



CITY BANK

Sohail RK Hussain, CEO of City Bank; Stefan Rajmann, senior project manager of structured export finance at AKA Bank; Herbert Euler, senior counsel of export finance; Cathrin Karpinski, head of international markets at Commerzbank, and Alexander Mondorf, relationship manager of Indian Subcontinent & Asean, attend an agreement signing ceremony in Frankfurt, Germany recently.

# City Bank raises \$26m for Doreen Power

STAR BUSINESS DESK

City Bank has recently arranged \$26 million in funds for Doreen Group to help it set up a 53.9-megawatt heavy fuel oil-based power plant in Munshiganj.

AKA Bank and Commerzbank of Germany provided the export credit agency-backed financing through City Bank to implement the project,

Banco Energy Generation Ltd.

The financial closure ceremony took place in Frankfurt, Germany on the successful completion of the financing arrangement, said City Bank in a statement.

Sohail RK Hussain, CEO of City Bank; Stefan Rajmann, senior project manager of structured export finance at AKA Bank; Herbert Euler, senior counsel of export finance; Cathrin

Karpinski, head of international markets at Commerzbank, and Alexander Mondorf, relationship manager of Indian Subcontinent and the Asean, signed the agreement.

Sheikh Mohammad Maroof, head of wholesale banking and Mahub Jamil, head of structured finance of City Bank, and Tawfiq Ali, chief representative of Commerzbank Bangladesh, were also present.

## Skill development is a must to attain SDGs: analysts

STAR BUSINESS DESK

Although 2 million people enter Bangladesh labour market every year the number of skilled workers is much less than the required, posing a challenge for the country to attain the Sustainable Development Goals, said analysts.

They said workers' skill development is a must to counter the challenge. Besides, freedom of expression, fair wages, decent workplace, job safety and protection of basic rights of the workers are also imperative.

The analysts made the observations at a roundtable titled "Increasing productivity through decent work and favourable working condition" organised by Brac's Skill Development Programme in the capital on Sunday.

The government, recruiters and workers will have to sit together for the purpose of creating a favourable working condition, added the analysts.



BRAC

Analysts take part at a roundtable on increasing productivity through favourable working condition organised by Brac's Skill Development Programme in Dhaka on Sunday.

## Bundesbank says no euro zone cryptocurrency in sight

REUTERS, Frankfurt

Bundesbank board member Carl-Ludwig Thiele has ruled out the introduction of official digital money for the euro zone and warned of losses from investments in cryptocurrencies such as bitcoin, according to a German newspaper.

"Digital central bank money analogous to cash is currently not in sight," Thiele told weekly Euro am Sonntag in an interview published on Saturday.

Digital currencies allow users to make online transactions across borders instantaneously and have surged in popularity this year because of their eye-watering price rises.

Bitcoin, the best-known, has increased in price around twentyfold since the start of the year.

But the cryptocurrency plunged by 30 percent to below \$12,000 on Friday as investors dumped it after its sharp rise to a peak close to \$20,000 prompted warnings by experts of a bubble.

"We are seeing a rapid increase in value, which brings the risk of rapid losses," Thiele said.

Decentralised digital currencies like bitcoin are still not widely accepted. Critics say they can easily be used for money laundering and the fact that they are unregulated makes them risky to use -- hence the idea of an "e-" version of a physical currency that still has a central controlling authority.

## RBS to pay \$125 million to settle California mortgage bond claims

REUTERS

Royal Bank of Scotland Group Plc will pay \$125 million to resolve claims that it made misrepresentations while selling mortgage-backed securities to two large California pension funds, the state's attorney general has announced.

The settlement announced on Friday by California Attorney General Xavier Becerra was the latest by RBS aimed at resolving claims stemming from its sale of mortgage-backed securities, which were at the heart of the 2008 financial crisis.

Becerra's office said those securities were typically backed by thousands of mortgage loans of varying quality in which the buyer relied on the assurance that those mortgages were carefully screened and were not overly risky.

Becerra's office also said its investigations found that RBBS failed to accurately disclose to investors the true traits of many of the thousands of mortgages underlying the securities.

The probe also found that those misrepresentations led to millions of dollars in losses to the California Public Employees' Retirement System and the California State Teachers' Retirement System, Becerra's office said.

"RBS decided to mislead California's pension funds in order to line its own pockets - plain and simple," Becerra said in a statement.

RBS Chief Executive Officer Ross McEwan in a statement on Saturday said the bank was pleased to have reached the settlement, which related to issues with mortgage-backed securities in 2004 to 2008.

"We have been very clear that putting our remaining legacy issues behind us is a key part of our strategy," he said.

The settlement comes as RBS continues to seek to resolve a US Justice Department investigation into its sales of mortgage-backed securities before the financial crisis.

In July, RBS agreed to pay \$5.5 billion to resolve a lawsuit by the Federal Housing Finance Agency, the conservator for Fannie Mae and Freddie Mac, claiming that it misled the US mortgage giants into buying mortgage-backed securities.

In September 2016, the US National Credit Union Administration announced that RBS had agreed to pay \$1.1 billion to resolve claims over mortgage-backed securities it sold to credit unions that later failed.



MUSK MARKETING

Akram Ali Khan Sonju, managing director of Musk Marketing Ltd, and Jiu Shue, managing director of Hong Shida Technology Company, attend a deal signing ceremony at the former's office at Banani in Dhaka on Sunday. Musk Marketing and the Chinese company will jointly launch an online shopping platform—10takabuy.com.

## Apparel exports saved by sturdy dollar

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At least 10 percent devaluation of the currency is fine for the sector as garment exporters have faced low exchange rate over the last five years, he added.

"The exchange rate is still not up to the mark when compared with our competing countries like India and Turkey," said Abdus Salam Murshedy, managing director of Envoy Group, another major garment exporter.

Apart from the favourable exchange rate, the rising shipment of value-added items, brighter image of Bangladesh's garment sector after remediation works, relative political calm and automation of production also helped prop up garment exports in 2017.

"The outgoing year was good for us," Murshedy said, adding that the absence of any major untoward incident like labour or political unrest was a boon for the apparel exporters.

Garment exporters are cautiously optimistic about the new year as the

country's apparel sector is on a strong footing following the thumbs-up from the Accord and Alliance, the two foreign factory inspection agencies.

Nearly 80 percent of the remediation works to fix electrical, fire and structural flaws have been completed.

"After the inspection and remediation, our capacity has been internationally recognised. We are hoping for better business opportunities after this," Murshedy said.

Besides, the economies of major export destinations are rebounding gradually from the shocks of Brexit and general elections in many EU countries, he said.

Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association, forecasts that export receipts will be about 10 percent higher next year.

"Ideally, it should be more than 15 percent given the current capacity of the factories."

However, for achieving higher export

growth the government should give the highest priority to addressing issues like congestions in the premier port in Chittagong, Hazrat Shahjalal International Airport and Benapole land port to shorten the lead-time, he said.

Adequate power and energy should be ensured and the infrastructures, especially the Dhaka-Chittagong highway, must be enhanced.

The exporters see the political instability as a major challenge in the new year as the general election is due to be held at the end of next year or in early 2019.

"We expect there will not be any political instability -- we hope the political leaders will give priority to a stable export growth for the sake of the country."

A good number of new factories will come into operation next year as entrepreneurs are putting in money in the sector targeting the shifted work orders from China, the largest garment exporter worldwide.

## India to link highways to int'l trade points

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He told the media that about 2,000 kilometres of highways would be constructed to link major highways corridors to the identified international trade points at borders with the four countries.

The project is part of the Bharatmala Pariyojana, he added.

The Indian cabinet, at a meeting on October 25, had approved a mega plan to build 83,677kms of highways by March 2022 at a cost of about Rs 7 lakh crore, which includes the ambitious Bharatmala project at a cost of about Rs 5.35 lakh crore.

Asked about the funding for the project, Gadkari said the entire Rs 5.35 lakh crore for Bharatmala has been tied up.

The minister said, besides the project to link highway corridors with international trade points, there are several other projects under implementation which aim to facilitate India's international connectivity with neighbouring countries in South Asia and the Association of Southeast Asian Nations.

## BB rejects Tk 1,439cr compensation demand of BKB, Rakub

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All private and state-owned commercial banks have been disbursing farm loans in line with the Agricultural and Rural Credit Policy and Programme of the central bank and no one was allowed such compensation, the BB letter said.

Besides, the central bank provides different financial support to the two specialised banks every year as they are dedicated to the disbursement of farm loans.

For instance, BKB enjoyed funds amounting to Tk 1,000 crore in fiscal 2013-14 and fiscal 2014-15 from the central bank under its refinance scheme.

The central bank also gives demand loans of about Tk 300 crore to BKB every year so that it can disburse farm loans without any interruptions, the BB letter said.

BB officials told The Daily Star yesterday that the finance ministry rejected the proposals of the two banks following the central bank's opinion.

The two banks have long been saddled with classified loans and capital shortfall as they operated businesses by violating credit rules.

As of September, BKB's non-performing loans stood at Tk 4,316 crore and Rakub's Tk 1,202 crore.

BKB faced a capital shortfall of Tk 7,540 crore at the end of September and Rakub Tk 743 crore, according to the latest BB data. The central bank recently directed BKB and RAKUB to put in efforts to recover the classified loans, the BB officials said.



SIBL

Zafar Alam, deputy managing director of Social Islami Bank, opens an agent banking outlet of the bank at Gazaria in Munshiganj on Sunday.



SBAC BANK

Md Mokhlesur Rahman, a director of South Bangla Agriculture & Commerce Bank Ltd, opens the bank's 63rd branch at Jibannagar in Chuadanga on Sunday. Md Golam Faruque, CEO, was present.