Bangladesh urges Malaysia to reduce trade gap

DIPLOMATIC CORRESPONDENT

Dhaka has urged Kuala Lumpur to address the huge trade gap between the two countries and widen the duty- and quota-free access of Bangladeshi products to the Malaysian market.

Bangladesh made the call at the first ever bilateral consultations between the foreign ministries of Bangladesh and Malaysia, held at the state guesthouse Meghna in the capital yesterday.

The Malaysian minister stressed the need for starting negotiations for a free trade agreement (FTA), which would help reduce the trade imbalance.

Currently, the bilateral trade is heavily tilted towards Malaysia and it has been pursuing for inking an FTA with Bangladesh since 2005; but no tangible progress has yet been made.

At the meeting, Bangladesh also encouraged Malaysia to invest more in Bangladesh and proposed gradual relocation of Malaysian labour intensive manufacturing industries to Bangladesh.

Foreign Secretary Md Shahidul Haque led the Bangladesh delegation and Ramlan Ibrahim, secretary general of the foreign affairs ministry of Malaysia, led the Malaysian team.

Major areas of bilateral cooperation were discussed at length at the meeting, foreign ministry officials said.

Employment of Bangladeshi workers in Malaysia was also discussed in the consultations. Bangladesh thanked Malaysia for including it as an official source country for foreign workers.

The two countries agreed in the meeting to work together to make G2G+ mechanism for recruitment of Bangladeshi workers in Malaysia a success.

They also took decision to go for a collaboration to enhance deep sea fishing capacity, sea-bed exploration, capacity building and skills development in marine sciences and Blue Economy. They also agreed to provide genuine businessmen of the two countries with multiple entry visas.

ADCOMM

Galib Mohammad, head of marketing and sales at GPH Ispat Ltd, and Shamsun Nahar Tarek, director of Adcomm Ltd, and Geeteara Safiya Choudhury, chairman of Adcomm, attend the signing of a deal at a programme. Adcomm will be the strategic partner for promoting brand activities of GPH Ispat.

Oil rises above $52

REUTERS, *London*

Oil hit its highest in more than three weeks on Monday, topping $52 a barrel after Saudi Arabia and Russia said that supply cuts need to last into 2018, a step towards extending an OPEC-led deal to support prices for longer than first agreed.

Energy ministers from the two countries said on Monday that supply cuts should be prolonged for nine months, until March 2018. That is longer than the optional six-month extension specified in the deal.

Global benchmark Brent crude was up $1.45 at $52.29 a barrel by 1405 GMT, having touched $52.63, the highest since April 21. U.S. crude rose by $1.46 to $49.30.

Oil traders were surprised by the strong wording of the announcement, though it remained to be seen whether all countries participating in the deal would agree with the Saudi-Russian stance. Some analysts doubted that producers would stick to a prolonged curb.

"Extending the cuts until March 2018 would take account of the fact that demand in the first quarter of a year is lowest for seasonal reasons," said Commerzbank analyst Carsten Fritsch. "That said, we are skeptical about Russia's willingness to actively participate in any extended cuts."

BRAC BANK

Sajid Rahman, CEO of Telenor Health, and Selim RF Hussain, managing director of Brac Bank, attend a deal signing ceremony, at the bank's head office in Dhaka. Brac Bank TARA loan customers and Brac Bank TARA Platinum credit cardholders will enjoy TARA-Tonic package, Telenor Health's healthcare service and all benefits of Tonic Advanced Package with free subscription for 12 months.

Germany to give 7m euros for RMG remediation work

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Muhammad Alkama Siddiqui, additional secretary of the ERD, and Thomas Prinz, German ambassador, penned the agreement for the project – "financing of environment and safety retrofits in the Bangladesh readymade garment sector".

The project will also support the garment factories to bridge the knowledge gap in investments and remediation upgrades, and also aid the actual implementation of these investments, said the German embassy in a statement.

The embassy said the funding would enable an effective utilisation of the credit, promote workers' safety and improve environment standards in the apparel sector.

Nigerian economy glimpses dim light at end of tunnel

AFP, *Lagos*

Suffering from rampant inflation, stalled investment and mass layoffs, Nigeria is still gripped by one of the worst economic crises in its history.

But for the first time in months, the West African economic giant is finally looking to exit its first recession in decades.

On Thursday, parliament approved the government's ambitious seven-trillion-naira ($23-billion) budget to "pull the economy out of recession as quickly as possible".

The plan, bolstered by improved output in oil production and a potential billion-dollar World Bank loan, aims to kick-start growth through rail, ports and power projects.

In January, the International Monetary Fund (IMF) said it expected Nigerian growth to hit 0.8 percent for 2017 and 2.8 percent in 2018.

Others are more optimistic. "Growth of 2.0 percent (in 2017) is totally possible," said Moody's analyst Aurelien Mali at the ratings agency's annual West Africa conference in Lagos this week.

"Import figures suggest that after declining for two years, domestic demand picked up at the turn of the year," John Ashbourne, economist at Capital Economics, said in a recent note.

Ashbourne added that there were also encouraging "signs of life in Nigeria's non-oil sector".

The new figures are far from the boom time in Nigeria, which over the past decade had enjoyed average annual growth of eight percent, according to Bloomberg.

"Compared to other oil powers like Qatar, Nigeria didn't prepare for rainy days," said Douglas Rowlings, an analyst with Moody's.

Saving for a worldwide crash in commodity prices wasn't under the control of President Muhammadu Buhari, who only came into power in 2015.

But his tough talk towards rebel groups in the Niger Delta only served to deepen the recession, said emerging market analysis firm BMI Research.

As a result of attacks on oil and gas infrastructure in the oil-producing swamplands last year production fell to a low of 1.4 million barrels per day (bpd) and Nigeria's growth contracted to 1.5 percent in 2016.

Ongoing talks with the rebels and money in the form of amnesty payments solved the problem.

It helped that junior oil minister Emmanuel Ibe Kachikwu succeeded in securing an exemption for Nigeria from a global agreement to reduce oil production.

Meanwhile, Buhari's overseas medical trips have left the more conciliatory and collegiate Vice-President Yemi Osinbajo in charge of handling negotiations with the rebels.

Now production has once again risen over two million bpd, giving Nigeria access to foreign currency and supplying banks and businesses who were unable to pay suppliers for much of 2016.

The Central Bank of Nigeria has eased a dollar shortage by creating a market-determined rate for investors, yet a black market for dollars persists.

Multinationals in Vietnam targeted by hackers linked to government

REUTERS, *Singapore*

Hackers either working for the Vietnamese government or on their behalf have broken into the computers of multinationals operating in the country as part of an increasingly sophisticated cyberespionage campaign, cybersecurity company FireEye said.

Nick Carr, senior manager of FireEye's Mandiant Incident Response team, said in an interview the same group was also responsible for hacking into the computers of Vietnamese dissidents and journalists.

He said it was impossible to identify or locate the hackers precisely or confirm they were working for the Vietnamese government but the information they sought would be of very little use to any other party.

The attacks are unrelated to the WannaCry ransomware worm that has ravaged computers around the world since Friday.

"All the activity we have seen is of interest to the nation of Vietnam," Carr said in a phone interview ahead of Monday's publication of a FireEye report on hacking in Vietnam.

The government rejected the accusation.

"The government of Vietnam does not allow any form of cyber-attacks against organisations or individuals," said foreign ministry spokeswoman Le Thi Thu Hang. "All cyber-attacks or threats to cybersecurity, must be condemned and severely punished in accordance with regulations and laws."

Carr said FireEye had observed the group, which it called APT32, targeting foreign corporations with interests in Vietnam's manufacturing, consumer products and hospitality sectors since 2014.

In several cases, he said, the hackers sought information about the companies' operations and their adherence to local regulations, something he had rarely seen other hacker groups attempt.

Four state banks' Tk 27,700cr loans caught in legal tussle

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Janata Bank is in a greater fix as some of its large borrowers, who earlier had their loans restructured thanks to the special package of Bangladesh Bank, again failed to continue repayment. Some are even preparing to file new suits so they are not classified as defaulters.

"It is a big problem for the banking sector as defaulters are filing writ petitions against their default status to avail fresh loans. Because of the writ petitions, banks can't reject the loan proposals," said Abdus Salam, managing director of Janata Bank.

Banks have to maintain provision against the loans stuck in suits. As a result, their provision requirement against bad loans goes up, which ultimately hurts profits, said Masud.

The provision requirement for the four banks went up by Tk 2,600 crore to Tk 12,600 crore in 2016 compared to a year ago, according to BB data.

Among the state banks, Sonali had a provision deficit of Tk 1,776 crore last year and Rupali Tk 241 crore. Both banks faced huge losses in the year due to the high provision obligation.

Sonali posted a net loss of Tk 818 crore and Rupali Tk 49 crore in 2016. On the other hand, Janata made a net profit of Tk 250 crore and Agrani Tk 59 crore.

Improve labour rights, EU reiterates

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On allowing unionism in the export processing zones, the ambassador said the pulling out of the EPZ law from parliament by the prime minister's office is extremely positive and commendable.

"Good momentum is there in the EPZ law -- it has to be sustained."

"Bangladesh should address three important challenges -- social compliances, good governance and technological breakthrough -- for establishing full-fledged economic relations with the EU."

While replying to queries from the media, the diplomat said the direct cargo flight between Dhaka and the EU might resume soon.

On the issue of the emergence of the One Belt One Road initiative taken by China, Mayaudon said the EU is also a strong part of this regional connectivity initiative.

"Bangladesh should take the best possible advantage of its geographical location. The OBOR is very good news and very encouraging for your country."

The EU is the destination of 60 percent of Bangladesh's garment shipments.

Mayaudon also touched upon the issue of security of foreign nationals following the militant attack in Gulshan last year.

Many European companies had to adjust their approach towards Bangladesh after the incident, he said.

The ambassador cited the political turmoil in 2014 and 2015, and said diplomats will scrutinise the security situation in the lead up to the national elections in 2019.

Nihad Kabir, MCCI president, said the EU is the single biggest trading partner of Bangladesh and accounted for 23.9 percent of the country's total trade in 2015.

As per 2016 data, Bangladesh with 0.5 percent share of the EU's trade is also the economic union's 33rd largest trading partner.

Haiti announces fuel price increases to help public finances

AFP, *Port-au-prince*

Haiti's government announced on Sunday fuel price increases of up to 20 percent in an effort to shore up the country's disastrous public finances.

People in this destitute Caribbean nation rushed to gas stations to top off their tanks before the price rises take effect on Monday.

The government had been negotiating with transport unions for more than a week so Haitians knew an increase was in the works.

Haiti exports only about a billion dollars worth of goods each year and imports more than three times that.

With that kind of deficit and meager tax revenues, the government cannot even keep up with interest payments on debt it has with Venezuela, for instance.

Business-friendly VAT rate finalised

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The government also plans to expand the list of VAT-exempted items to ease the burden on consumers.

Under the new law, essential commodities, agricultural products and life-saving drugs are exempted from VAT.

Termed as VAT and Supplementary Duty Act 2012, the new law envisages a uniform 15 percent VAT instead of the multiple rates now applicable to many goods and services.

The move raised concern that application of the uniform rate would increase the already high cost of living.

The NBR, however, maintains that the new law will not increase the prices of goods in general as businesses will be able to get rebates.

The government plans to collect 40 percent of its revenue collection target of Tk 236,000 crore from VAT in the upcoming fiscal year. The target is 31 percent higher than the revised target for the outgoing fiscal year. VAT, a type of consumption tax, is the biggest source of revenue.

DHAKA BANK

Dhaka Bank Managing Director Syed Mahbubur Rahman launches "Dhaka Bank C Solution", a secured and automated online payment gateway, for its corporate clients.

SBAC BANK

SM Amzad Hossain, chairman of SBAC Bank, chairs the fourth annual general meeting of the bank in Narsingdi on May 10. The bank approved 15 percent cash dividend for 2016. Md Rafiqul Islam, managing director, was also present.