



Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh, and Mahtab Uddin Ahmed, CEO of Robi Axiata, sign the documents of a deal at the Robi Corporate Office in Dhaka. Robi's suppliers will get the bank's funds on easy terms and at competitive rates.

India plans lending reforms as bankers fear new bad debt crisis

Weeks after India unveiled a \$32 billion bailout of state-run banks, top finance ministry officials and bankers will meet this weekend to discuss lending reforms designed to prevent another bad loans crisis.

Bankers and policymakers fear India could be throwing good money after bad with the capital injection announced last month, unless it tightens lending rules and institutes governance reforms to insulate banks from political pressure.

"After bailing out the banks with taxpayer money, the government wants to ensure that such a problem doesn't happen again," said a senior finance ministry official with direct knowledge of the matter, who declined to share details.

Arun Jaitley, India's finance minister, has

vowed the recapitalisation will be accompanied by not only bank reform, but also mergers of weak banks with stronger rivals.

But the government has not commented on the issue of tackling political interference in lending, which bankers say is still one of the biggest problems.

India's near \$147 billion pile of soured loans is replete with examples of powerful and politically connected businesses who are accused of undermining rules to secure credit and then defaulting on loans.

In one of the most high-profile cases, Vijay Mallya, owner of the now-defunct Kingfisher Airlines and former member of parliament, and several former officials of IDBI Bank, have been charged with suspected conspiracy and fraud in relation to a loan of 9 billion rupees (\$138 million).

Mallya, who is the head of the Force India Formula One team, has dismissed the charges and fled to Britain.

"There's a risk of a rise in stressed assets unless bank corporate governance improves," said N. Bhanumurthy, an economist at the National Institute of Public Finance and Policy, a think-tank funded by the finance ministry.

A dozen of the country's largest defaulters, with nearly a quarter of the total bad loans, have already been pushed into insolvency at the command of India's central bank, but none of these cases are likely to be resolved in the next six months.

A new bankruptcy law allows for an additional three months to reach a resolution, but insolvency professionals say it could take even longer in some cases as the process is untested and could face legal hurdles if the companies do not agree with the proposal.

Oil prices slide

Crude was down slightly on Friday as expectations that Opec and other producers will extend their production cut agreement were offset by US drillers adding the most oil rigs in a week since June, indicating output will continue to grow.

US energy companies added nine oil drilling rigs this week, the second increase in three weeks, bringing the total count up to 738, General Electric Co's Baker Hughes energy services firm said in its closely followed report.

Brent futures fell 41 cents, or 0.6 percent, to \$63.52 a barrel, while US West Texas Intermediate crude settled down 43 cents at \$56.74 per barrel.

Earlier in the week, Brent rose to \$64.65, its highest since June 2015, and WTI hit \$57.92, its highest since July 2015.

Both contracts were rose more than 2 percent this week, which was the fifth consecutive increase.

Traders said higher prices in recent weeks were the result of efforts led by the Organisation of the Petroleum Exporting Countries (Opec) and Russia to tighten the market by cutting output, as well as strong

demand and rising political tensions.

There are also expectations in the market that Opec's next meeting on Nov. 30 will agree to extend cuts beyond the current expiry date in March 2018.

"Market participants expect Opec to extend the production cuts beyond March 2018 and stocks to decline further," analysts at Commerzbank said, noting, however, that "the higher price level should lead to a further rise in US shale oil production."

US production was forecast to rise to 9.2 million barrels per day (bpd) in 2017 and a record 10.0 million bpd in 2018 from 8.5 million bpd in 2016, according to federal energy projections this week. Output peaked at 9.6 million bpd in 1970.

Goldman Sachs also warned of greater price volatility ahead, citing rising tensions in the Middle East, especially between Opec members Saudi Arabia and Iran, along with soaring US oil production.

Hezbollah's leader said Saudi Arabia had declared war on Lebanon and his Iran-backed group, accusing Riyadh of detaining Saad al-Hariri and forcing him to resign as Lebanon's prime minister to destabilize the country.



Mohammed Shamsul Huda, managing director of Great Wall Ceramic Industries Ltd, receives a crest, tax card and tax certificate from AJM Nasir Uddin, mayor of Chittagong City Corporation, at GEC Convention Centre in the port city on Wednesday. Huda was selected as the highest individual taxpayer in Tax Zone - 1, Chittagong circle.

Boeing sees steady Gulf demand, interest in mid-sized jet

Boeing sought to dispel concerns about a slowdown in the growth of Gulf airlines as the aerospace industry gathered on Saturday for the Dubai Airshow.

Speaking to reporters on the eve of the showcase event, executives at the US planemaker also played down the impact of growing political tensions in the region.

"Traffic is coming back and yields are improving and this is going to be a very positive backdrop to the Dubai Airshow," Marty Bentrott, vice president for Boeing's commercial sales in the region, said, citing higher profit at Dubai's Emirates.

He said Boeing had been asked to reschedule some deliveries according to a normal pattern, but had not seen cancellations since a rift between Arab nations and Qatar earlier this year.

Boeing has seen strong regional interest in a proposed new mid-sized passenger jet, he added.



Rupali Chowdhury, managing director of Berger Paints Bangladesh, poses with the jury and winners of the "22nd Berger Young Painters' Art Competition 2017" at the capital's Lakeshore Hotel on Thursday.

BMW loses appeal of \$158m fine by Swiss competition watchdog

BMW will have to pay a \$158 million fine that Swiss competition authorities imposed on the German automaker five years ago after Switzerland's top court said Friday that it had rejected its appeal.

"The Federal Supreme Court of Switzerland has rejected the appeal by the company Bayerische Motoren Werke AG... related to the fine of around 157 million francs imposed in 2012," or \$158 (135 million euros) at current exchange rates, the court said.

The Swiss Competition Commission (COMCO) claimed that since 2003 the German automaker had prevented Swiss nationals from buying its BMW and Mini cars abroad.

A clause in the contracts of BMW dealers operating in the European Economic Area (EEA) prohibited sales to clients from countries outside the bloc, making it hard for individuals to import the cars to Switzerland, COMCO said at the time.

During the period of the alleged practice, the Swiss franc had strengthened significantly against

the euro, making purchases in the eurozone more advantageous.

COMCO said BMW's actions amounted to an arrangement to divvy up geographical markets, a violation of Swiss anti-cartel laws.

The carmaker had denied any wrongdoing and first appealed the fine to the Swiss Federal Administrative Court, which rejected the appeal in 2015.

It then lodged an appeal with Switzerland's highest court, which rejected the attempt in a decision handed down last month, and made public on Friday.

China shopping festival smashes record at halfway mark

Alibaba, the Chinese e-commerce giant, said its Singles' Day sales surged past last year's total just after midday Saturday, hitting a record \$18 billion, pointing to a likely giant haul for the world's biggest shopping event.

Once a celebration for China's lonely hearts, Singles' Day has become an annual 24-hour extravaganza that exceeds the combined sales for Black Friday and Cyber Monday in the United States, and acts as a barometer for China's consumers.

After a star-studded event in Shanghai late Friday to ring in the event, which is held each year on Nov. 11, the volume of goods sold on Alibaba's platforms raced past a billion dollars in two minutes and hit \$10 billion in just over an hour. The company's tills are set to shut at midnight Saturday.

At just past the halfway mark, the gross merchandise value swept past last year's dollar total of \$17.7 billion. Shortly afterwards, sales surpassed 120.7 billion yuan, the total in 2016 in the local currency, which has appreciated against the dollar in the past year.

The event gets shoppers around China scouting for bargains and loading up their online shopping carts, while delivery men - and robots - are braced for an estimated 1.5 billion parcels expected over the next six days.

"This is a big event for China, for the Chinese economy," Joseph Tsai, Ali Baba's co-founder and vice chairman, said ahead of the sales bonanza. "On Singles' Day, shopping is a sport, it's entertainment."

Tsai said rising disposable incomes of China's "over 300 million middle-class consumers" was helping drive the com-

pany's online sales - and would continue.

"This powerful group is propelling the consumption of China," he said.

Analysts and investors will closely watch the headline sales number, which last year rose by nearly a third at the eighth iteration of the event - though that was slower than the 60 percent increase logged in 2015.

At Alibaba's Friday night gala, the company's co-founder and chairman, Jack Ma, hosted guests including the actress Nicole Kidman, singer Pharrell Williams and Chinese musicians and film stars such as Zhang Ziyi and Fan Bingbing.

The excitement around the shopping blitz, however, masks the challenges facing China's online retailers such as Alibaba and JD.com Inc (JD.O), which are having to spend more to compete for shoppers in a broader economy where growth is slowing.

"A lot of the lower hanging fruit has been picked and there's increased competition for a share of consumer spending," said Matthew Crabbe, Asia Pacific research director at Mintel.

He estimated Alibaba's Singles' Day sales growth would likely slow to around 20 percent. Online retailers were being forced to push offline as well as overseas to attract new shoppers, and the overall online retail market was close to "saturation."

"They're having to spill over out of the purely online realm into the wider consumer market," Crabbe said.

This has sparked deals to buy bricks-and-mortar stores in China, and overseas tie-ups especially in Southeast Asia. Technology, too, has been key, with virtual reality dressing rooms and live fashion shows to attract shoppers.



ASM Nayeem, president of the South Asian Federation of Accountants, and Mostafa Kamal, acting president of the Institute of Chartered Accountants of Bangladesh (ICAB), attend a rally in Dhaka organised by ICAB for observance of the International Accountancy Education Day 2017 on Friday.

Muhammed Aziz Khan, chairman of Summit Group, and Farah Sophia Ahmed, senior vice principal of Scholastica's senior section in Mirpur, pose with participants of a two-day business summit on the campus on Friday.



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