

Florida insurers could be blown away by Hurricane Irma: expert

AFP, Washington
Florida insurance companies have not been tested to see if they can withstand a historic storm like Hurricane Irma, and an industry expert warned that "all bets are off" if the damage is as catastrophic as predicted.

The ferocious storm was expected to slam into Florida overnight Saturday, and had been upgraded to a maximum-strength Category Five storm when it struck Cuba late Friday.

Irma will cover the entire state, ripping through one of the most highly-developed regions in the United States, including the upscale areas around Miami, where hundreds of billions of dollars in real estate are at risk.

As a result, the disaster could leave some insurers struggling or unable to pay claims from policyholders as they dig out after what is expected to be one of the most destructive storms ever to hit the United States.

As of Friday morning, damage forecasts stood at around \$100 billion, according to disaster modelling firm Enki Research.

Shahid Hamid, an expert on the insurance industry who oversees stress testing for Florida state regulators, told AFP he had serious concerns

about the ability of local insurers to absorb a shock of this magnitude.

As director of the insurance laboratory at Florida International University's hurricane research centre, Hamid tests companies to see whether their financial positions are secure enough to handle a flood of hurricane-related claims.

Although all companies passed the most recent round of testing, the stress tests did not contemplate the "exceptional scenario" of a \$100 billion storm, Hamid said. "This raises the question how many insurance companies can really cope with a hurricane like Irma," he said.

"If the losses are exceptionally high, then all bets may be off."

Officials at Florida's Office of Insurance Regulation said Friday they could not respond to AFP queries as their office was closed. But in a statement issued Wednesday, the office said it communicated with company executives to confirm their readiness for Irma.

Florida, a state prone to hurricanes, has seen considerable changes in its insurance market since Hurricane Andrew, which in 1992 dollars tore a \$27 billion path through southern Florida.

After brand-name insurers like State Farm and Prudential fled the local market, Florida improved building codes to reduce storm damage and promoted reinsurance to cushion insurers from such claims.

The state also created an insurer of last resort known as Citizens Property Insurance Corporation.

Michael Peltier, a spokesman for Citizens, said about half of its 450,000 policies were concentrated in the southern counties of Broward, Miami-Dade and Palm Beach.

However, the company did not have estimates for potential damage or claims.

Steven Weisbart, chief economist at the Insurance Information Institute, an industry-supported body, told AFP he doubted any insurer would go belly up because of the storm.

"It's unlikely that you will see a solvency event for insurers in the Florida market place," he said, and the industry overall is well capitalized, running a \$700 billion surplus.

In the event a company did fail, US laws require surviving insurers to cover their liabilities, he said.

However, Hamid remained concerned.



Crown Cement Adviser A Majid Chowdhury and Additional Managing Director Molla Mohammed Maznu and China Harbour Engineering Company Ltd Project Manager for Dhaka-Khulna N8 Road Improvement Project He Guanjian attend a deal signing ceremony at the Westin Dhaka on Thursday. As per the deal, Crown Cement will be supplied for the project, which is being run by the Chinese company.

China's factory gate inflation accelerates in August

AFP, Beijing
China's factory price inflation, a key barometer of the industrial sector, accelerated sharply in August, reflecting strong demand and a reduction in excess capacity which has plagued China's economy.

The producer price index (PPI), which measures costs for goods at the factory gate, rose 6.3 percent year on year in August, much faster than expected, official data showed Saturday.

The pace of PPI expansion jumped from 5.5 percent registered in July, according to the National Bureau of Statistics, which Bloomberg said represented 12 consecutive months of growth.

China's consumer price index (CPI), a main gauge of retail inflation, meanwhile rose 1.8 percent year-on-year in August, stronger than the 1.4 percent posted in July.

The increase was driven by the rise in prices for produce like eggs and vegetables which have been driven up by heavy rain and high temperatures over the summer.

Novoair adds more domestic flights

STAR BUSINESS DESK

Novoair has decided to increase its daily flights in three domestic routes, said the airline in a statement.

From September 20, the local company will operate five daily flights on Dhaka-Chittagong route from four now and three flights on Dhaka-Saidpur and Dhaka-Jessore routes from two currently.

The new flight will leave Dhaka for Chittagong at 8:00am, Chittagong for Dhaka at 9:20am, and Dhaka for Saidpur at 11:00am. The flight from Saidpur to Dhaka will depart at 12:30pm, from Dhaka to Jessore at 10:45am, and from Jessore to Dhaka at 11:55am.

Novoair also operates two daily flights on Dhaka-Cox's Bazar route and one on Dhaka-Sylhet and Dhaka-Kolkata routes.

German trade surplus narrows as industrial motor sputters

REUTERS, Berlin

German imports grew far faster than exports in July, narrowing the trade surplus and suggesting Europe's largest economy will again rely on domestic demand to drive growth in the third quarter as a stronger euro acts as a headwind for exporters.

Seasonally adjusted exports rose by 0.2 percent on the month while imports were up 2.2 percent, data from the Federal Statistics Office released on Friday showed. Both figures came in weaker than expected.

The seasonally adjusted trade surplus narrowed to 19.5 billion euros (\$23.55 billion) from 21.2 billion euros in June. The July reading was lower than the Reuters consensus forecast of 20.3 billion euros.

The trade figures came after data released on Wednesday showed industrial orders fell in July on feeble domestic demand while

appetite from abroad was flat - a rare sign of weakness in the economy less than three weeks before federal elections.

But Carsten Brzeski, economist at ING, said the German economy's was still in good shape.

"Even though this week's industrial data was anything but splendid, strong fundamentals combined with buoyant confidence indicators still point to a quick rebound of industrial activity after the summer break," he said.

"The upside of the weak start to the third quarter is that the upside potential has clearly increased."

German business morale fell in August, though by less than expected, after climbing to three record highs in a row, suggesting that a consumption-led upswing in Germany will continue despite concern about a car emissions scandal.



Prime Minister Sheikh Hasina receives Tk 50 lakh as donation for flood-hit people across the country from Farzana Chowdhury, CEO of Green Delta Insurance, at a programme at the Prime Minister's Office in Dhaka. Nasir A Choudhury, adviser of Green Delta, was also present. The employees of Green Delta Insurance and its subsidiaries donated their one-day's salary to raise the fund.

Apple lawsuits against Qualcomm can proceed, US judge rules

REUTERS

Apple Inc's 11 foreign lawsuits against Qualcomm Inc can proceed while the company's dispute plays out in the United States, a US federal judge in San Diego ruled Sept. 7. Qualcomm and Apple are facing off in federal court over Qualcomm's licensing for modem chips, which provide mobile data connectivity to devices like the iPhone.

Because those chips have become a standard across the mobile phone industry, Qualcomm is required to license them on fair terms.

Apple has alleged that Qualcomm is charging unfair prices for the technology and is engaging in anticompetitive practices. Qualcomm, for its part, has said that it provided fair terms for the parts of technology where it is obligated to do so and that it is within its rights to determine pricing on patents that are not bound by the standards rules.

Qualcomm had sought what is known as an "anti-suit" injunction against Apple, seeking to temporarily halt 11 separate lawsuits against Qualcomm and its subsidiaries in the United Kingdom, Japan, China and Taiwan over many of the same pricing and practices issues as the US case.

But Judge Gonzalo Curiel ruled against Qualcomm and said Apple could proceed

with those actions while the US case plays out.

"Apple's declarations make evident that it has sought to challenge Qualcomm's patent licensing practices and anticompetitive conduct territory by territory," Curiel wrote. "While Qualcomm may object to this litigation strategy as duplicative, the Court will not conclude that Apple's exercise of its rights under foreign laws is vexatious."

Christine Trimble, vice president of public affairs at Qualcomm, said in a statement, "While we are disappointed by today's rulings, we recognize that the motions involved high procedural hurdles." Apple praised the ruling.

"We are pleased the federal court in San Diego decided Qualcomm must establish the fair value of its technology and defend its business practices in court before forcing Apple and others to pay exorbitant and unfair rates, which amount to a tax on our own inventions," Apple spokesman Josh Rosenstock said in a statement.

Qualcomm has also brought an action against Apple before the US International Trade Commission seeking to ban imports of some iPhones. Qualcomm filed a separate civil lawsuit accusing Apple of infringing the patents at issue in that action.

Local demand for prawn on the rise

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During the 2016 production season, which starts from October and goes on to December, the retail prices of large-sized, head-on prawn (4-5 pieces per kg) in Dhaka ranged from \$20-25 per kg, according to the FAO report.

The retail prices for the medium and smaller sizes ranged from \$7-12 per kg.

In comparison, the export price for headless shell-on shrimps to the US was \$22 per kg, the report added.

"Once we saw high demand for small prawns in Dhaka, but now it's for the larger shrimps," said Hawladar Nurul Islam, a fish and crab wholesaler and supplier at Bagerhat, a southwest district where both brackish- and fresh-water shrimps are farmed.

Islam said his daily supplies to his clients in Dhaka rose three times to 400 kilograms from 3-4 years ago.

"Hotels, particularly the Chinese restaurants, in Dhaka are one of the main buyers of the prawn," he said.

Bangladesh produced 1.25 lakh tonnes of shrimp, mainly brackish water black tiger bagda from 2.75 lakh hectares area in fiscal 2015-16.

Freshwater prawn production was 46,189 tonnes, up 10 percent from fiscal 2014-15, according to data from the

Department of Fisheries (DoF).

Some 7,626 tonnes of prawn was exported, which was 16 percent of the total production recorded in fiscal 2015-16, according to DoF data.

Shrimp farming area also rose 16 percent year-on-year to 68,746 hectares in fiscal 2015-16, according to the DoF.

As galda shrimp can be grown in fresh water, its farming is rising in various districts up north as well as in districts under Dhaka division, said Qazi Shams Afroz, deputy director (shrimp) of the DoF.

"Once it was a wild catch. But now, the availability of the prawn has increased due to higher farming and production," said Abul Bashar, deputy managing director of Lockport Group, a top frozen and seafood exporter.

"Farmers show interests to cultivate prawn in sweet water along with other fishes because of higher demand," he said, adding that one of the problems facing the sector is a lack of adequate and quality post larva.

The demand for shrimp is huge in the local market and the prices remain higher because of inadequate supply, said Anwar H Sikder, president of Dhaka City Small Fish Traders Association.

BGMEA seeks time as 'no alternative found'

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"We respect the court's verdict. But we have sought time to relocate," said Rahman. Giving the deadline, the SC dismissed a petition seeking review of its judgement upholding an April 2011 High Court order to knock down the structure illegally built in the capital's Begunbari canal and Hatirjheel lake.

The High Court verdict had ordered the government to bulldoze the building within three months, saying it was built on land acquired through forgery and filled with earth illegally. The Appellate Division initially stayed the HC verdict following a BGMEA petition.

A four-member Appellate Division bench headed by Chief Justice Surendra Kumar Sinha passed a short verdict on June 2 last year dismissing the BGMEA appeal and upholding the HC order.

The SC released the full text of the verdict on November 8 ordering to immediately demolish the structure at its own cost.



Kamal Abdul Naser Chowdhury, principal secretary to the prime minister, opens the newly constructed zone services complex of Adamjee EPZ during his visit to the export processing zone at Siddhirganj in Narayanganj yesterday.