

Mastercard, MTB, Banglalink launch prepaid card

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Mastercard, Mutual Trust Bank and Banglalink jointly launched a prepaid card—Easy Payment Card—as part of an effort to provide the unbanked people with banking services.

MA Mannan, state minister for finance and planning, launched the card at a programme at Sonargaon Hotel in Dhaka on Wednesday.

The holders of the card will get exclusive benefits, including privileges at over 1,700 merchant outlets nationwide, vouchers worth Tk 1,500 and discounts at three of the country's top e-commerce sites and free internet data.

"Furthermore, cardholders can enjoy the security and convenience that comes with Mastercard and MTB's extensive network of POS and ATM acceptance locations across the country," Mastercard said in a statement.

Eligible Banglalink customers can register for this card free of cost at any MTB branch across the country, according to the statement.

Shahjahan Mahmood, chairman



MA Mannan, state minister of finance and planning, poses at a programme at Sonargaon Hotel in Dhaka on May 24 when Mastercard, Mutual Trust Bank and Banglalink jointly launched Easy Payment Card.

of Bangladesh Telecommunication Regulatory Commission; Anis A Khan, CEO of Mutual Trust Bank; Erik Aas, Banglalink CEO, and Syed Mohammad Kamal, country manager of Mastercard Bangladesh, were also present among others.

"Banglalink thrives to become a digital leader with the ambition to create value beyond connectivity

and equipping customers to pay digitally will give them a true financial freedom, save their time and will ultimately uplift their life standards," Erik Aas said at the event.

Global accolade for Ispahani

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Ispahani emerged as the top beverage brand in Bangladesh in a recent study by Kantar Worldpanel, a Spain-based firm that measures shoppers' behaviour.

Kantar Worldpanel is part of Kantar, a leading insight, information and consultancy network. Kantar does a ranking of the world's most chosen FMCG brands under the title of "Brand Footprint".

The study shows how consumers around the world are buying FMCG brands, and highlights the opportunities that remain for

brands to increase their footprint.

Ispahani is the market leader in the beverage brand category in Bangladesh while other major brands are 7-UP and Brooke Bond, Ispahani said in a statement.

Data on brand footprint was collected over the 52-week period between November 2015 and October 2016, according to the statement.

The complete ranking comprises more than 200 FMCG categories tracked around the world by Kantar Worldpanel across the beverages, food, health and beauty and homecare products.

Appetite for iPhone parts spurs Taiwan economic growth

AFP, Taipei

The seemingly insatiable global demand for smart phones and other high-tech products gave Taiwan's economy a welcome boost in the January to March period, official data showed Friday.

The island is home to several key suppliers for Apple's iPhone and is optimistic growth will continue as the global economic outlook improves. Growth in the first quarter was 2.60 percent year-on-year, bolstered by the strongest exports Taiwan has seen in almost six years.

In particular, shipments of electronic components surged 19.24 percent, coming from a low base a year earlier.

"With our leading edge in semiconductor manufacturing, and emerging demand for automotive electronics, internet of things (IoT), and artificial intelligence, we can expect to maintain export momentum," the Directorate-General of Budget, Accounting and Statistics said in a statement.

Taiwan's industry giants include Foxconn and Taiwan Semiconductor Manufacturing Company (TSMC).

Car wars: Trump-Germany salvo raises EU-US trade fears

AFP, Taormina, Italy

US President Donald Trump has launched a salvo against German car exports to the United States, officials confirmed Friday, in the latest sign of simmering transatlantic trade tensions.

Speaking after German media reported the US president as having described the Germans as "bad, very bad", European Commission president Jean-Claude Juncker tried to play down the latest spat to erupt since Trump came to power pursuing a protectionist agenda.

Suggesting the comment attributed to Trump had been mistranslated, Juncker confirmed that Trump had raised Germany's large trade surplus with the US in the automobile

sector during trade talks in Brussels on Thursday.

"I don't want to comment but I have to," said the head of the EU executive, who is in overall charge of the giant economic bloc's trading relationship with the rest of the world.

"It is not true the president was aggressive in his approach. This a translation problem," he said in Italy at a G7 summit attended by Trump, German Chancellor Angela Merkel and other leaders.

"He did not say the Germans were behaving bad. He said we have a problem. It was not aggressive."

Trump's economic advisor Gary Cohn also insisted the exchanges had been amicable but that an important issue for the new administration had been put on the table.

"He said they're very bad on trade but he doesn't have a problem with Germany," Cohn told reporters, saying Trump had highlighted his father's German heritage. "He (Trump) said: 'I don't have a problem with Germany, I have a problem with German trade'," Cohn insisted.

According to the German media reports Trump had complained bitterly about the likes of Volkswagen, BMW and Mercedes selling millions of vehicles to the US and vowed to stop it.

Whatever the exact truth, the issue did not prevent Trump and Merkel enjoying a light-hearted moment together at the start of the G7 summit, when they were seen laughing in the company of Britain's Theresa May and EU president Donald Tusk.



Khwaja Shahriar, managing director of LankaBangla Finance Ltd, cuts a ribbon to open the company's 24th branch at Savar in Dhaka on May 24.

China's reforms not enough to arrest mounting debt: Moody's

REUTERS, Beijing

China's structural reforms will slow the pace of its debt build-up but will not be enough to arrest it, and another credit rating cut for the country is possible down the road unless it gets its ballooning credit in check, officials at Moody's said.

The comments came two days after Moody's downgraded China's sovereign ratings by one notch to A1, saying it expects the financial strength of the world's second-largest economy to erode in coming years as growth slows and debt continues to mount.

In announcing the downgrade, Moody's Investors Service also changed its outlook on China from "negative" to "stable", suggesting no further ratings changes for some time.

China has strongly criticized the downgrade, asserting it was based on "inappropriate methodology", exaggerating difficulties facing the economy and underestimating the government's reform efforts.

In response, senior Moody's official Marie Diron said on Friday that the ratings agency has been encouraged by the "vast reform agenda" undertaken by the Chinese authorities to contain risks from the rapid rise in debt.

However, while Moody's believes the reforms may slow the pace at which debt is rising, they will not be enough to arrest the trend and levels will not drop dramatically, Diron said.

Wealth surcharge to go up

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Like every year the state banks will get allocation in the new budget for recapitalisation. "I will give more allocation to two or three banks that are performing well."

The default loan rate has come down substantially but it is still quite high, he said, while blaming corruption by borrowers and management for the higher default loan.

Muhith expects domestic investment to increase in the new fiscal year amid political stability.

In Aramco IPO pitch, Canada plays up its natural resources expertise

REUTERS, Toronto

The Toronto Stock Exchange's efforts to win a slice of the massive Saudi Aramco public listing plays up the country's deep experience in natural resources as part of a broader offer to help the kingdom with its shift away from oil dependence.

In pitch documents obtained by Reuters, the TSX talks up "a customized regulatory environment for resource issuers", its leading position in oil and gas equity capital raising, and strong trading interest from outside the country.

The Canadian pitch is also broader than just for a slice of the Aramco IPO. On several trips to the kingdom, the most recent in late March, TMX executives have been joined by senior executives from some of the country's biggest banks, brokerages and other financial players as Canada Inc seeks a role in delivering the kingdom's broader Vision 2030 plan.

One source directly involved in the Canadian pitch told Reuters they are focused on convincing the Saudis that Canada excels in 10 of the 12 areas they have targeted for development under that plan, including in mining and infrastructure. The source declined to be named due to the sensitivity of the matter.

"We feel that we have put TMX

and Canada's best foot forward and we continue to promote our strengths in pursuit of business opportunities in the region and around the world," TMX said in a statement.

But its best chance of winning a part of the biggest IPO ever, expected to raise about \$100 billion as early as next year, may lie in its geography and geopolitics, securities lawyers say.

While the exchange, owned by the TMX Group Ltd, is widely considered an underdog in a race that has also excited larger exchanges in London, New York, Tokyo, Hong Kong and Singapore its case could be bolstered by a recent change in U.S. law that allows those affected by the September 11, 2001 attacks to sue the Saudi government, they said.

"We are inoffensive from a political perspective," said Sarah Gingrich, a Calgary-based partner at Fasken Martineau, who has previously worked in Dubai with Saudi clients for international law firm Freshfields.

That law, the Justice Against Sponsors of Terrorism Act, came into effect in September, after the U.S. Congress overrode a veto by former President Barack Obama.

A group of insurers has since renewed a \$6-billion lawsuit against the kingdom, seeking to hold it responsible for business and prop-

erty damage as a result of the attacks, in which Saudi has long denied involvement.

In a March 17 interview with the Wall Street Journal, the Saudi energy minister, Khalid al-Falih, said the so-called "terror law" is one consideration in the country's decision on whether to list in the United States.

Falih, who is Aramco's chairman, declined to comment on the specifics of the IPO process at a recent news conference in Riyadh, citing legal restrictions. However, he said the Saudi government still intended to list Aramco in 2018 and that the preparations were on track.

It was not clear if the issue was discussed during U.S. President Donald Trump's recent visit.

A spokeswoman for the NYSE, which sources have said planned to visit Saudi soon after Trump's visit, declined to comment on their efforts to win Aramco's business.

Nasdaq, which is a technology partner to Saudi Arabia's exchange, is also pitching for the listing, while the London Stock Exchange is working on a completely new type of listing structure to woo Aramco, Reuters has reported.

Canada-listed oil and gas companies raised 22 percent of global energy financing over the past five years, the TMX pitch documents show, second behind the NYSE's 44 percent.

BB should look into Islami Bank issue: analysts

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The CPD listed the concentration of shares into the hand of a single owner-borrower as one of the key concerns.

"An orderly transition in the bank is urgently required," the CPD said, adding that the central bank has a role to protect the interest of depositors and borrowers of the bank and improve its governance.

Ahsan H Mansur, executive director of the Policy Research Institute (PRI), another think-tank, said the government itself is taking the bank towards collapse by appointing some unfit people to the board.

The fate of IBBL, the country's largest and best private commercial bank, will be similar to that of state banks because of political interference, he said. He said BB was opposed to the changes but overruled by the government. So, BB has nothing to do other than remaining silent.

Mansur suggested the central bank be more cautious about the loans being approved by the board.

"It should strengthen the monitoring so that loans don't go to the same people or the people close to the board members." "The big challenge for the central bank will be to stop loan irregularities of the bank," he said.

Biru Paksha Paul, former chief economist of the central bank, said it is the central bank's responsibility to look into the disorders in a bank.

Khatun of the CPD said there was allegation against the IBBL that it was involved in terror financing and funding political violence, and the government took steps against it.

She said the CPD welcomed the government move up to the point. She said investigations must take place if any of the bank's activities had harmed the country or the people and were against the spirit of independence.

The bank has reached a stage in the last two years that it is now facing many problems, said the economist, adding that when the largest borrower becomes the largest owner then it becomes a problem for the bank's corporate governance.

Mirza Azizul Islam, a caretaker government adviser, however, said BB should not make public statement over the recent crisis of IBBL at the moment.

"The central bank should allow the ongoing internal change at IBBL and observe the situation," he said.

He suggested BB strengthen the monitoring of IBBL's loan activities and take internal measure to restore peace within the organisation.

Abolish source tax for 2 years: BGMEA

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Regarding new destinations like Japan, Australia and New Zealand, Rahman said exports grew only 1.21 percent to those countries in the last ten months, way lower than the 20 percent growth recorded a year earlier.

Rahman blamed the weak demand for clothing items in the Western world for the slowdown in exports. In 2015, consumption of apparel items declined 7.9 percent worldwide as consumers shifted their focus to electronic gadgets.

The Indian government announced a Rs 6,000-crore stimulus package for its garment exporters to give a boost to export receipts. "So, our situation in global garment trade will be more volatile in the near future," Rahman said.



Abu Sakin, senior vice president of Mercantile Bank, and Richard Pereira, general manager of FARS Hotel and Resorts, exchange the signed documents of a deal at the hotel in Dhaka on May 25. Visa cardholders of the bank will enjoy "Buy 1 Get 1 Free" offer on iftar and dinner during Ramadan at the hotel.



Mehmood Husain, managing director of NRB Bank, and Md Al-Amin, director for sales at the Westin Dhaka, exchange the signed documents of a deal at a programme at the bank's head office in Dhaka on May 25. The bank's credit cardholders will enjoy "Buy 1 Get 1 Free" buffet iftar and dinner during Ramadan at the hotel.