

Merkel wants European Monetary Fund with national oversight

REUTERS, Berlin

German Chancellor Angela Merkel backs the idea of a European Monetary Fund, provided national governments have sufficient oversight, sources close to her said before a visit by the French president.

President Emmanuel Macron, who will meet Merkel in Berlin on Thursday, is pushing hard for bold euro zone reforms to defend the 19-member currency bloc against any repeat of the financial crisis that took hold in 2009 and threatened to tear it apart.

His vision includes turning Europe's existing ESM bailout fund into a European Monetary Fund (EMF). At one point, Macron also suggested the zone should have its own budget worth hundreds of billions of euros, an idea that does not sit well with Germany.

Merkel told lawmakers from her conservative bloc on Tuesday that she favoured the EMF concept as long as member states retain scrutiny over the body, participants at the meetings said. "It's not that one side is putting the brakes on and the other pushing ahead," one of the participants at Tuesday's meeting said. "We want to find a good reform path together."

German conservatives worry that an EMF could fall under the purview of

the European Commission and could use German taxpayers' money to fund profligate states. They also fear the Bundestag, Germany's lower house of parliament, would lose its ability to veto euro zone aid packages.

Merkel told the meeting that an EMF should be incorporated into European law via a change in the EU treaty, though she did not make this a stipulation for creating it, participants said.

European treaty change is a tricky feat that could take time to achieve, but by not categorically insisting on it Merkel leaves wiggle room for her talks with Macron.

The chancellor's remarks to her parliamentary bloc tread a careful line between Macron's drive for bold euro zone reform and her conservatives' push to retain scrutiny of any EMF.

A succession of bailouts for Greece aroused stiff opposition in Germany. The Bundestag approved them all, but the rise of the anti-euro Alternative for Germany (AfD) - now the main opposition party - has since heightened the conservatives' wariness of going too far with euro zone reforms.

"Angela Merkel must not become Macron's assistant," the AfD's leader in parliament, Alexander Gauland, said in a statement, urging her to distance the government from the

French leader's plans.

One participant at Tuesday's meeting of lawmakers with Merkel said she wanted an EMF to act with conditionality - the same approach taken by the International Monetary Fund, which attaches strict reform conditions to aid.

In line with leading members of her conservatives in parliament, she also rejected plans floated by the European Commission to make use of a specific EU legal provision to develop the existing euro zone bailout fund into an EMF.

Merkel's coalition partners, the left-leaning Social Democrats (SPD), sympathise with Macron and want him to be rewarded for his efforts to reform the French economy, well aware that a large chunk of French voters remains susceptible to far-right and far-left populists sceptical about the EU.

France and Germany, which account for around 50 percent of euro zone output, are essential to the reform drive. But while they often put on a strong show of political unity and shared intent, the devil is often in the detail.

On Tuesday, Merkel said creating a euro zone banking union was a priority for her, but she also broadened out the reform question to include a European asylum system, as well as foreign, defence and research policy.



DELTA LIFE INSURANCE

Adeeba Rahman, CEO of Delta Life Insurance Company Ltd, and Apurva Jain, head of transaction banking at Standard Chartered Bangladesh, attend a deal signing ceremony at the former's head office in Dhaka on Tuesday. The insurer will provide payment protection insurance to the bank's credit customers and be able to use the bank's cash management facilities.

VW's Electrify America to install EV chargers at Walmart stores

REUTERS, Detroit

Volkswagen AG unit Electrify America will install electric vehicle charging stations at more than 100 Walmart Inc store locations in 34 US states by mid-2019 as part of Electrify's plans to bolster charging infrastructure across the country, the two companies said on Wednesday.

"We recognize that electric vehicles are going to grow and become more

relevant," Mark Vanderhelm, vice president for energy at Walmart, the world's largest retailer, told Reuters. "We are trying to get out in front of that."

The Walmart charging stations are part of a broader Electrify America project to install 2,000 chargers at nearly 500 charging stations across the country by June 2019.

Wayne Killen, Electrify America's senior director for infrastructure, said that 80 percent of the Walmart charg-

ing stations would be at store locations alongside highways, while the remaining 20 percent would be in metro areas.

Killen said the highway locations will primarily provide chargers for trips between US cities but also cross-country journeys along Interstate 10 between Santa Monica, California and Jacksonville, Florida, plus Interstate 80 that runs from San Francisco and Teaneck, New Jersey.

Green Delta re-elects chairman, vice chairman



Md Abdul Karim



Kamran Idris Choudhury

STAR BUSINESS DESK

Green Delta Insurance Company Limited recently saw its board of directors reelect its chairman, Md Abdul Karim, and vice chairman, Kamran Idris Choudhury.

Karim, a former principal secretary, is the managing director of Palli Karma-Sahayak Foundation. He earlier served as secretary to the commerce, fisheries and livestock, home affairs, communications (bridges division) and finance (internal resources division) ministries.

Choudhury is a fellow member of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Bangladesh.

Norwegian plastics recycler Tomra seeks to expand in China

REUTERS, Asker, Norway

Norway's Tomra, the world's top maker of machines that collect plastic bottles and repay a deposit, is seeking to expand in China as governments worldwide work to limit waste, Chief Executive Stefan Ranstrand said on Wednesday.

He welcomed a decision by Britain last month to impose deposits on single-use drink containers, which drove Tomra's stock to a 17-year high. Tomra collects 35 billion bottles and cans a year in markets from Germany to California.

"We see a very strong worry in the world right now as a result of the big quantities of plastic in the oceans," Ranstrand told Reuters.

"We always are very cautious in predicting (future markets for recycling). But we have never seen so much attention to the topic." Apart from Britain, other recent bottle deposit markets include Lithuania and the Australian state of New South Wales.

BB mulls guideline to recover bad loans

FROM PAGE B1

"Not every defaulter is a willful defaulter and the reforms should give them an opportunity to settle any dispute through ADR," he said, adding that courts should take pre-litigation mediation and arbitration into cognisance.

He urged banks to empower their own representatives attending the mediation hearings so that they can take decisions. "Often mediation effort is not effective due to limitations imposed on the attending representative."

The former deputy governor appealed to the ABB to intensify efforts in referring cases to the ADR in order to arrive at an amicable and expeditious settlement.

Syed Mahbubur Rahman, chairman of the ABB, said the ADR works better in disputes involving small amounts of money. The volume of cases in the SME and retail sectors is substantially high and the propensity to default willfully in this group is higher, he said.

Sohail RK Hussain, vice-chairman of the ABB, said legal amendments to the Artha Rin Adalat Ain should include making mediation mandatory for retail and small enterprise sector loans, and arbitration mandatory for loans in the medium enterprise sector.

This should be included in all loan contracts of up to a threshold of Tk 25 crore, he said, adding that the time limit should be 60 days and facilitated through institutions such as the BIAC, according to the statement.



Nizam Chowdhury, chairman of NRB Global Bank, presides over the bank's fourth annual general meeting at its corporate head office in Dhaka yesterday.

Shipbuilders served loan rescheduling on silver platter

FROM PAGE B1

It was also decided at the meeting that the interest rates on the loans would be revised down and the rescheduling would be done without any down payment. Those who had already rescheduled their loans will also come under the facility.

Then on March 25, the ministry forwarded the decision to the central bank asking it to take the necessary measures for implementation.

Accordingly, on April 4, the central bank sent out a notice advising all banks to follow the ministry's decision.

The rescheduling package is similar to the one extended to 11 big business groups in 2015 involving loans amounting to Tk 15,000 crore.

The package did not yield the desired result as most of the companies turned defaulters within two years of their payment schedule.

"This will be a great mistake," said Khondkar Ibrahim Khaled, a former deputy governor of the BB. Besides, the finance ministry has violated the bank company act by imposing the decision on the central bank, he said.

The bank company act clearly states that the BB has the sole

authority to do loan rescheduling or restructuring, according to Khaled.

Contacted, Abu Hena Mohd. Razee Hassan, deputy governor of the BB, and Eunusur Rahman, senior secretary of banking and financial institution division of finance ministry, declined to comment on the matter.

On the other hand, the banks are being inconvenienced by the loans of the shipping industry, which is going through a prolonged slump in business.

For instance, Ananda Shipyard, one of the largest shipbuilders, took Tk 1,300 crore loans, leaving seven banks in trouble.

Western Marine Shipyard, the leading shipbuilder of Bangladesh, has loans worth more than Tk 1,000 crore with many banks. It has been unable to make loan instalments regularly.

"The main problem of the shipbuilding industry is the high cost of funds," said Md Sakhawat Hossain, managing director of Western Marine.

The shipbuilder's investment is higher than its operating income, he added.

Currently, more than 100 companies are involved in the sector.

Uber doubling down on India investments

REUTERS, New Delhi

Ride-hailing giant Uber Technologies Inc is "doubling down" on its investments in India, one of its biggest markets, after its recent exit from Southeast Asia, its chief operating officer said on Wednesday.

India accounts for more than 10 percent of Uber rides globally and the US company has a more than 35 percent share of the taxi market there, according to Counterpoint Research, but it is yet to make money in the country.

COO Barney Harford said investments in India are made using funds from profitable markets. However, the sale in March of Uber's business in Southeast Asia to Singapore's Grab Holdings, in exchange for a 27.5 percent stake, has given Uber more firepower to compete with its Indian rival Ola.

"The recent merger ... has freed up resources which we are going to invest across people, products and partnerships to better serve this country," Harford told reporters in New Delhi.

"We are doubling down on our investments in this country like never before," he said, adding that India was a core market for the San Francisco-based company.

Harford did not say how much Uber is likely to invest in India but said it would "considerably expand" its technology resources to develop products for India and the world.



Damon Yang, managing director of OPPO Bangladesh, and brand ambassador Taskin Ahmed, a national cricketer, launch OPPO F7 at Radisson Blu Dhaka Water Garden on Tuesday.

OPPO

Novoair tickets on app

STAR BUSINESS DESK

Novoair, one of the country's leading private airlines, has recently introduced a mobile app, available on App Store and Play Store, to make it easier and convenient for passengers to book and purchase tickets and get information about flight status.

Moreover, one can find all the information and addresses of Novoair sales offices directly contacting its reservation and ticketing department, the airline yesterday said in a statement.

NBR plans tax benefits for manufacturing sector

FROM PAGE B1

The government has given a tax break for the IT and ITES sector till 2024 and it will be beneficial if a provision allowed issuance of one certificate to cater for the remaining years, he added.

The BASIS urged for reducing import duty on security software.

The apex trade body for software and associated services also demanded making the software import process easier.

It required downloading, not shipping; so the requirement of cost, freight and insurance papers are unnecessary in this case, said the BASIS.

The BASIS also requested withdrawal of a minimum tax of 0.6 percent on e-commerce ventures on the ground that these sites were yet to make profits.

Bangladesh Electrical Merchandise Manufacturers Association said a section of businesses import parts of switches, sockets and various other parts of electrical items and assemble electrical items, hurting domestic manufacturers.

The trade body pleaded for hiking import duty on such items to protect domestic industries.

Stocks rise riding on banking shares

FROM PAGE B1

Beximco dominated the turnover chart for 10 consecutive days with 1.33 lakh shares worth Tk 41.23 crore traded, followed by Al Arafah Islami Bank, Brac Bank, United Power Generation and Usmania Glass.

Among the major sectors, banks rose 2.63 percent, fuel and power increased 0.71 percent, telecom 0.64 percent and textile 0.11 percent.

Conversely, life insurance and financial institutions sector declined 1.72 percent and 0.96 percent respectively.

Exim Bank was the day's best performer with a 6.66 percent gain followed by Usmania Glass, Eastern Lubricants and Eastern Bank.

Fareast Finance was the worst loser, shedding 7.95 percent followed by Advent Pharma, Sonali Aansh and CAPM BDBL Mutual Fund.

Chittagong stocks also rose with the bourse's benchmark index, CSCX, advancing 74.29 points, or 0.7 percent, to finish at 10,861.48.

Losers beat gainers as 93 advanced, 125 declined and 24 finished unchanged on the port city bourse.

The bourse traded 1.07 crore shares and mutual fund units worth Tk 66.24 crore.

Online fund transfer to any bank from June

FROM PAGE B1

The latest initiative will be of great convenience to customers, said Syed Mahbubur Rahman, managing director of Dhaka Bank.

But the banks should follow all cybersecurity-related compliance to avoid untoward situation, said Rahman, also the chairman of the Association of Bankers, Bangladesh, a forum of chief executives of banks.

The central bank introduced the NPSB on December 27, 2012 with a view to upgrading inter-bank electronic payments.

The NPSB is now playing the role of a "mother switch" and it will gradually connect all "child switches" owned or shared by banks in the country.

The child switches are: automated teller machines, point of sale, electronic commerce, internet banking, mobile banking and other online banking services offered by banks.