

National cooperative day observed

STAR BUSINESS DESK
Bangabandhu Sheikh Mujibur Rahman wanted poor farmers to jointly own production machines to take the benefits of cooperatives, said Khandker Mosharrif Hossain, minister of the local government division. He spoke at a programme to observe the National Cooperative Day 2017 with the slogan "Make production based cooperation, make a developed Bangladesh", in the capital yesterday. A discussion was also organised to mark the day at Osmani Memorial Auditorium in Dhaka in presence of the minister along with Md Abdul Majid, registrar and the director general of the Cooperative Department.

China raps US sanctioning of bank over North Korea ties

AFP, Beijing

Beijing on Friday hit back at a US decision to exclude a Chinese bank from the American financial system over its alleged ties to North Korea, slamming the move as "long-armed jurisdiction".

Washington had alerted other businesses in June that it planned to take the action, but it finally went into effect on Thursday, just as President Donald Trump was to set off on an Asian tour.

China "strongly opposes the long-armed jurisdiction imposed by any country," Chinese foreign ministry spokeswoman Hua Chunying told a regular press briefing.

China has been "comprehensively, actively, meticulously and strictly" implementing UN sanctions, she added.

Trump has demanded that Beijing do more to push its neighbour North Korea to stop efforts to build a nuclear-armed missile capable of reaching American cities.

He will bring this message to President Xi Jinping in Beijing next week, but China is reluctant to push too hard and risk destabilising Kim Jong-Un's North Korean regime.

Officials in Washington warn that, while they would prefer Kim to come to the table, Trump has not ruled out a pre-emptive strike to prevent him from crossing the missile threshold.

But, alongside this sabre-rattling, Washington is also slowly stepping up secondary sanctions on foreign institutions like the Bank of Dandong which it accuses of funnelling illicit funds.

This risks angering China, but hawkish commentators argue that it remains the only way short of war to force

Pyeongyang, and perhaps more importantly Beijing, to reconsider its strategy.

"Banks and businesses worldwide should take note that they must be vigilant against attempts by North Korea to conduct illicit financing and trade," Treasury Secretary Steven Mnuchin said.

Along with the ban on Bank of Dandong, the Treasury also issued new guidance to international banks' risk and compliance officers to help them spot North Korean attempts to infiltrate world finance.

Banks from China and around the world find it hard to operate if they are barred from the US financial system, which is a clearing house for most dollar-denominated transactions.

In addition to the financial measures, Washington may also decide to re-designate North Korea as a "state sponsor of terrorism" -- a formal blacklist that would add to sanctions pressure.

Yet the Trump administration does not seem to be in a hurry, despite the president's anger over the death of US student Otto Warmbier after he was imprisoned during a visit to the North.

Warmbier died in June this year, just days after he was released from custody and sent home in a mysterious coma.

His parents said their son showed signs of torture, including teeth that appeared to have been "rearranged," and hands and feet that were disfigured. Trump then accused the North Korean regime of torturing the 22-year-old.

But the US coroner Lakshmi Sammarco, who examined Warmbier's body after his death, said there was no clear evidence of physical torture -- including no recently broken bones or damaged teeth.



M Nazeem A Choudhury, head for consumer banking at Eastern Bank Ltd (EBL), and Kazi Monirul Kabir, managing director of Spider Digital Commerce, the parent company of LebuPay, exchange documents of an "EBL Skypay - online payment gateway service" agreement in Dhaka. The bank will process online payments made by Visa or Mastercard-branded cards for LebuPay merchants.

Stalked by default fears, Venezuela calls creditor meeting

AFP, Caracas

Venezuela on Friday called foreign creditors to a November 13 meeting in Caracas aiming to restructure its estimated \$150 billion debt, as credit-rating agencies dealt the crisis-stricken country another blow with double downgrades.

Standard & Poor's cut the nation's long-term foreign currency rating to "CC" from "CCC-" over growing concerns of the risk of a debt default in the oil-producing country, while fellow agency Fitch cut the long-term debt rating to "C" from "CC."

The increasingly dire warnings followed

President Nicolas Maduro's calls to "investors across the whole world and to holders of Venezuelan debt" to attend a Caracas meeting November 13 "to start a process to re-finance and renegotiate the external debt."

His vice president, Tareck El Aissami, who is leading a commission tasked with the restructuring, said the government is seeking "sovereign commitments" for a debt renegotiation.

Flanked by the ministers in charge of the economy, finance and energy, El Aissami confirmed the country had on Friday started to pay out \$1.2 billion due to service the debt of state oil company PDVSA.



Officials of building technology and ideas ltd pose at its corporate summit for 2017 at Golf Garden in Dhaka on Thursday.



Mikael Hemniti Winther, Danish ambassador to Bangladesh, poses at "Novozymes CombiPolish Champions Award 2017" at his residence in Dhaka where Novozymes, a global biotechnology company headquartered in Denmark, awarded eight Bangladeshi textile manufacturers for contributing to sustainable production.

Non-compliant firms to be removed from RJSC list

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Officials said they would initially issue letters to companies for compliance. If there is no response, another letter will be issued warning that their names would be removed from the register.

Later, gazette notifications will be issued and the RJSC will wait for another three months for a response.

If companies do not respond and explain the reason behind their non-compliance, their names will be removed from the register, according to the rules.

The RJSC move comes following the scope it created online for businesses to get clearance for their names become registered and submit returns online.

RJSC officials said many companies do not know that returns can be submitted online and some are not aware about the rules of submission of annual returns. Delayed filing of returns is subject to a fine as per the rules.

"We hope that many companies will become aware of the rule and start submission of returns soon," said RJSC Deputy Registrar Ranajit Kumar Roy.



New vice chairman for SIBL

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Belal Ahmed has recently been elected vice chairman and chairman of the executive committee of Social Islami Bank Ltd (SIBL), the bank said in a statement.

Ahmed is also the vice chairman of NRB Global Bank.

He is the managing director of Unitex Spinning Ltd, Unitex Composite Mills Ltd, Unitex LP Gas Ltd, Unitex Petroleum Ltd, Unitex Cement Ltd and Unitex Steel Mills Ltd of Unitex Group.

He was one of the directors of the Chittagong Chamber of Commerce and Industry.

CSE offers foreign trip for TREC holders

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Chittagong Stock Exchange Ltd (CSE) has offered a knowledge sharing excursion at Malaysia for CEOs and officials of equivalent rank of its top 10 performing TREC holders, the bourse said in a statement yesterday.

The trip, scheduled on March 15-19 next year, will include a visit to Bursa Malaysia, two leading brokerage houses and sightseeing.

Performance will be evaluated from November 2017 to February 2018 where the minimum turnover eligibility benchmarks for the Single and Dual TREC are Tk 300 crore and Tk 350 crore respectively.

The top 10 will be updated regularly through email and the CSE webpage.

UK economy holds steady but outlook remains weak: CBI

REUTERS, London

Growth in Britain's private sector held steady in the three months to October after weakening recently, and the inflation hit to consumers and Brexit concerns for companies mean growth will probably stay modest, an industry survey showed.

The Confederation of British Industry's monthly indicator of output for manufacturers, retailers and services companies remained at +11, its joint lowest level since June.

"Growth in the economy has remained relatively stable, although the pace of growth was a little slower than expected, particularly for retailers and manufacturers," CBI chief economist Rain Newton-Smith said.

Most banks post moderate earnings in Q3

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The bank's effort to automate its system to the full has contributed a lot to improve its service quality and bag a good profit, said Md Ataur Rahman Proddhan, managing director of Rupali Bank.

He said the bank emphasised increasing SME loans at the field level. Moreover, the bank got linked with some reputed business groups by providing loans, he said.

The bank is also investing in different sectors and expanding the loan portfolio which also resulted in a good profit, said the executive.

Since June 29, Rupali Bank's stock price soared 140 percent to Tk 64.2 on Thursday, according to the DSE.

AB Bank made a loss of Tk 11.45 crore in the third quarter this year from a profit of Tk 25 crore in the same period last year.

The bank reported negative earnings of Tk 0.17 per share in the July-September period, although it was in the positive at Tk 0.37 in the same period last year, according to DSE.

The bank incurred a loss in the third quarter due to a squeeze in business activities, said Moshirur Rahman Chowdhury, managing director of AB Bank.

He said the bank could not raise its capital according to fulfil the regulatory requirement as Bangladesh Securities and Exchange Commission (BSEC) did not give go-ahead to it to raise the fund.

In July last year, the bank applied to BSEC seeking approval to raise capital through issuing rights shares, he said.

But the authority did not respond for one year and did not even show any ground for keeping the case pending, said the executive.

As a result, the bank reduced the loan

portfolio to comply with the regulatory capital requirement, he said.

He said the bank recently sent a proposal for restructuring a big chunk of loans. The default loan amount will reduce by December if the regulatory body approves it, he hoped.

The banks which saw a fall in the third quarter earnings are: First Security Islami Bank, Islami Bank, Mutual Trust Bank, One Bank and Standard Bank.

Islami Bank's EPS have been on the decline this year, which became a matter of concern for the thousands of investors of the country's largest private bank.

At the third quarter's end in 2017, Islami Bank's EPS stood at Tk 0.31, down from Tk 1.18 in the second quarter and Tk 0.62 in the first quarter.

The bank earned Tk 2.11 per share during the January-September period this year, down from Tk 2.61 a year earlier.

Even though the operating profit surged, the EPS declined as the bank has to maintain huge provisioning against loans that are awaiting the nod from the central bank for rescheduling, said Arastoo Khan, Islami Bank's chairman.

In the first nine months of 2017, Islami Bank's operating profit surged 29.24 percent year-on-year to Tk 1,569 crore.

The banks which reported good earnings in the third quarter are: Bank Asia, Brac Bank, City, Dhaka, Dutch-Bangla, EBL, Exim, Jamuna, Mercantile, NBL, NCC, Premier, Prime, SIBL, Southeast, Trust and UCB.

Al-Arafah, IFIC, Shahjalal Islami and Uttara saw marginal profits.



Shah Alam Sarwar, CEO of IFIC Bank, poses with participants of a painting festival for children of the bank's officials and employees at IFIC Tower in Dhaka on Friday.

Garment exports to US in slow lane

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After the Indian government gave the stimulus package for the garment sector and devalued its currency, the prices of apparel items of both Bangladesh and India are almost equal, although the labour cost in India is higher than in Bangladesh, Azad said.

"So many retailers have started sourcing garment items in high volumes from India," said Azad, who ships more than \$500 million worth of garment items in a year, mainly to the US.

With the declining trend of export growth to the US, Germany is becoming the largest single export destination for Bangladesh, said Siddiqui Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association.

Vietnam has been performing well in the US as many American companies invested in the Southeast Asian country after it was included in the Trans-Pacific Partnership free trade pact, Rahman said.

"Those investors are yet to retreat from Vietnam. That's why Vietnam is performing very well in the US markets and we are going down," Rahman said.

Twelve countries that border the Pacific Ocean signed up to the TPP in February 2016. The US withdrew following the inauguration of President Donald Trump in January this year, dealing a blow to the deal, which is yet to take effect.

Rahman also said after the Rana Plaza collapse, some US retailers had shifted their work orders worth a few hundred million dollars to other countries.

"They have not returned to Bangladesh yet but I am hopeful they will."

The BGMEA leader said most of the retailers' worries about workplace safety were addressed thanks to the remediation efforts egged on by the Accord, the Alliance and the government.

He blamed the longer lead time from Bangladesh to the US as one of the major causes for the declining growth in exports to the world's biggest economy.

Bangladesh exports garment items worth more than \$6 billion to the US market every year. However, the exports from Bangladesh have to face 15.62 percent duty for entry to the US.

On the other hand, some African countries are performing strongly in the US markets, as they are exempt from duty under the African Growth and Opportunity Act.