

Japan's factories rev up as central bankers call for debate on rates

REUTERS, Tokyo

Japan's best run of growth in a decade looks set to stretch into 2018, with data on Thursday showing most factories and consumers stepping up a gear, giving policymakers more reasons to discuss an end to crisis-era stimulus.

Industrial production marked its first back-to-back months of increases this year, with a 0.6 rise in November following a 0.5 percent gain in October, the government said. Factories are churning out memory chips for smart phones and semiconductor manufacturing equipment to fill orders from Asia and North America.

Japan's long-cautious consumers are also spending more on electronics, cars and fuel, numbers showed. Retail sales in November increased 2.2 percent from a year earlier, better than the 1.2 percent predicted by economists.

"Consumer spending is doing well, supported by rising stock markets," said Hiroshi Miyazaki, senior economist at Mitsubishi UFI Morgan Stanley Securities. "The Bank of Japan's policy focus is on interest rates, so it is only natural to question its purchases of risk assets."

Manufacturers project output will jump 3.4 percent in December but then drop 4.5 percent in January, suggesting some moderation.

The numbers add to a string of data showing Japan's economy is in its best shape in more than a



Workers walk at a factory at the Keihin industrial zone in Kawasaki, Japan.

REUTERS/FILE

decade. The jobless rate is at a 24-year low, exports have risen every month this year, business investment is up for four straight quarters and GDP has expanded every quarter for nearly two years.

Japan's stock market, meanwhile, has rallied more than 20 percent this year to reach 26-year highs, which has also boosted consumer sentiment.

The surprisingly strong growth in recent months prompted some BOJ board members to raise the prospect of reducing the central bank's massive stimulus, a sum-

mary of opinions from last week's meeting showed on Thursday.

Such policies were aimed at jolting Japan out of deflation but some BOJ board members are encouraging debate about raising rates or lowering purchases of exchange-traded funds.

If the outlook for prices and the economy improves, the BOJ will need to consider whether "adjustments in the level of interest rates will be necessary," one board member said.

Another board member said the BOJ should examine the

policy effects and the possible side effects of ETF purchases from "every angle" because of rising stock prices and earnings.

The BOJ buys long-term government debt to keep 10-year yields around zero and also buys ETFs, which are traded on the stock market, increasing its holdings by around 6 trillion yen (\$53 billion) a year.

The summary of opinions does not identify individual speakers, and it is unclear whether a majority of the BOJ's nine-person board shares these views.

But it is clear that the economy's strength has spurred debate about when and how to end the central bank's aggressive monetary easing, which includes buying massive amounts of government bonds, stocks and other assets to keep interest rates low and flood the market with money to spur inflation.

Inflation, however, remains stubbornly low, with the core consumer price index up 0.9 percent in November, data this week showed, far from the BOJ's target of 2 percent.

BOJ Governor Haruhiko Kuroda said last week that as long as consumer prices remain distant from the BOJ's 2 percent inflation target he does not want to raise rates.

When the BOJ first launched its ETF purchases in 2013, it argued such buying of unconventional assets would lower risk premiums and help the economy overcome deflation.

But some traders argue that the BOJ's ETF purchases artificially push up the prices of underlying shares, and that strong stock market gains this year mean these purchases are no longer warranted.

"The economy is doing well, but that doesn't make the BOJ's job any easier," said Norio Miyagawa, senior economist at Mizuho Securities. "I personally think the BOJ should stop buying ETFs, but if they did now, stocks would fall, the yen would rise, and that would actually worsen the economic outlook."

Maldivian adds new flight on Male-Chennai-Dhaka route

STAR BUSINESS DESK

Maldivian, the national carrier of Maldives, is set to add another flight on the Male-Chennai-Dhaka route next year.

The airline currently operates three weekly flights on the route on Mondays, Wednesdays and Fridays.

The additional flight will fly on Thursdays, the airline owned and operated by Island Aviation Services Ltd said in a statement yesterday.

Maldivian began its operations to Dhaka in 2012 with their full service airline A320 that has 14 business class seats and 138 economy class seats.

Daraz offers discounts for students

STAR BUSINESS DESK

Daraz BD (daraz.com.bd), an e-commerce platform, has recently launched a campaign, Back to School, for school students.

Under the campaign, customers will get up to 70 percent discount on school uniforms, stationery items, books, laptops and scanners.

Apart from these, teachers and guardians can avail fashion products and beauty and health items with discounts of up to 82 percent.

Students will find all their necessary products to start a new school year from the campaign, the e-commerce site yesterday said in a statement.

The offer started on December 22 and will continue till January 22 next year.

Venezuela sets caps on gasoline purchases

AFP, Caracas

Venezuela set limits on gasoline sales in the country's west to undercut smuggling that it blames for short supplies in recent days.

Passenger cars were limited to a maximum of 30 litres and trucks to 35, said a statement from the oil ministry, without specifying a time period for the limit.

Venezuela, which has the world's largest proven crude oil reserves, heavily subsidizes its gasoline prices, making smuggling to neighbouring Colombia a big business.

Fish farming bogged down by losses

FROM PAGE B1

Many orthodox fish farmers are even thinking of stopping fish production and changing business as they could not even raise the money they spent on fish feed by selling their produce in today's market, Alam added.

Citing the example of growing popularity of "recirculating aquaculture system (RAS)" in neighbouring countries like Vietnam and India, Alam said the government could introduce new technologies and methods of culture to farmers to cut down costs and space used in fish farming.

RAS is a series of culture tanks and filters where water is continuously recycled and monitored to keep a suitable habitat for fish round the year. It is an alternative to outdoor open aquaculture.

"A farmer gets his desired amount of fish produce with smaller amount of fish feed in lesser time in this system," said Alam, also the pioneer of RAS in Bangladesh.

The current attitude of the govern-

ment towards the fish culture industry as a whole will not help the industry to be sustainable, said AKM Abu Noman, a fish and fish feed producer.

"The experts and the authorities should tell the farmers what to do to avoid the overwhelming losses or should tell them to stop producing fish altogether."

He also said the government should take steps to debunk the myths surrounding fish farming.

For instance, it is often said that consuming tilapia fish can lead to cancer.

"Nothing of this sort has been proved by science," he said.

There is no quality control and regulations for the fish in the market or the fish feed.

"Fisheries are being set up like mushrooms without proper guidelines, training and knowledge about the intricacies of fish production. These non-experts are producing poor quality fish without much investment."

Therefore, the serious farmers are

facing massive losses and are progressively losing interest in the trade, Noman added.

Mohammad Mahfujul Haque, head of the department of aquaculture of the Bangladesh Agriculture University, acknowledged the problem of huge losses incurred by farmers.

"A lot of the farmers have come to us for solutions. They struggle to even match the production price, let alone make a profit."

Haque suggested exporting more inland cultured fish as a solution to this problem.

He, however, said the produced fish here may not match the quality needed for the export market, so the need for quality control has become all the more pertinent.

Haque went on to cite the case in Vietnam, where the government has set up a certifier body to control the quality and price of both fish feed and fish.

"With the seal of the Vietnamese certifier body the fish can be exported anywhere in the world," he said.



PRIME BANK INVESTMENT LTD

Azam J Chowdhury, chairman of Prime Bank Ltd, speaks at a press conference after inaugurating the corporate office of Prime Bank Investment Ltd, a subsidiary of the bank, at Banani in the capital Wednesday.

Banks' mad rush to secure deposit

FROM PAGE B1

Take, for instance, the case at Sonali Bank. The state-owned bank yesterday got a request for withdrawal of Tk 185 crore from the Bangladesh Telecommunications Company Ltd.

The telecom company asked Sonali to transfer the amount to seven private banks: Exim, IFIC, Jamuna, Mercantile, One, Standard and Social Islami.

But Sonali declined to honour the request as withdrawal of such a large amount on the last transaction day of 2017 would have a negative impact on the balance sheet, according to Mallik Abdullah Al Mamun, manager of the

Sheraton branch with which the account is registered.

"BTCL can withdraw the amount with seven days' notice as per its agreement with Sonali," said the official of the state-owned bank.

But the telecom company sent the withdrawal notice only yesterday and asked for the transfer to be made on the same day, he said, adding that the state-owned enterprise is doing this at the year end on political pressure.

"This is an unhealthy practice among the private banks to use government deposit just to show a better balance sheet at the year's end," Al Mamun said.

India's Reliance Jio to buy all wireless assets of Rcom

REUTERS, Mumbai

Anil Ambani's debt-laden Reliance Communications Ltd has signed an agreement to sell its wireless assets to Reliance Jio Infocomm Ltd, the telecoms arm of elder brother and billionaire Mukesh Ambani's oil conglomerate Reliance Industries Ltd, both the companies said in separate statements on Thursday.

The sale comprises of all spectrum, tower, fiber optic and other telecom infrastructure assets of Reliance Communications and is subject to govern-

ment and other regulatory approvals, the statements said.

The sale marks the return of the telecom company back to the fold of Reliance Industries, which forayed into telecoms in 2002, spearheaded by elder Ambani, under the name of Reliance Infocomm Ltd.

A feud between the two brothers in 2005 led to the split of Reliance Industries when Mukesh Ambani kept the cash cow oil and gas business and Anil Ambani walked away with telecoms and power.

US jobless claims steady in latest week

REUTERS, Washington

The number of Americans filing for unemployment benefits was unchanged last week and the underlying trend remained consistent with a tightening labour market.

US workers filed 245,000 initial claims for state unemployment benefits during the week that ended Dec. 23, according to seasonally adjusted figures published by the Labor Department on Thursday. Data for the prior week was unrevised.

Since mid-October, claims have been confined to a range of 223,000 to 252,000.

Economists polled by Reuters had forecast claims edging down to 240,000 in the latest week. Last week marked the 147th straight week that claims remained below the 300,000 threshold, which is associated with a strong labour market. That is the longest such stretch since 1970, when the labour market was smaller.

BB warns against cryptocurrencies

FROM PAGE B1

Meanwhile, Bitcoin, the most well-known cryptocurrency, fell more than 11 percent after South Korea yesterday said it would ban anonymous trading of virtual currencies and crack down on money laundering activities using them, according to an AFP report.

The announcement came as the hyper-wired South emerged as a hotbed for cryptocurrency trading, accounting for some 20 percent of global Bitcoin transactions -- about 10 times the country's share of the world economy.

The new rules announced by Seoul include a ban on opening anonymous cryptocurrency accounts and new legislation to allow regulators to close virtual currency exchanges if necessary.

"Officials share the view that virtual currency trading is overheating irrationally...and we can no longer overlook this abnormal speculative situation," the government said in a statement.

All anonymous accounts currently in use will be closed next month, it added.

The announcement came two weeks after Seoul banned its financial firms from dealing in virtual currencies, most notably Bitcoin, as their prices soared, sparking concerns of a bubble largely fuelled by retail speculators. Also, the Israel Securities Authority said it is moving to ban trading in cryptocurrency-based companies on the Tel Aviv market until transactions involving digital coins are legally regulated.

The head of the authority, Shmuel Hauser, said on Monday that the stockmarket regulator would discuss the proposal at a meeting next week.

"So long there is no regulatory framework, we will make it that companies whose trade is primarily based on digital coins won't be able to trade at the (Tel Aviv) stock market," he said.

In addition, "the activity of a company that already exists and most of its activity is through Bitcoin will be suspended," he said.



NATIONAL BANK

Ron Haque Sikder, a director of National Bank, opens the bank's 200th branch at Gulshan in the capital yesterday.