

Trump eyes swift UK trade deal, says state visit to go ahead

AFP, Hamburg

US President Donald Trump said Saturday his controversial state visit to Britain will go ahead, adding that he was hoping for a "very powerful" trade deal with London "very, very quickly".

As he met with British Prime Minister Theresa May at the G20 summit in Germany, Trump predicted that trade would be "a very big factor" between the two nations.

"There is no country that could possibly be closer than our countries," he said.

"We are working on a trade deal -- a very big deal, a very powerful deal, great for both countries, and I think we'll have that done very, very quickly."

The president said he had brought with him "all of our trade people" including Secretary of Commerce Wilbur Ross.

Any negotiations for such an accord would further drive a wedge between Britain and the European Union, which has warned London against striking any separate agreement before its divorce from the bloc is complete.

Back home, May has come under fire for seeking to curry favour with Trump and came in for heavy criticism in January for inviting him for a state visit just seven days after he took office.

But questions about the trip arose after it



REUTERS

From left, US President Donald Trump, German Chancellor Angela Merkel and Canada's Prime Minister Justin Trudeau attend the panel discussion "Launch Event Women's Entrepreneur Finance Initiative" on the second day of the G20 Summit in Hamburg, Germany yesterday.

got no mention in Queen Elizabeth II's annual speech to parliament in June when it is customary for the monarch to list upcoming state visits.

Asked if the visit would still go ahead,

Trump said it would. "I will be going to London," he said. Asked when, he said: "We'll work that out."

The US leader said he had developed a "very special relationship" with May, who

hot-footed to Washington just days after the president's inauguration in the hope of securing the promise of future trade ties once the UK leaves the European Union.

But the planned state visit has received huge criticism at home, with a petition against it attracting more than 1.8 million signatures.

Thousands of protesters rallied outside parliament in February as MPs debated the visit, with some lawmakers calling for it to be downgraded from the royal affair represented by a state visit, to a regular visit.

Since visiting Washington, May has suffered a chastening general election in which her Conservative Party surprisingly lost its outright majority in parliament, hanging on as leader thanks to a deal with small Northern Ireland party the DUP.

Britain and the EU last month agreed on the priorities and a timetable for the Brexit negotiations.

The two sides agreed to hold four further monthly rounds of talks, with the next on July 17, on the key issues of Britain's divorce from the bloc.

The aim is to make sufficient progress so that the leaders of the other 27 member states can agree to move on to talks on a future relationship with Britain, including a trade deal, the EU's top Brexit negotiator Michel Barnier said.

Bank Asia reelects vice chairmen



AM Nurul Islam Anu



Mohd Safwan Choudhury

STAR BUSINESS DESK

Mohd Safwan Choudhury and AM Nurul Islam Anu have recently been re-elected vice chairmen of Bank Asia.

The election took place at a meeting of the bank's board of directors, the bank said in a statement.

Choudhury is former president of the Sylhet Chamber of Commerce and Industries. He is also the managing director of M Ahmed Tea and Lands Company Ltd.

He completed his masters as a teacher of Dhaka University in 1961.

Anu joined the board of Bank Asia in 2008 and acted as the chairman of the audit committee and subsequently as chairman of the risk management committee.

He started his career as a teacher of Dhaka University in 1961. Later, he joined Pakistan Civil Service where he served as the private secretary to Prime Minister Bangabandhu Sheikh Mujibur Rahman.

Heidelberg chairman visits Bangladesh

STAR BUSINESS DESK

Bernd Scheifele, chairman of Germany based multinational company HeidelbergCement Group, visited Bangladesh recently.

HeidelbergCement Bangladesh Ltd has two renowned brands ScanCement and RubyCement.

In a media brief, he expressed being really impressed with the progress Bangladesh has made in the last couple of years, the company said in a statement.

He also shared that the main structure of Padma Bridge is being built with ScanCement.

Scheifele has been the chairman of the managing board of HeidelbergCement since 2005. In the managing board, he has the direct responsibility of handling strategy and development, communication and investor relations, human resources, legalities, compliance and internal audit.

He studied law at the Universities of Freiburg and Dijon. He received a Fulbright scholarship for the US and gained a masters degree in law in 1984, according to the statement.



SOUTHEAST BANK

Md Abul Kalam, lawmaker from Natore 1; Shitangshu Kumar Sur Chowdhury, deputy governor of Bangladesh Bank; and M Kamal Hossain, managing director of Southeast Bank, hand over one of the 100 bicycles they provided to underprivileged school and college girls of Lalpur and Bagatipara upazilas in Natore yesterday as a donation under corporate social responsibility of Southeast Bank.

AB Bank in leadership vacuum

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Amid this crisis, the board has entrusted the management of the bank to MA Abdullah, currently the deputy managing director, according to M Wahidul Haque, chairman of AB Bank.

"The MD is on annual leave," he told The Daily Star.

The ACC on June 28 filed a case against Mehboob Chowdhury, chief executive officer of Citycell; former foreign minister M Morshed Khan and his wife Nasrin Khan; and 12 senior officials of AB Bank with the Banani Police Station for allegedly embezzling over Tk 383 crore from the bank between 2011 and 2015.

An ACC team led by its Deputy Director SK Abdus Salam arrested the Citycell CEO at Hazrat Shahjalal International Airport on July 1 upon his arrival in Bangladesh from Sri Lanka. He was granted bail on the same day on grounds of ill health.

AB Bank unlawfully guaranteed loans of Tk 348.5 crore given to Pacific Bangladesh Telecom Ltd (PBTL), Citycell's parent company, by eight other banks and non-bank financial institutions, according to the case statement.

The board and other top officials of AB Bank approved the move without taking any collateral from PBTL, which is in violation of the Bangladesh Bank's rules.

Meanwhile, AB Bank is going through a financial crunch due to the loan corruption. The bank last year came short in its provisioning requirement.

The first generation private commercial bank kept only Tk 250 crore as provisioning against the required Tk 1,590 crore, because of bad loans mostly at its offshore banking unit.

The bank will face a capital shortfall if full provisioning is maintained. As of December last year, its capital base stood at Tk 3,064 crore.

In 2106, AB Bank restructured large loans of more than Tk 1,300 crore of six business groups under a special facility offered by the BB.

Amid this situation, the BB on May 3 appointed Sheikh Mozaffar Hossain, a general manager of the central bank, as an observer to AB Bank to closely monitor the bank's financial activities.

Shahjalal Bank director wants to sell holdings violating rules

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"There is no option to sell directorship because a director is appointed following approval in the annual general meeting and from Bangladesh Bank," said Muhammad Abdul Mazid, former chairman of the Chittagong Stock Exchange.

Moreover, a director of a listed company can't sell holdings without declaration in the stockmarket, he said.

"This type of advertisement is undesirable," said Subhankar Saha, executive director of the central bank.

According to the BSEC rule, a director of a listed company must hold at least 2 percent share in the firm.

The current market price of 2 percent shares of Shahjalal Islami Bank is about Tk 26 crore.

Rising production costs bite into profits

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Nearly 20 percent sales growth in January-March period could not boost RAK Ceramics' earnings due to a substantial rise in operating and financial expenses of the tiles and sanitary ware manufacturer.

Linde Bangladesh, which is the country's leading manufacturer and supplier of industrial and medical gases, is also facing the same situation.

Its manufacturing and operating costs soared more than 15 percent and 33 percent respectively in the first quarter. The cost escalation has shrunk the company's earnings by 3.4 percent.

A surge in operating expenses, of about 22 percent, and a decline in revenue of about 13 percent have brought down Heidelberg Cement Bangladesh's net profit by nearly 39 percent. BSRM Steels experienced a 16 jump in manufacturing costs during the July-March period.

Mir Nasir Hossain, chairman of Mir Group that has exposure in cement, ceramics and construction, said the hike in energy price and a strong dollar are putting

pressure on the manufacturing costs.

"We have to import many raw materials and the dollar rate that went up to Tk 84 recently is increasing our import costs," said Hossain, also a former president of the Federation of Bangladesh Chambers of Commerce and Industry. It was the same narrative for drug makers.

GlaxoSmithKline Bangladesh's manufacturing costs and operational costs increased about 12 percent in the first quarter. Mostafa Kamal, chairman of Meghna Group of Industries, pointed out corruption to be another reason behind the escalation of operating costs.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said rising production cost is making entrepreneurs lose the competitive advantage. "Though there is hardly any scope for reduction of gas price, government can bring down the oil prices in line with the international market," said Moazzem, referring to the case of India.

This cost escalation will reduce entrepreneurs' investible funds, he added.

Ctg customs to offer port services 24 hrs

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The decision comes against the backdrop of rising congestion at the Chittagong port, which handles more than 90 percent of the country's overseas trade, which was ultimately affecting busi-

nesses.

The revenue administration asked the Chittagong customs office to carry out valuation of goods in coordination with Chittagong Port Authority, shipping agents and other stakeholders.

Policy drafted to discourage tobacco farming

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The policy said through various measures, the tobacco cultivation area will be brought down by half between 2017 and 2026. Production of other crops will be increased on the same land.

Facilities would be developed in hilly areas to store crops such as ginger, turmeric, chili, banana, mango and pineapple, according to the draft policy.

The draft also stated a previous verdict of the appellate division of the Supreme Court that directed the government to take steps in phases to stop the production of tobacco leaves by way of giving subsidies to farmers, if possible.

It said various local and multinational companies are encouraging farmers to grow tobacco by supplying seeds, fertiliser and pesticides to them and also making promises to buy the leaves after the harvest.

Tobacco is grown mainly in northwestern Kushtia, Lalmonirhat, Nilphamari and Rangpur districts and southeastern hilly districts.

In absence of control, new areas are coming under tobacco cultivation which is squeezing the land for growing food crops, the draft said. Crops such as rice, wheat, pulse and oilseeds were grown in

those lands.

Citing an estimate of tobacco cultivation on 51,950 hectares of land in 2013-14 by the Department of Agricultural Extension, the draft policy said 2.2 lakh tonnes of rice could be produced on the land.

The draft policy also focuses on creation of jobs opportunities for tobacco growers and seeks to impose VAT and higher supplementary duty on unprocessed tobacco and slap higher duty to discourage exports.

The draft says the National Tobacco Control Cell under the health ministry will coordinate actions among ministries to implement the policy.

It however may take some time to finalise the policy to give time to stakeholders so they can offer their views and recommendations, said the health ministry officials.

In May, the ministry sought opinions from stakeholders on the draft policy, which comes after the government framed a law on controlling smoking and usage of tobacco products.

The law provides the scope to frame the policy to discourage tobacco production and consumption. The government wants to make Bangladesh a tobacco-free nation by 2040.

India calls for raising cross-border trade

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On the other hand, Bangladesh's exports to India hit roughly half a billion. So, the balance of trade between Bangladesh and India is heavily tilted in favour of India, he added.

In fiscal 2014-15, crops, livestock, fisheries and forest products accounted for about 16 percent of Bangladesh's total GDP and supported approximately 47 percent of the total population.

Bangladesh produces a variety of agricultural products such as rice, wheat, corn, legumes, fruits, vegetables, chicken meat, fish and seafood.

The processed food industry in Bangladesh accounts for approximately 12.3 percent of all manufacturing production value and employs 6 percent of the manufacturing labour force.

The sector is dominated by small

and medium-sized enterprises strongly linked to local production.

There are nearly 246 medium food manufacturing enterprises processing baked goods, confectionery items, fruits and vegetables, cereals, dairy goods, fruit juices and so on.

Given this, Bangladesh has huge investment prospects in areas of food processing for local and export markets like aquaculture and processed fish, halal foods, milk and dairy products, cold storage facilities, agricultural products including herbs, spices, nuts and pulses, Amu said.

Bangladesh has exported \$153.4 million worth of processed food items in fiscal 2013-14.

FBCCI President Shaiful Islam Mohiuddin said Bangladesh is the third largest vegetable producer, fourth largest rice producer and fourth largest

freshwater fish producer worldwide.

The private sector has taken the lead to transform the agricultural sector through value addition and expanding agricultural exports, which include fisheries and processed fruits and vegetables.

Bangladesh exports processed food and beverage worth over \$900 million a year, 60 percent of which are shrimp and fish products, Mohiuddin said.

The implementation of the Bangladesh Bhutan India and Nepal agreement will remove the challenges of connectivity in the region, said Rajeev Singh, director general of the Indian Chamber of Commerce.

Abdul Matlub Ahmad, the immediate past FBCCI president, and Taskeen Ahmed, president of the India-Bangladesh Chamber of Commerce and Industry, also spoke.



Md Rafiqul Islam, managing director of South Bangla Agriculture and Commerce Bank, speaks at the bank's "Yearly Business Meet 2017" at its Dilkusha head office in Dhaka yesterday. Senior Additional Managing Director Md Golam Faruque and Additional Managing Director Mostafa Jalal Uddin Ahmed were also present.