

Trade thru' Benapole halts for Indian truckers' strike

OUR CORRESPONDENT, Benapole

Cross-border movement of goods through the Benapole port has remained suspended since yesterday morning for a strike called by Indian transport workers demanding the release of a truck seized by Bangladeshi law enforcers on charge of arms smuggling.

Customs, Border Guard Bangladesh and police officials said to have discovered a gun and two bullets raiding the truck in the port's terminal designated for Indian vehicles on November 9. A case was filed.

Some 200 trucks are queued in Bangladesh while 6,000-7,000 on the Indian side of the port waiting to offload items, including rice and perishable commodities.

Most of the raw materials used by the country's industries and garment factories are imported through the port.

India's economy rebounds from three-year low

AFP, New Delhi

India's economy picked up in the second quarter, official data showed Thursday, rebounding from a sharp slump in the wake of government reforms that dragged growth to three-year lows.

Figures from the Central Statistics Office showed Asia's third-largest economy accelerated after five quarters of slowing growth, as the impact of a sudden cash ban and launch of a nationwide tax receded.

GDP growth rose to 6.3 percent in the three months to September, slightly below analyst expectations but bucking a slowdown that had persisted since early 2016.

"This marks the reversal of that trend," declared Finance Minister Arun Jaitley on Thursday.

India's chief statistician T.C.A. Anant described the bounce back as "encouraging" but acknowledged growth over the same period last year was 7.5 percent.

The upturn will nonetheless come as a relief for Prime Minister Narendra Modi, who has been dogged by criticism over two major reforms blamed for stalling much-needed economic expansion.

In the last 12 months Modi's government withdrew most of India's high-value banknotes from circulation in a snap move known as "demonetisation" and rolled out a national goods and

services tax.

Both measures sent shockwaves through India's \$2 trillion economy.

Economic growth plunged to 6.1 percent for the first quarter of the current financial year before bottoming out at 5.7 percent in June, with analysts blaming the controversial note ban and citing the transition to GST.

The new tax aims to transform the nation of 1.25 billion people and its vast economy into a single market.

The slump cost India its title as the world's fastest-growing major economy.

The central bank last month downgraded India's growth forecast, as the government sought to allay slowdown concerns.

The International Monetary Fund in October also lowered its growth forecast to 6.7 percent from 7.2 percent predicted in July, pointing to the impact of demonetisation and the GST.

But the government defended the pain as necessary to boost tax revenues, crack-down on corruption and absorb tens of thousands of new jobseekers into the economy every month.

Jaitley said India had turned a corner, and was optimistic growth would now continue accelerating.

"This additionally indicates that perhaps the impact of two very significant structural reforms, demonetisation and the GST, is now behind us," he said.



Abdullah Al Islam Jakob, deputy minister for environment and forests, and Rajesh K Surana, CEO, LafargeHolcim Bangladesh, attend the launch of Geocycle, a waste management service which is a subsidiary of LafargeHolcim Group, at Hotel Le Meridien Dhaka on Wednesday.

LafargeHolcim rolls out Geocycle in Bangladesh

STAR BUSINESS DESK

LafargeHolcim Bangladesh Ltd has launched its waste management service Geocycle in the country.

Abdullah Al Islam Jakob, deputy minister for environment and forests, inaugurated the service at the Le Meridien Dhaka on Wednesday, according to a statement of the company.

The service is currently being offered

in 50 countries.

Rajesh K Surana, CEO of LafargeHolcim Bangladesh, said Geocycle is the initiative of sustainable waste management of LafargeHolcim Group.

He said emerging countries like Bangladesh are desperately in need of infrastructure for waste management. A large amount of industrial waste is land-filled or dumped.

"By providing sustainable solutions,

Geocycle contributes to a cleaner environment and better living spaces. It works with its stakeholders in communities around the world for a zero-waste future and to ensure a brighter tomorrow," said Surana.

At present, LafargeHolcim Bangladesh manages 900 tonnes of industrial waste in its Chhatak plant and the plant will be more efficient owing to Geocycle, according to the statement.



M Akhter Hossain, deputy managing director of Shahjalal Islami Bank, opens the bank's 109th branch in Sherpur yesterday.

Flipkart investors, employees trimming stakes as part of SoftBank deal

REUTERS, Mumbai

Some early Flipkart investors, employees and ex-employees are selling their shares in the Indian e-commerce firm as part of a \$2.5 billion investment deal agreed with Japan's SoftBank Group, two people familiar with the matter said on Thursday.

In August, Flipkart said SoftBank's Vision Fund, the world's biggest private-equity fund, had committed to the deal, giving the Bengaluru-headquartered online retailer greater firepower to compete with Amazon.com.

The deal will see the Vision Fund purchasing new Flipkart stock worth about \$1.4 billion and using the remainder to buy shares from existing

investors. The latest sales are part of that deal, said the people, who declined to be identified as the details of the matter are not public.

Flipkart and SoftBank declined comment.

Indian business daily Mint earlier on Thursday reported that the Vision Fund was seeking to buy shares from some Flipkart investors and employees for \$85 to \$89 apiece.

One of the people familiar with the deal said that a couple of months ago, stakeholders agreed on the value of shares that would be bought by Flipkart from employees and ex-employees, and tendered by early investors as part of the deal.

US hedge fund Tiger Global is sell-

ing roughly \$450 million worth of shares having invested about \$1 billion over the years, the person said.

The second person confirmed Tiger Global's partial exit, adding that the Vision Fund has offered it a little over \$88 a share.

Both people said the Vision Fund's investment in Flipkart had been approved by India's anti-trust regulator.

Tiger Global did not immediately respond to a request for comment. Employees and ex-employees can tender their shares back to Flipkart at slightly more than \$85, the two people said.

The transaction will leave Tiger Global and the Vision Fund each with roughly 20 percent stakes in Flipkart, the people said.

Foreign visitors to US fall sharply from 2016

AFP, Washington

The number of international visitors to the United States through June fell sharply from last year, according to government data released Wednesday.

And the number of business travellers fell by much more than the drop in tourists, according to the monthly report from the Commerce Department's National Travel and Tourism Office.

Total foreign visitors fell four percent compared to the first six months of last year, with travellers from Mexico down more than nine percent and from Britain down six percent, but visits from Canada up nearly five percent.

Excluding Canada and Mexico, overseas visitors fell nearly six percent, but business travel dropped nearly nine percent compared to a 5.6 percent decline in tourists.

President Donald Trump in his first year in office repeatedly promised to build a wall on the border with Mexico, and has ordered bans on visitors from several Muslim-majority countries in the Middle East and Africa.

Visits from the Middle East plunged 30 percent in the first half of the year, and from Africa dropped 27 percent. There also were double-digit declines in visitors from South and Central America, the Caribbean and Eastern Europe.

Among the top 20 countries with the most visitors, Venezuela, Argentina, Brazil and India saw travellers fall well over 10 percent.

In contrast, arrivals from South Korea jumped 18 percent, while Ireland saw a 4.7 percent increase, Italy was up 4.2 percent, Spain 3.5 percent and France 1.5 percent, according to the monthly data.

Focus on trade benefits as non-LDC

FROM PAGE B1

"Bangladesh should remain engaged in these discussions and safeguard its interests by putting forward proposals related to special and differential provisions, technical support and aid for trade," he said.

The WTO agreements contain special provisions which give developing countries special rights and allow other members to treat them more favourably. These are called special and differential treatment provisions.

Prof Rehman Sobhan, chairman of CPD, said the world has changed completely because of the economic changes taking place worldwide.

Although the global trade has slowed over the last few years, trade growth in the Asian region has been robust.

The noted economist said the developing world is now the driving force and the global trade is taking place in the developing countries, specifically in Asian markets.

According to Prof Sobhan, 70 percent of the global capital and services are located in the Asian region.

As located in Asia, Bangladesh is a potential competitive trading partner worldwide. "It is not an accident," Sobhan said.

Commerce Secretary Shubhashish Bose said the effectiveness of various WTO decisions has come under ques-

tion now. Still, the LDCs need to discuss how they can benefit from the multilateral trading system under the WTO.

The LDCs and Bangladesh should also discuss the decisions of the previous WTO ministerial meetings and new issues should be raised in the upcoming three-day meet, Bose said.

Abu Ahmed, an honorary professor of economics at the University of Dhaka, said Bangladesh should not look only to the WTO but also make the best of the offers from different countries and regional trade blocs.

For example, he said China has offered Bangladesh duty benefits for about 5,000 products.

"Similarly, Bangladesh should explore business opportunities with the Asean [Association for South and East Asian Nations] countries, the BCIM [Bangladesh, China, India and Myanmar] corridor and the European Union."

Debapriya Bhattacharya, another distinguished fellow of the CPD who moderated the discussion, said Bangladesh should get rid of the duty-free and quota-free obsession.

He said the Doha Development Agenda should be taken forward and Bangladesh should contribute to its implementation.

Eurozone jobless rate falls to 8.8pc

AFP, Brussels

Europe's economic recovery is gathering steam, with eurozone unemployment falling to its lowest level since January 2009 and inflation picking up, official figures showed Thursday.

The EU's official statistics agency announced that the jobless rate in the single currency area fell to 8.8 percent in October, with inflation rising to 1.5 percent.

The positive data come after the European Central Bank (ECB) announced it was starting to wind down the massive support it has given the 19-member currency zone to help it through the crises of recent years.

Seasonally-adjusted unemployment in the eurozone was down from 8.9 percent in September, while the figure for the EU as a whole was 7.5 percent -- the lowest since November 2008, Eurostat said.

S Korea raises interest rate for first time in 6yrs

AFP, Seoul

South Korea on Thursday lifted interest rates for the first time in more than six years, citing a strong economic recovery, and possibly leading the way for similar actions from other Asian central banks.

The hike comes on the back of a series of upbeat readings on Asia's number four economy that have seen the Bank of Korea and International Monetary Fund lift their growth forecasts and despite an increasingly belligerent Pyongyang.

The BoK lifted borrowing costs to 1.5 percent, up 25 basis points and the first since June 2011, pointing to a "solid trend of domestic economic growth", adding there have been moderate improvements in private consumption and strong growth in exports.

Bonded warehouse for all to boost exports: PRI

FROM PAGE B1

There are about 750 SROs and most of them are designed to support the garment sector and with limited consideration of other sectors, said Masrur Reaz, senior economist and programme manager of Trade & Competitiveness of the World Bank Group. He recommended enactment of the new customs act and review of the processes for licence issuance.

Asif Ibrahim, former president of the Dhaka Chamber of Commerce and Industry, suggested extension of the facilities enjoyed by apparel sectors to others to diversify export basket.

Md Shafayer Alam Khan, vice-president of the Bangladesh Dyed Yarn Exporters Association, said it took 53 days to renew the licences of some firms in the sector.

"No objection certificate as well as renewals should be issued within a week," he added.

Rakub's default loans increase on potato price fall

FROM PAGE B1

This year, potato production was one crore tonnes against expected consumption of 80-85 lakh tonnes.

Chowdhury said retail price of potato is very low when compared with the price of rice, which is Tk 70-80 a kg. Rice is the first staple crop in Bangladesh and potato the second.

It costs Tk 16 to store a kg of potato in the cold storage whereas the wholesale price hovers between Tk 6.39 to Tk 8.13, he said.

This year, potato farmers will count losses of Tk 7,000 crore to Tk 8,000 crore, according to Chowdhury.

Subsequently, he urged the government to provide support to farmers. "Otherwise, they will lose the financial capability to produce the crop next year," he added.

Some 15-20 lakh tonnes of potato will remain unsold by the end of the year, according to BCSA. Farmers and traders have preserved 53 lakh tonnes of the tuber in the cold storages this year, up 32 percent year-on-year. As of now, only 10 percent of the tuber has been marketed.



Kazi Akram Uddin Ahmed, chairman of Standard Bank, opens the bank's 117th branch at Tongi in Gazipur yesterday. Mamun-Ur-Rashid, CEO, was present.

Private credit growth continues ascent

FROM PAGE B1

Earlier in July, the government formed a committee to go through the Bank Company Act 1991 to check if there is any provision that bars banks from providing large loans to the power sector.

The move was taken after the power division requested banks to channel Tk 20,000 crore into the power sector by December.

At present, banks can provide loans of up to 25 percent of their capital to a single borrower. For some banks it would not be possible to lend at a scale needed by the power sector companies without exceeding the limit.

Public sector credit growth, on the other hand, has remained in the negative owing to bumper sales of savings instruments. It stood at -12.13 percent, which is way off the monetary ceiling of 3.80 percent for December.