

Committed global support key to attaining SDGs: Debapriya

STAR BUSINESS REPORT

Committed global support has to be extended to countries to help them achieve the Sustainable Development Goals (SDGs), according to an expert.

Debapriya Bhattacharya, chair of the Southern Voice on Post-MDG International Goals, a network of more than 50 think-tanks from Asia, Africa and Latin America, said countries would need to implement the SDGs in an inter-linked fashion for greater benefit.

"But for success of the national efforts, committed global support measures have to be delivered. Regrettably, such support from global partnership is yet to come by even two years after the adoption of this ambitious universal agenda," he told a meeting in New York on July 14.

Bhattacharya, also a distinguished fellow at the Centre for



Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue, speaks at the High-Level Political Forum in New York on July 14.

Policy Dialogue, was speaking at a session on "Leveraging Inter-linkages for Effective Delivery of SDGs" at the High-Level Political Forum (HLPF), said the think-tank in a statement.

The HLPF is the highest body of the United Nations member states

that annually takes stock of the progress in SDG implementation. This year's HLPF explored the theme "Eradicating poverty and promoting prosperity in a changing world."

Bhattacharya said there is no adequate instrument at the UN that

can ensure accountability of the external stakeholders in the development of the lagging countries.

He suggested revision of the guidelines of the voluntary national review mechanism to reflect explicitly the inter-linkages between the domestic and international efforts.

The economist said that the current state of global economic governance is impeding faster growth of the developing countries.

Michel Sidibé, executive director of the UN AIDS, Charles-Arden-Clarke, head of the economy division of the UN Environment Programme, Irene Khan, executive director of the International Development Law Organisation, Minh-Thu Pham, executive director for policy of the UN Foundation, and Marie Chatardova, vice-president of the UN Economic and Social Council, also spoke at the session.

Rare meeting among Chinese regulators could set bigger role for central bank

REUTERS, Beijing

China's financial regulators are gathering in Beijing in a once-in-five-years huddle that many expect will formalise a greater coordination role for the central bank, but will stop short of pushing changes that could potentially destabilise the economy.

The National Financial Work Conference is strictly closed-door, but its outcome will be widely watched.

At the inaugural conference in 1997, Beijing set up China's insurance regulator. The second in 2002 saw the creation of the banking regulator. China Investment Corp, the sovereign wealth fund, was formed after the 2007 conference.

The most recent meeting in 2012 yielded no significant policy change as the country's top leadership went through a once-in-a-decade transition, with Xi Jinping taking Hu Jintao's place as the leader of the People's Republic of China.

Ahead of the once-every-five years congress of the Communist Party in autumn this year, stability of the economy and society is key, with Xi expected to further consol-

idate his hold on power.

Economists say the meeting this weekend will likely focus on how the central bank can better coordinate with the China Banking Regulatory Commission (CBRC), the China Securities Regulatory Commission (CSRC) and China Insurance Regulatory Commission (CIRC) to tackle weaknesses in the financial system.

"We can expect the People's Bank of China (PBOC) to be given more power to oversee and coordinate, given the growing amount of financial products that cross the boundaries of the three regulators," said Julian Evans-Pritchard, China economist at Capital Economics.

"This shift is positive as the PBOC is probably the best placed to do this since it had the broadest mandate of ensuring financial stability."

PBOC, CBRC, CSRC and CIRC did not immediately respond to requests for comment.

Investors have long supported the idea of a unified body to oversee the various regulators that oversee the different parts of the financial system, though there is little sign that a super-merger is imminent.



Mahbubur Rahman, chairman of Eastland Insurance Company Ltd, attends the company's half-yearly conference in Dhaka on Thursday. Arun Kumar Saha, chief executive officer, was also present.

Dollar falls after US CPI, retail data disappoint

REUTERS, New York

The dollar extended its earlier decline against a basket of major currencies on Friday, after weaker-than-forecast data on consumer prices and retail sales in June raised doubts about US economic growth and whether the Federal Reserve would raise interest rates again in 2017.

"This cements the weaker trend in the dollar and lower US yields and I think this story has got legs," he said.

US interest rates futures rose as traders pared their view the Federal Reserve would increase rates again in 2017 to less than

"Economic surprises continue to tilt toward the downside in the world's largest economy, suggesting that the Federal Reserve's hawkish stance earlier in the year could once again prove ill-founded," Karl Schamotta, director of global product and market strategy at Cambridge Global Payments in Toronto, said in a note.

The US dollar remained broadly on the back foot against major currencies.

Against the Japanese yen, the greenback was down 0.62 percent to 112.57 yen, after hitting a near two-week low of 112.28 yen.

"Dollar-yen has got a lot more downside and it could easily go to 110 yen before the summer is out, in fact the next few weeks, especially with US yields heading lower," Franulovich said.

The dollar index, which tracks the greenback against six major rivals, was

Businesses welcome FTA move

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"I hope after the signing of the FTA, the businesses and investments between the two Saarc nations will expand a lot, which will benefit both the countries," he added.

Nihad Kabir, president of the Metropolitan Chamber of Commerce and Industry, Dhaka, welcomed the move to sign the FTA.

He said both the countries can work together in areas such as tourism, fishing and maritime resource exploration to take the economic and trade relations to a new height.

Sri Lankan Foreign Minister Ravi Karunayake assured Bangladeshi investors of approving investment proposals in Sri Lanka within 10 days.

WKH Wegapitiya, chairman of Laugs Holdings Ltd of Sri Lanka, expressed satisfaction over the support of the Bangladeshi authorities to expand his group's business

here.

The planned FTA would boost business and investment, he said.

Rasith Wickramasingha, group director of Ceylon Biscuits Group of Sri Lanka, who has invested in Bangladesh, said Bangladesh's market is rapidly growing in IT and food-processing.

He urged Sri Lankan businessmen to come forward with investment as Bangladesh is a good destination.

Syed Nasim Manzur, former president of the MCCI, requested the Bangladesh government to simplify the visa processing for Sri Lankans to help deepen ties between the two countries.

Kazi M Aminul Islam, executive chairman of the Bangladesh Investment Development Authority, called upon Sri Lanka businessmen to attain the "one-stop service" being provided by the agency.

Satellite's ground stations testing begins in Sep

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The cabinet already passed a proposal for forming a public limited company to look after the satellite's businesses for the next three years as a local partner of Thales Alenia Space.

The satellite will bring down television broadcasting costs to just one tenth of what is incurred now, said the officials.

It will take seven years to recoup the investment while the project will put Bangladesh on track to become a developed country, said Tarana.

After the launching, the government will go for two more satellites, Bangabandhu-2 and Bangabandhu-3, said the officials.

Export tariff should be cut further

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Hasina and Sirisena welcomed the signing of a memorandum of understanding on economic partnership, which is expected to replace a free trade agreement by 2017.

Leaders recognised the potential for collaborative partnership between private sectors, particularly in high-end apparel and textiles, information technology and related knowledge industry, religious and eco-tourism, gems and jewellery and precious metals.

Other sectors that could benefit include agriculture and agro-processing, fisheries, livestock, dairy and horticulture, health management, infrastructure development and construction, pharmaceuticals, energy and power.

Hasina and Sirisena encouraged sectors, industry associations and chambers to go for greater dialogue towards beneficial and result-oriented collaboration, including investment.

They acknowledged a sizable presence of Sri Lankan workers and professionals in Bangladesh. They agreed to

work towards facilitating citizens' movement in a more mutually beneficial manner.

The two leaders also agreed to accelerate works in various sub-regional and regional cooperation mechanisms, and work towards focused and result-oriented regional economic cooperation in Bimstec and Saarc.

Stating the potential of collaboration in the pharmaceutical sector, Hasina requested simplifying the registration process for Bangladeshi pharmaceuticals at the earliest.

Both sides recognised the importance of enhanced air connectivity to promote people-to-people contact, tourism and trade.

Sri Lanka expressed optimism that Bangladeshi carriers would start operating flights to Colombo soon to meet the growing traffic.

Recognising the potential for cooperation in maritime affairs and blue economy, the two leaders agreed to work together to explore new areas and innovative means to tap opportunities in developing the Bay of Bengal into a region of peace, growth and

prosperity.

Both further agreed to engage in facilitating mutually beneficial investments in respective special economic zones and industrial and hi-tech parks.

They welcomed a deal between Bangladesh Bank and Ceylon Central Bank which is expected to facilitate mutual collaboration in the financial sector and development of financial services.

They emphasised completing the ongoing negotiations on the Agreement on Coastal Shipping early. They further agreed to share respective knowledge, ideas and innovations to effectively realise the Agenda 2030 for sustainable development and the SDGs.

The two leaders expressed deep satisfaction at the signing of 14 instruments of cooperation, including the ones in trade and investment, agriculture, information and communication technology, higher education, finance, and overall people-to-people connectivity.



Ali Reza Iftekhar, chief executive officer of Eastern Bank Ltd, poses with the "Best Bank of Bangladesh 2017" trophy presented by Euromoney, an English-language monthly magazine focused on business and finance, at the Island Shangri-La hotel in Hong Kong on Thursday. EBL has won the award for the second consecutive year.



Uttara Bank Chairman Azharul Islam attends the bank's 3rd Zonal Heads Conference-2017 at its head office in Dhaka yesterday. Mohammed Rabiu Hossain, managing director, was also present.



Mercantile Bank Chairman Shahidul Ahsan presides over the bank's half yearly business conference at the FARS Hotel and Resorts in Dhaka yesterday. CEO Kazi Masihur Rahman was also present.

Banking Companies Act to be amended to fund power projects

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He said the amendment of the provision to facilitate a certain sector will put the banks at risk and harm the financial stability.

Moreover, such amendment will reduce the bank's ability to comply with Basel-III capital requirement, Ahmed added.

The move to amend the law is to facilitate a certain business group, said a senior executive of a private bank.

"It will open up opportunity for the group to take money from the government

bank," he added.

The Banking Companies Act 1991 was last amended in 2013 to extend the tenure of shareholding directors and double the number of directors in a bank's board from a single family.

The amendments, which were as per the recommendation of the International Monetary Fund and followed international best practices, came against the backdrop of directors getting involved in irregularities.

Foreign aid use slumps

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For instance, work on the metro rail, a Japan-financed venture, was stopped indefinitely after seven Japanese nationals who were in Dhaka for the project were killed in the attack.

Besides, the implementation of projects financed by China and India slowed down, which also contributed to the lower foreign aid disbursement number for last fiscal year.

However, foreign aid disbursement from the World Bank, Bangladesh's largest donor, soared more than 27 percent last fiscal year to \$1.3 billion.

As of June last year, the WB accounted for 46.2 percent of the country's total outstanding debt of \$26.20 billion.

The Asian Development Bank's share was 29.9 percent of the total external debt. Last fiscal year, the Manila-based lender disbursed \$758 million, which was \$814 million in fiscal 2015-16.

A foreign aid commitment record was set last year after Russia agreed to provide \$11.38 billion for the Rooppur Nuclear Power Plant project.

As a result, the total foreign aid commitment for the year came to \$17.88 billion, way more than the average of \$6-\$7 billion in recent years.

When a government signs a loan agreement with a development partner it is considered a commitment and the amount is included in the aid pipeline.

Meanwhile, Finance Minister AMA Muhith has unveiled a plan to utilise an unprecedented amount of foreign aid this fiscal year, with a view to successfully implementing the last fiscal budget of his career.

The government has targeted to utilise \$7.6 billion (Tk 60,817 crore) this fiscal year, which is 67.78 percent higher than last fiscal year's goal.

The ambitious target comes as the government feels it has augmented its foreign aid utilisation efficiency sufficiently in the past several years. Some individual countries too have made commitments to large projects.

Traditionally, Bangladesh has been getting large sums of assistance from the WB, the ADB and Japan.

Now India, China and Russia have come forward with big amounts of assistance. Though their interest rate is low, they come with terms and conditions that will ultimately bump up the project costs.

More than half of the aid utilisation targets fixed by Muhith for the current fiscal year will come from individual countries.

As of June last year, Bangladesh's outstanding debt to Japan was \$2.95 billion and that to China \$1.02 billion.

Uber shareholders discuss stock sale to SoftBank, others

REUTERS

Uber Technologies Inc's shareholders and its board, led by venture capital firm Benchmark, have discussed selling some of their stock to Masayoshi Son's SoftBank Group Corp and other potential investors, Bloomberg reported on Friday, citing people familiar with the matter.

The deal could include investment of new money into the startup, Bloomberg reported, adding that details about the valuation of shares or how much SoftBank or other investors would buy were unclear.

However, a CNBC report said Softbank was not in discussions to buy stock in the ride-hailing service.