

Food processing fair ends on a high note

STAR BUSINESS REPORT

A three-day food processing and agro exposition ended yesterday with a huge turnout of visitors and enthusiasm among the sector's people.

Bangladesh Agro Processors' Association (Bapa) organised the exposition's fifth edition titled "BAPA Foodpro International Expo-2017" at International Convention City Bashundhara from November 23.

About 120 organisations from 16 countries, including India and China, displayed their products and services while the 7th Agro Bangladesh Expo-2017 and the 4th

Rice and Grain Tech Expo-2017 ran concurrently at the same venue.

"Hundreds of people thronged the fair to become familiar with the latest technologies, new food items and agro-based machinery," said Bapa President AFM Fakhrul Islam Munshi. "The fair exhibited the potential of the food processing sector in Bangladesh and played a vital role in fulfilling the goals of Bapa," he said.

The fair will help stakeholders access new export markets, hoped Munshi, adding that Bangladesh was now exporting over 100 types of processed food products to 140 countries.

Taiwan Q3 economic growth highest in over two years

AFP, Taipei

Taiwan's economy grew 3.1 percent in the July-September period to a ten-quarter high thanks to robust overseas demand for consumer electronics products, the government said Friday.

Traditionally an export-driven technology hub, Taiwan is home to industry giants such as Foxconn and Taiwan Semiconductor Manufacturing Company (TSMC) -- key suppliers for Apple's

iPhones.

Third-quarter growth was the highest since 3.99 percent in the 2015 first quarter, boosted by a 17.49 percent increase in exports, of which 14.99 percent was from electronic components, it said.

The island benefitted from global economic recovery and growing peak-season shipments for consumer electronic products in this period, said the Directorate-General of Budget, Accounting and Statistics.

Gold dips on profit taking; analysts predict a rebound

REUTERS, London

Gold prices dipped on Friday as some investors locked in profits at the end of the week, but there are expectations that they could move higher next week.

Spot gold was down 0.1 percent at \$1,289.81 per ounce by 1455 GMT, with the price down 0.3 percent for the week.

US gold futures GCcv1 for December delivery dipped 0.2 percent to \$1,289.90.

"I think gold will move back towards \$1,300 next week or the week after, maybe on the back of dollar weakness," said Georgette Boele, commodity strategist at ABN AMRO in Amsterdam.

"There are still some longs in the market, so there's more technical momentum as they try to push prices up again to see what happens in the last weeks of the year."

Boele said gold was supported by

the release of the US Federal Reserve's minutes on Wednesday, regarded as "dovish" and which lowered market expectations slightly of a March rate hike. A December rate hike has already been priced in.

"Investor appetite (for gold) is low even after slightly more dovish-than-expected Fed minutes. There just has not been enough to entice investors back into the market in great amounts," ANZ analyst Daniel Hynes said.

The Fed's cautious view of inflation could lead to a longer period of low interest rates which provides a solid platform for gold investment, said Cameron Alexander, an analyst with Thomson Reuters-owned metals consultancy GFMS.

Higher interest rates tend to boost the dollar and push bond yields up, putting pressure on gold prices by increasing the opportunity cost of holding non-yielding bullion.

The buying of physical gold

remained thin in major Asian centres this week as higher prices dented demand, though seasonal demand was expected to boost activity in top consumer China next month. Among other precious metals, silver added 0.3 percent to \$17.11 an ounce and platinum gained 1 percent to \$942.30 an ounce.

Palladium dipped 0.9 percent to \$1,002.05 an ounce after hitting a two-week high of \$1,013.70 in the previous session.

"I would be very careful with palladium, especially at these levels with the market long," Boele said. "The fundamentals are good, but I still think it's overpriced."

Silver slipped 1.1 percent for the week and is poised for its first weekly decline in three.

Platinum lost 0.9 percent, on track for its first weekly fall in four. Palladium climbed 0.9 percent, its first weekly rise in three.



STANCHART

Rashed Khan Menon, civil aviation and tourism minister, and Naser Ezaz Bijoy, CEO of Standard Chartered Bank Bangladesh, open the bank's new signature lounge at Hazrat Shahjalal International Airport in the capital yesterday. Story on B1

China regulator tells unqualified micro-lenders to stop lending

REUTERS, Beijing

The National Internet Finance Association of China issued a risk warning letter late on Friday telling "unqualified institutions" to immediately stop offering loans as Beijing steps up a crackdown on the micro-loan sector to fend off financial risks.

The 1 trillion yuan (\$151.5 billion) short-term, unsecured lending sector, known as "cash loan" in China, has been accused of charging exorbitant interest rates and violent debt collection practices.

In Friday's warning letter, the Internet Finance

Association, a government-backed industry group, said the unqualified micro lenders are disrupting economic and social orders and must stop lending immediately.

"Some institutions are not qualified to issue loans but have used false promotion to attract clients, conduct violent debt collection, and charge extremely high interest rates and fees, causing financial risks and social problems in some regions," it said in the letter released on its website.

Qualified lending institutions should also increase self-discipline, charge interest rates at a reasonable level, and increase information dis-

closure, the association added.

The companies are not allowed to conduct violent debt collection or harass unrelated people, it said.

China has started to take steps to rein in the loosely regulated lending market.

On Tuesday, a top-level multi-ministry body, tasked by the central government to oversee the internet finance sector, issued an urgent notice to restrict granting of new approvals for micro-loan firms, Reuters reported on Wednesday.

Shares of US-listed Chinese online finance firms fell this week following the government crackdown.

'Stealth hedging' shows investors not so complacent

REUTERS, New York

With the US stock market at a record high and daily stock gyrations near multi-decade lows, some investors have raised concerns about the lack of fear in the market, but US equity options market data suggests investors are far from complacent.

Positioning in options on S&P 500 index and CBOE Volatility Index shows investors have been gradually adding to hedges over the last few months.

"We didn't see it on our desk and no one seems to care much about hedging but somehow it's happening," said Jim Strugger, derivatives strategist MKM Partners in New York.

"It's sort of under the surface, more like stealth hedging," he said.

The S&P 500 index .SPX has climbed 16 percent this year and is on pace for its eighth straight month of gains, the longest such streak since just before the 2007-2009 financial crisis.

The CBOE Volatility Index, better known as the VIX and the most widely followed barometer of expected near-term stock market volatility, closed at a record low earlier

this month.

Some investors warn that heightened reliance on strategies that profit from continued calm in stocks, and months of frustration over hedges that have gone to waste while the market powered on, have left the market extremely vulnerable to a shock.

Boom-time complacency should top the worry list for investors, according to participants in the recent Reuters Global Investment 2018 Outlook Summit in New York.

The options market, however, suggests that investors are not as vulnerable to a sell-off in stocks as the anemic level of the VIX would suggest, analysts said.

For instance, for the S&P 500 index options, there are 2.1 puts open for each open call contract, close to the most defensive this measure has been over the last five years, according to options analytics firm Trade Alert data.

An index call option gives the holder the right to buy the value of an underlying index at a fixed level in the future. A put conveys the opposite right and is usually used to protect against declines in the index.

Dollar near 2-month low

REUTERS, New York

The dollar fell to its lowest since late September against a basket of currencies on Friday as investors grew optimistic about the strength of the euro zone's recovery and lost appetite for the greenback.

The euro hit its highest since Sept. 25 against the dollar, up 0.65 percent on the day and more than 1 percent for the week. It was the single currency's third straight week of gains, its best run since July, and second straight 1 percent weekly gain. Against the Japanese yen, the euro rose more than 1 percent to 1.3323, its highest since Nov. 16.

"You had good data (this week) from Europe, pretty good news from Germany and nobody guarding the dollar as we're all eating turkey," said John Doyle, director of markets at Tempus Inc in Washington.

On Thanksgiving Thursday, while markets in the U.S. were closed, euro zone business growth surveys showed surprise growth, supporting the European Central Bank (ECB) move last month to announce a throttling back of its monetary stimulus.

The currency bloc's latest Purchasing Managers' Index (PMI) readings suggest the upturn still has momentum.



BERGER PAINTS

Rupali Chowdhury, managing director of Berger Paints Bangladesh Ltd, and Kazi Golam Nasir, president of the Institute of Architects Bangladesh, pose with the winners of the "8th Berger Award for Excellence in Architecture" at Bangabandhu International Conference Centre in Dhaka on Thursday.

ICAB awards 28 for best presented annual reports

FROM PAGE B4

In another category termed as integrated reporting, IDLC Finance was recognised as the best. Green Delta Insurance became second and UCB third.

The ICAB said it would nominate the three best annual reports from each category to compete in the Safa forum in recognition of their excellence in financial disclosure.

Bangladesh secured first position in five categories -- private banks, financial services, public sector entities, NGOs and corporate governance -- among the South Asian Federation of Accountants (Safa) countries last year.

The ICAB, which has been presenting the recognition since 2001, said the evaluation criteria of the Safa were followed to appraise the annual reports.

A six-member jury board, chaired by

Md Matul Islam, chairman of Industrial and Infrastructure Development Finance Company, reviewed the recommended list of the award and the merit certificate winners.

The other members were former advisers to caretaker governments Prof Wahiduddin Mahmud and Rokia Afzal Rahman, former Bangladesh Bank governor Mohammed Farashuddin, Financial Express Editor AHM Moazzem Hossain and former Bangladesh Securities and Exchange Commission chairman Faruq Ahmad Siddiqi.

CQK Mustaq Ahmed, chairman of the Financial Reporting Council, Masud Ahmed, Comptroller and Auditor General of Bangladesh, and Parveen Mahmud, chairman of the review committee for published accounts & reports of the ICAB, also spoke.

StanChart opens lounge at Dhaka airport

FROM PAGE B1

For 112 years, the British bank has endeavoured to promote commerce and prosperity in Bangladesh by providing our clients with the best banking products and services this market has to offer, according to Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bank Bangladesh.

"The launch of this lounge is a part of this commitment," he added.

As Bangladesh's economy grows, there

has been an increasing demand for air travel, said Aditya Mandloi, head of retail banking of Standard Chartered Bangladesh.

"We believe the Signature Lounge will set a new benchmark for travel hospitality in Bangladesh, by giving our valuable clients access to world-class services and unique comforts while they travel to destinations across the world," he added.

Mahfuz Ahmed, chief executive officer of Nakshikatha, which would manage and operate the lounge, was present.

India doubles export incentive for apparel

FROM PAGE B1

Federation of Indian Export Organisations' President Ganesh Kumar Gupta asked Commerce Minister Suresh Prabhu to extend the MEIS incentive to other labour-intensive sectors.

"We need and expect much more relief because after GST, our incentives have declined," said Sanjay Jain, chairman, Confederation of Indian Textile Industry.

In the pre-GST regime, cotton garments enjoyed a 12 percent incentive on duty drawback and rebate on certain state levies known as the Remission of State Levies (ROSL). But this has been slashed to 2 percent on duty drawback and 0.39 percent on ROSL.

Apart from GST, Indian textile exports have lost out to other developing and least developed countries like Bangladesh and Pakistan which enjoy special duty benefits on shipments to the European Union.

Commerce ministry sources said other export sectors too could be given more relief in the coming months as the ministry has roped in the NITI Aayog (formerly Planning Commission) to work on a relief package for exporters.

Commerce Minister Suresh Prabhu said, against the backdrop of the recent exports decline and exporters attributing it to GST-related problems, the government last month addressed several procedural and operational problems exporters were facing. However, the impact will take some time to be felt, he said.

3G internet finally gets momentum

FROM PAGE B1

The telecom industry did not get as much business as they had expected from 3G services, said top officials of different mobile operators.

"Our 3G network coverage is more than 60 percent of the population, but we are getting only few customers for those services," said Mahtab Uddin Ahmed, chief executive officer and managing director of Robi.

The industry as a whole invested Tk 32,000 crore for 3G but total revenue from this segment was only Tk 6,000 crore up to December, Ahmed said recently.

Users are currently using high volumes of data, which is encouraging for the mobile operators, said Mahmud Hossain, chief corporate affairs officer of Grameenphone.

Grameenphone's per customer data usage in a month, as of September, stood at 754 MB, Banglalink's 523 MB and Robi's 465 MB as of March.

"At Grameenphone, we are happy that the industry is moving fast. The numbers look good, but it could have been even more handsome if some necessary issues were addressed, with handset being the number

one concern." Handset is crucial for the enjoyment of 3G service, he said.

At present, only 30 percent of the handsets in Bangladesh are smartphones that can use for 3G data.

"And the growth of smartphones is not satisfactory," he said, adding that the frequent increase in taxes on handset import is to blame.

Alternatively, if the government allowed the mobile operators to import handsets directly, it would have had a huge impact on the market, he said.

However, data users and experts remain unimpressed about the quality of 3G service in Bangladesh, which could explain the below-par growth in numbers.

"The huge number of 3G customers does not give you the right information about service quality," said Mustafa Jabbar, president of the Bangladesh Association of Software and Information Services.

The services that customers are getting as 3G from the operators are terrible, he said.

"The operators are offering data in megabytes but what users are getting is only a few kilobytes," he added.

Farmers Bank hires Sonali Bank ex-CEO to overcome crisis

FROM PAGE B1

"I am confident that I will be able to manage the existing problem of the bank. The next five to seven days will be critical to bring the situation under control," Dutta said.

Set up only four years ago, Farmers Bank has been facing acute liquidity crisis for the last few months because of its failure to draw in depositors despite offering 12 percent interest on savings schemes.

The cash-strapped bank got a short-term

loan amounting to Tk 96 crore from the central bank on Tuesday.

Farmers Bank counted 6.75 percent interest to secure the loan, which is at least 2 percentage points more than the inter-bank call money rate.

Earlier this month the bank twice failed to honour a cheque of Bangladesh Telecommunications Company Ltd worth Tk 35.44 crore because of fund shortage. The state-run telecom company has now got the sum.