, which has long bound its kroner to Deutschemark and then to the euro, according to Johannesson.

In an interview with AFP in early April, Johannesson said that the appreciation of the krona was "one of the things that worry (him) the most in the Icelandic economy."

The rise in krona against the pound or the euro is of particular concern to the fishing sector, which exports almost three quarters of its products to Europe.

Singer launches campaign for Pahela Baishakh

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Singer introduced a special campaign—Singer Hoi Choi Baishakhi Offer—on April 1 to offer discounts ahead of Pahela Baishakh, the first day of Bangla new year.

Under the campaign, the company is

offering discounts on different products, including television and refrigerators, the company said in a statement yesterday.

The customers can enjoy zero percent interest for up to six months and 15 months easy installment facility under the campaign that ends on April 30.

RBI to keep rates unchanged

REUTERS

The Reserve Bank of India (RBI) will keep interest rates unchanged at its meeting on Thursday and as inflation is below target while borrowing costs are more likely to fall than rise, a Reuters poll found.

In February, India's central bank was expected to cut rates but surprised markets by leaving them on hold and changed its stance to neutral from accommodative, ending its longest easing cycle since the global financial crisis.

The RBI will keep the repo rate at 6.25 percent on April 6, according to all 60 economists polled, which would mean the Monetary Policy Committee (MPC) has not changed rates at three straight meetings.

While the median consensus was for no change in interest rates until at least 2019, 21 of 34 economists who answered an additional question said the next move by the central bank would be a cut, probably towards the end of this year.

"Current inflation is low, but likely due to temporarily lost consumer demand trig-

gered by demonetization. If inflation declines in a stable and sustainable manner, as we expect, it warrants a rate cut," said Amy Yuan Zhuang, chief analyst at Nordea Markets.

Defying expectations, India's economy grew 7.0 percent in the October-December period, a tad slower than 7.4 percent in the previous quarter but much faster than the anticipated 6.4 percent, despite the pain caused by Prime Minister Narendra Modi's shock crackdown on cash.

Consumer prices rose an annual 3.65 percent in February, and climbed just 3.17 percent the previous month - the slowest pace since the government launched the current index series in January 2012.

All six members of the MPC have cited concerns that inflation could quickly accelerate and threaten the central bank's medium-term target of 4 percent.

India received average monsoon rains last year and is expected to have a timely arrival of crop-nourishing rains this year, which are critical for India's farm-dependent \$2 trillion economy.



ESQUIRE ELECTRONICS

Arifur Rahman, managing director of Esquire Electronics Ltd, opens a showroom of the company at Banasree in Dhaka. Esquire is the sole distributor of Japanese electronics brands Sharp, General and Mitsubishi Heavy Industries.

Linde chairman ready to use casting vote for Praxair merger

REUTERS

The chairman of German industrial gases group Linde is prepared to use his casting vote to push through a \$65 billion merger with U.S. rival Praxair in the face of worker opposition, he told the Financial Times.

Linde's labor representatives told Reuters last week they planned to vote against the deal, which they fear will entail significant job losses in Europe to achieve \$1 billion in synergies, and a loss of influence over strategy.

Labor controls half the seats on the supervisory board, which will

have to approve the deal once the terms are finalised in the next month or so - but Chairman Wolfgang Reitzle can cast a double vote in the case of a deadlock.

"Yes, I'm willing to do that," he told the FT in a comment published on Monday.

Linde shares were up 1.4 percent by 0820 GMT on Monday, the top-gainer in the German blue chip index .GDAXI, which was 0.2 percent higher.

Reitzle is the driving force behind the planned all-share merger of equals, which would reunite a global Linde group split by the First World

War a century ago. It is the second attempt by the two companies to agree a deal.

Chief Executive Aldo Belloni told the FT his role was to provide better communication to workers about the deal, not to grant further concessions.

Belloni was brought out of retirement by Reitzle to head Linde after the breakdown of the first attempt to merge with Praxair led to the departure of the then-CEO and finance chief.

Linde's supervisory board is set to meet on Thursday. It will not yet vote on the merger as the terms are still being negotiated.

Oil prices steady

REUTERS, London

Oil futures held steady on Monday as a rebound in Libyan oil production over the weekend weighed against upbeat economic data from Asia that pointed to strong energy demand from the region.

International benchmark Brent futures climbed 4 cents to \$53.57 a barrel by 0952 GMT. US West Texas Intermediate crude futures were 8 cents higher at \$50.68 a barrel.

Libya's Sharara oil field, the country's largest, resumed production on Sunday after a week-long disruption and state-owned NOC lifted force majeure on loadings of Sharara crude on Monday, sources told Reuters.

The field was producing around 80,000

barrels per day (bpd) on Sunday and about 220,000 bpd prior to the March 27 shutdown.

"The main development over the weekend is the restart of Sharara," managing director of PetroMatrix Olivier Jakob said.

Uncertainty about how Libyan output would fare in the months ahead added short-term volatility to oil prices, he said. "(It) is a swing factor that can make it move both ways if one looks at the balances for the second half of the year," he added.

Adding to pressure on prices, energy services firm Baker Hughes said the US rig count rose by 10 to 662 last week, making the first quarter the strongest for rig additions since mid-2011 and raising prospects for more US shale oil.

Turkish inflation hits highest rate in eight years

AFP, Ankara

Turkey's inflation in March hit its highest annual rate in over eight years, reaching over 11 percent, according to official data on Monday.

Consumer prices rose 11.3 percent in March from the same period in 2016, the highest annual rate recorded since October 2008, the state statistics agency said.

Monthly inflation meanwhile was 1.0 percent in March from February, it added, with food, transport and alcohol prices showing strong rises.

The rise was sharper than expected, after a tentative recovery in the value of the Turkish lira following heavy losses earlier this year.

Economists said that the figures indicated that inflation was still worryingly stuck in double-digit territory and made a mockery of the central bank's nominal inflation target of five percent.

Ozgur Altug, chief economist at Istanbul-based BGC Partners, warned there was a "high" risk of seeing 12 percent annual inflation in the next two months and would "remain at double-digit level throughout 2017" but fell to 8.6 percent in December.

William Jackson and Liam Carson of London-based Capital Economics predicted the data would not prompt an interest rate hike by the central bank, partly due

to government unwillingness to risk subduing growth.

"The recent rise in the lira, last month's rate hike, and renewed pressure from the government to reverse the tightening cycle make this unlikely."

But they added: "Nonetheless, there is no scope to loosen policy."

One of President Recep Tayyip Erdogan's advisors Bulent Gedikli suggested on Twitter there would be better figures later in the year as the government seeks to allay fears over the economy before the April 16 referendum.

"It is possible to say the inflation data is due to the exchange rate effect and it is temporary, that we will see the reflections of measures taken after the second quarter," Gedikli said.

Meanwhile, Economy Minister Nihat Zeybekci insisted inflation would decline after May, in an interview with CNN Turk broadcaster.

In less than two weeks, Turks will decide whether to boost Erdogan's powers under a new system that would see the role of the premier axed and replaced with one or more vice presidents.

The economy -- which has shown significant signs of weakness for the first time under Erdogan's rule -- is set to be a key issue in the poll but the government was gladdened by stronger than expected 2016 growth of 2.9 percent.

Low onion prices depress growers

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Onion imports soared 54 percent year-on-year to 7.14 lakh tonnes in the first half of fiscal 2016-17, according to Bangladesh Bureau of Statistics. "We suffer from low prices whenever imported farm produce floods the market," said Abdul Hai, a small farmer in Pabna.

Domestically, onion acreage and production have been on the rise since fiscal 2013-14 because of growers' renewed interest. In fiscal 2015-16, Bangladesh's onion production grew 2 percent year-on-year to 17.35 lakh tonnes. It was grown on 1.77 lakh hectares that year, according to BBS.

Farmers planted onion on 2.10 lakh hectares this fiscal year, according to the Department of Agricultural Extension's estimates.

Neighbouring India, a big source of the key cooking ingredient for Bangladesh, saw higher production this year.

As a result, the prices in Bangladesh have remained low for the last several months, said Ratan Kumar Saha, an onion importer. Narayan Chandra Saha, a wholesaler at Shyambazar market, expects the onion prices to remain low for the next couple of months.

In Dhaka, the retail prices of locally grown onion stood at Tk 20-26 per kilogram yesterday, down from Tk 25-35 a year ago. The prices of imported onion were also below last year's level, according to data from the Trading Corporation of Bangladesh. To protect farmers, Mohammad Kamruzzaman, an onion trader in Sachilapur, Magura, urged the government to discourage imports during the harvesting period.

Local video game market worth Tk 500cr: study

FROM PAGE B1

The government has undertaken a project worth Tk 281.97 crore for games development. The project will be implemented by next year and targets to grab a share of the \$100 billion global games market.

China secured the top position in the Newzoo ranking with \$24.27 billion gaming market and it has 746.94 million internet users. Second-placed US has a gaming market of \$23.46 billion with 250.82 million internet users.

Japan (\$12.43 billion), Germany (\$4.10 billion) and South Korea (\$4.05 billion) rounded up the top six markets.

Remittance continues its slump

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The BB has sent two teams to Saudi Arabia, the UAE, Singapore and Malaysia to study the causes for the slide and the ways to increase the inflow. The teams found the expatriate Bangladeshis have been sending money through hundi.

Subsequently, they will recommend the government to provide incentives to the remitters so that the inflow through the official channel increases.

The government higher-ups are also mulling over the idea as an attempt to arrest the slide in remittance.

"I think this is a solution through which the decline in remittance receipts could be tackled," Planning Minister AHM Mustafa Kamal said at a press meet recently.

The matter has already been discussed with the prime minister, finance minister and the BB, he said then. The minister did not elaborate on the incentives.

Summit Group to get nod for LNG terminal this week

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The demand for gas will stand at 8,000 MMCFD in 2041, according to an estimate of the Energy Division.

The government has already received proposals from more than a dozen companies for setting up LNG terminals.

China Huanqiu Contracting and Engineering Corporation has proposed to set up an LNG plant in Moheshkhali, while KOGAS-MGCB-KSBL Consortium wants to set up a land-based terminal in Sonadia. Besides, Singapore's Sembcorp Utilities Pte Ltd submitted a proposal for setting up a Gravifloat terminal and storage tank in the deep sea.

The Gravifloat technology allows the LNG terminal to be fully built and completed at a shipyard and installed in shallow waters to facilitate direct ship loading of LNG.

In December, Petrobangla signed an initial agreement with India's energy company Petronet to set up an LNG re-gasification terminal on Kutubdia Island and a pipeline at an estimated cost of \$950 million.



PUBALI BANK

Md Abdul Halim Chowdhury, managing director of Pubali Bank, attends the opening of the shifted Chandpur main branch of the bank.