

# EU lawmakers push to widen trade defence against China

REUTERS, Brussels/Luxembourg

EU lawmakers proposed toughening new rules to guard against cheap Chinese imports on Tuesday in a vote exposing a shift to a more guarded stance towards free trade in Europe.

The European Parliament's international trade committee voted overwhelmingly in favour of a text that would give the EU greater scope to impose duties on products coming from countries where the state interferes with the economy.

The parliament's proposal will force it into negotiations with the 28 member states, which last month agreed more restricted rules for dumping cases.

Trade is set to be one of the key issues at a summit of EU leaders in Brussels on Thursday and Friday with France, Germany and Italy pushing for the power to screen foreign investments.

The EU has championed free trade as a counterweight to a more protec-

tionist stance of U.S. President Donald Trump, but its emphasis is now as much on "fair" as "free" trade.

Draft conclusions for the summit stress that trade must be reciprocal and would have leaders ask the European Commission to take further trade defence measures and to examine ways to screen investments in strategic sectors.

An EU-China summit this month was overshadowed by divisions on trade, with the EU still wrestling over Beijing's demand that it be treated as a "market economy" 15 years after it joined the World Trade Organization.

For now, China is treated as a special case in which dumping is established if the export prices of a given product are lower than those of a third country, such as the United States.

The European Commission, now backed by the EU's 28 member states, believes that must change and that all WTO members, including China, should be treated the same, with dumping only found if export prices

are below domestic prices.

However, while not naming China, the plan includes an exception for "significant market distortions" that would clear the way for hefty anti-dumping duties.

EU lawmakers argue that "significant" needs to be broadly defined, setting out a long list covering state interference. They said investigators should look into compliance with international labour, fiscal and environmental standards.

Their text also seeks to address a problem identified by critics that the new rules would shift the burden of proof, meaning EU producers would have to show distortions rather than Chinese or foreign companies their absence.

European steel association Eurofer, which has brought a large number of complaints about Chinese steel, welcomed the committee's proposals, saying they better defined what distortions were and did not place additional burdens on industry.

Md Rezaul Haque, chairman of Social Islami Bank, cuts a ribbon to launch the bank's new service—EZ Banking—at Jirtali in Noakhali on June 18. The bank's customers will enjoy 24 hours banking services through ATM booths and cash deposit machine.



SIBL

# Airbag maker Takata plummets on bankruptcy fears

AFP, Tokyo

Takata shares dived again Tuesday, losing one-third of their value in just two days of trading on reports the troubled airbag maker will file for bankruptcy protection and sell its assets to a US company.

The embattled stock finished the day at 324 yen, tumbling by nearly 20 percent -- its maximum daily loss limit

-- on the Tokyo Stock Exchange, after it plunged 16.5 percent Monday.

Investors bolted for the exit doors after Japan's Nikkei business daily said the company, with liabilities exceeding one trillion yen (\$9 billion), would make a formal decision about the bankruptcy filing at a board meeting this month.

Takata, at the centre of the global auto industry's biggest-ever safety

recall, was suspended from trading on Friday pending a response to the Nikkei story and other similar reports.

Later Friday Takata said that no decision had been made but "all options" were on the table.

American autoparts maker Key Safety Systems, owned by China's Ningbo Joyson Electronic, will take over the firm's operations, the Nikkei's report on Friday said.



BATA

Rajeev Gopalakrishnan, president of Bata Emerging Market for South Asia, cuts a ribbon to open its exclusive store on Sonargaon Janapath Road at Uttara in Dhaka yesterday. Chitpan Kanhasiri, managing director of Bata Bangladesh, was also present.

# National Bank fails to auction Citycell HQ

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Earlier, Faisal Morshed Khan, son of Citycell Chairman Morshed Khan, also said they are in talks with the bank on the issue and would pay off the loans shortly.

Recently, the telecom regulator recommended the government to cancel the licence of the operator for not paying dues.

The telecom division has forwarded the recommendation of Bangladesh Telecommunication Regulatory Commission to the Prime Minister for a final nod, said a top official of the telecom division.

In October last year, the BTRC brought down the curtains on Citycell over dues amounting to Tk 477 crore pertaining to spectrum and licence fees, revenue sharing and late penalty.

After the cancellation of its spectrum, Citycell had paid Tk 230.19 crore to the BTRC along with Tk 14 crore as tax to the National Board of Revenue, according to documents.

Citycell disputes the amount claimed by the BTRC, so the High Court formed a committee to settle the matter. The committee has submitted its report recently.

Faisal Khan said the company has paid the BTRC's dues and would gradually pay back the bank loans.

Recently, a group of employees served a legal notice on Citycell over mounting amount of unpaid salaries and other benefits.

Shareholders have been trying to sell the operator's licence for the last few years, but it did not happen.

Citycell, which began operations in 1993, has been out of service since October last year.

Singapore's SingTel owns 44.54 percent shares in Citycell while Pacific Motors owns 37.95 percent and Far East Telecom 17.51 percent.

# NRBC chair show-caused for providing false info

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According to the second show-cause notice, NRBC informed Bangladesh Bank that the appointment of three independent directors was approved at the fourth annual general meeting and the 54th board meeting.

But the observer appointed to the bank gave opposite statement. The observer said the appointment of the independent directors was not approved in the AGM in face of objection from shareholders.

The issue also triggered huge

debate at the board meeting and the appointment proposal was finally rejected.

But the decision did not reflect in the board minutes sent to the BB, said the notice.

The bank attempted to distract the central bank by providing the false information and Ali was blamed for it as he signed the minutes, the notice said.

Moreover, providing wrong information to the regulator is also a violation of the High Court order and the Banking Companies Act,

the notice read.

Ali did not respond to mobile phone calls yesterday.

A special investigation carried out by the BB last year found serious irregularities into the bank, including Tk 140 crore loan forgery. All the irregularities took place with the involvement of the board and the management.

In the first show-cause notice issued to Ali, the BB asked him why appropriate action should not be taken against the bank for the irregularities.

# India raises rice, cotton buying prices

REUTERS

India raised minimum purchase prices for rice, cotton and other crops by the most since Prime Minister Narendra Modi came to power in 2014, according to a government circular seen by Reuters, amid ongoing protests in the country's biggest farming states.

Prices paid to local farmers for common grade paddy rice are to be raised by 5.4 percent to 1,550 rupees (\$24.03) per 100 kg for the year starting on July 1, while long staple cotton prices have been hiked by 3.8 percent to 4,320 rupees per 100 kg.

The increases for rice, cotton and other crops follow an outburst of discontent in the heartland states of Madhya Pradesh and neighbouring Maharashtra as farmers sought higher prices and debt relief.

Five protesting farmers were shot dead this month in the central state of Madhya Pradesh, which along with Maharashtra is ruled by Modi's Bharatiya Janata Party (BJP).

The unrest has posed a challenge to regional BJP leaders and Modi, who have promised to double farmers' incomes over the next five years.

India is the world's biggest rice exporter and buys the grain from local farmers to protect them from distressed sales and to build stocks for welfare programmes.

The government fixes minimum prices for more than two dozen farm commodities, although it mainly procures wheat and rice.

# New VAT to boost economic growth, revenue: WB

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He said the implementation of the new VAT law would not put additional strain on consumers although it remains to be analysed.

If the VAT and Supplementary Duty Act 2012 is implemented in its original form, inflation could go up by 0.5 percentage points, said Hussain, citing studies of the International Monetary Fund and the Policy Research Institute of Bangladesh.

"The proposed VAT law has extended the exemptions, so the impact should be much lower. The propaganda against the new law could have a negative impact on the markets," he said.

Hussain said the new law has given more concessions compared to the initial law formulated five years ago. "But nobody is focusing on that."

Fan said there is a huge demand in the country for investment in education, health and infrastructure. So the country will need to borrow externally.

"Bangladesh should focus on

concessional loans," he said, adding that the country can go for some of the bilateral loans that have concessionary elements.

It is also very important to make sure that the borrowed money is spent on top priorities such as infrastructure, education and healthcare, Fan said.

"How that money is spent is equally important."

The WB also said the budget for the upcoming fiscal year is ambitious. "We say it is ambitious because raising revenue and expenditure in a one-year period is very significant. The GDP growth [target] is also almost unprecedented. These are clearly very ambitious targets."

He, however, said the targets can be realised. "I do believe that Bangladesh can achieve even higher growth rates in the medium and long terms."

In order to achieve higher growth and earn more revenue, Bangladesh will have to implement the VAT law effectively and undertake reforms in areas that are currently constraining the growth potential, he said.

# Banks tempt Eid shoppers with offers

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A Standard Chartered MasterCard holder can enjoy up to 20 percent discount at 20 clothing stores and 25 percent discount with Visa card.

The bank also offering 35 percent discount on furniture and electronics purchase from 11 brands for the occasion of Eid-ul-Fitr.

"Banks are offering incentives for card transaction to promote a cashless society," said Abrar A Anwar, chief executive officer of Standard Chartered Bangladesh, adding that it is a global practice to accelerate economic activities.

Banks and merchants are jointly making the offers and both parties are being bene-

fited as it leads to an increase in card transaction. The offers also tempt customers to buy more, he added.

Among other banks, Mutual Trust Bank, Dhaka Bank, United Commercial Bank, National Bank, NRB Bank are running 'buy one get one free' offer for iftaar and suhoor buffets at standalone restaurants and upscale hotels for their card holders.

The BB is encouraging the use of card for transactions as it reduces the cost and risks of carrying cash, said Subhankar Saha, executive director of the central bank.

Card transaction between the months of January and March stood at Tk 2,023 crore, up almost 14 percent from a year earlier, according to data from the BB.

# State banks recover loans of Tk 3,000cr

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He said \$20 million was reimbursed from Sri Lanka to the Federal Reserve Bank, New York.

Of the \$81 million that had gone to the Philippines, \$14.63 million was deposited in BB's account in the Federal Reserve bank, he added.

Bangladesh Bank, Bangladesh Financial Intelligence Unit, the finance and foreign ministries, Office of the Attorney General and Criminal Investigation Department of police are working together to realise the

money, said Muhith.

Legal initiatives were also ongoing in the Philippines, he said.

The GDP growth in fiscal 2016-2017 will be 7.24 percent, while the country achieved an economic growth rate of 7.11 percent in fiscal 2015-16, Muhith said, referring to the data of Bangladesh Bureau of Statistics.

The government is taking different steps, including the ones to boost industrialisation, employment, production and exports, to achieve the growth, he added.



EBL

Ali Reza Iftakhar, managing director of Eastern Bank, and Md Nurul Islam, head of Bangladesh, Nepal and Myanmar for MetLife, exchange the signed documents of a deal at a programme in Dhaka. The bank in association with MetLife has launched an income protection plan, EBL Salary Shield. In case of natural death, the nominees of the bank's payroll banking account holders will get six months' salary under the plan.



NOIR

National cricketer Mashrafe Bin Mortaza attends a programme of Noir when the fashion house celebrated the opening of its fourth store on Sonargaon Janapath Road at Uttara in Dhaka.