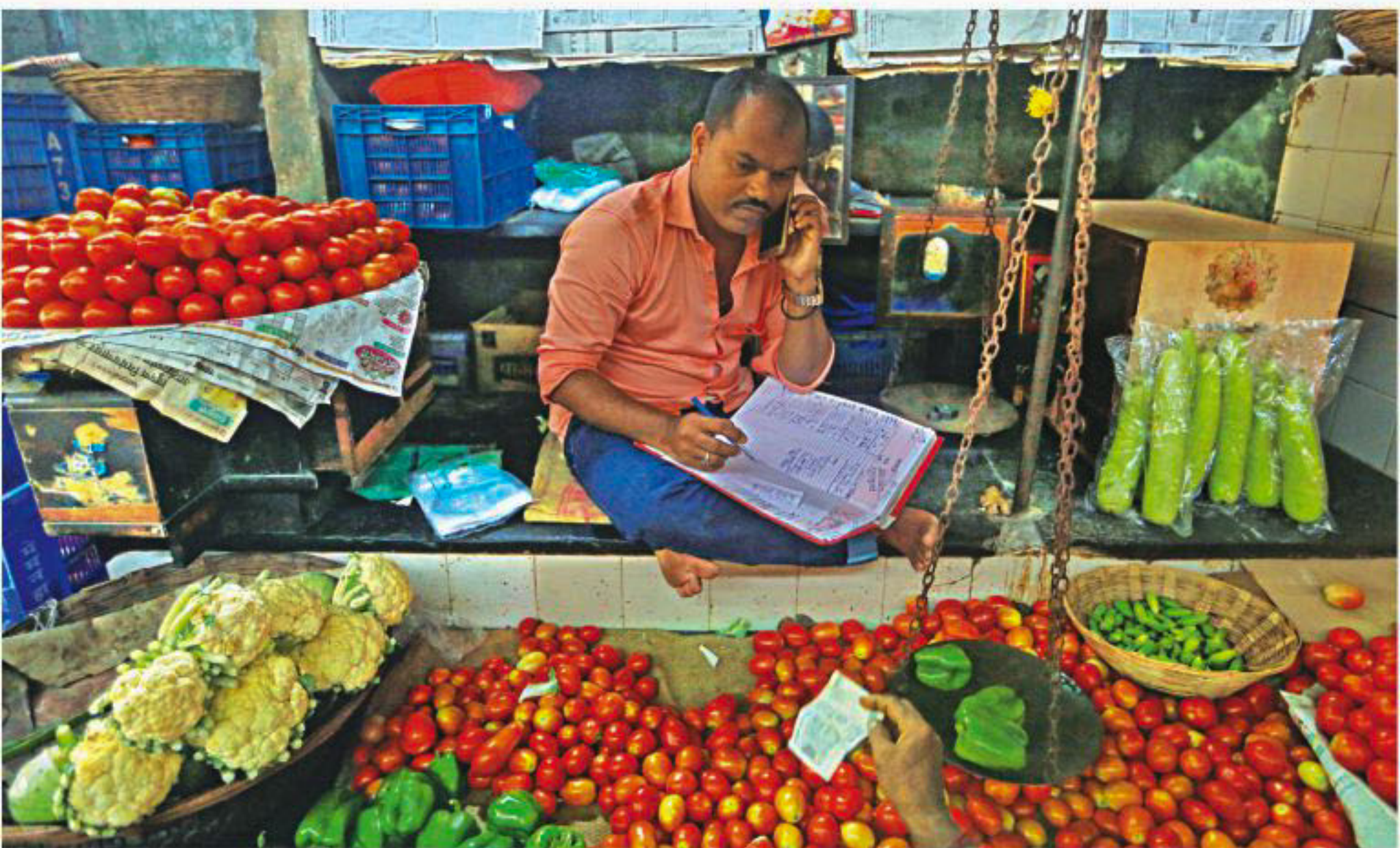


Vegetable prices jump in India as farmers go on strike



A vendor speaks on his mobile phone as he maintains his ledger book at a stall selling vegetables in Mumbai yesterday.

REUTERS, Mumbai

Vegetable prices jumped as much as 10 percent in major Indian cities, including Mumbai and Delhi, as a four-day old strike by millions of farmers curtailed supplies.

Farmers began their 10-day protest on Friday to press demands such as farm loan waivers and higher prices for produce such as cereals, oil-

seeds and milk.

"Wholesale prices of some vegetables like tomatoes and french beans have risen due to lower supplies," said a Mumbai-based vegetable vendor Mahesh Gupta.

Outbreaks of rural discontent poses a challenge to Prime Minister Narendra Modi, who promised when he came to power in 2014 to double farm incomes in five years.

Farmers in eight states, mostly ruled by Modi's Bhartiya Janata Party, have restricted supplies of vegetable and milk to the cities' markets.

"We are distributing milk and vegetables to the poor and needy, but we've decided not sell. The basic idea is to highlight the plight of farmers who have been overlooked by the government," said Ramandeep Singh Mann, a farmer based in Punjab.

Prices for many crops have fallen sharply, while the price of diesel has gone up, squeezing millions of India's mostly small-scale farmers.

Last year six farmers were killed in similar protests that became violent in the central state of Madhya Pradesh.

In recent days, farmers blocked highways in some places and poured milk onto roads. The protests have been peaceful so far, although organisers are planning to increase the intensity in coming days.

"The government hasn't fulfilled promises it had given last year. We have no option but to intensify our protests," said Ajit Nawale, state general secretary, All India Kisan Sabha, one of the farmers' union participating in the strike.

Two-thirds of India's 1.3 billion people depend directly or indirectly on farming for their livelihood, but farm incomes only account for 14 percent of gross domestic product, reflecting a growing divide between the countryside and wealthier cities.

"I am stocking up vegetables for the entire week," said Anjali Salunkhe, a housewife in Mumbai, fearing prices could double as they did during protests last year.

BHP process to unload US shale operations could take until 2019

REUTERS, New York

The planned exit of BHP Billiton Ltd from its US shale business has drawn oil companies and private equity firms into a competition that may have no clear winner until late this year or early next year, according to people familiar with the negotiations.

BHP, the world's largest miner, said in August that it would exit its US shale oil and gas business after pressure from activist hedge fund Elliott Management, which owns a stake in the company and argued the unit was a drag on BHP's value.

The Anglo-Australian company's Houston-based BHP Petroleum unit holds more than 838,000 acres spread across four US shale plays: Texas' Permian and Eagle Ford basins and the Haynesville and Fayetteville formations of Arkansas. A divestiture of all of that land would be among the largest shale acreage sales to date.

BHP is offering to sell off acreage in seven different packages spanning three formations; it has generated interest from oil companies that paired with private equity firms to bid on all the assets, as well as from companies looking at individual packages.

First bids were received last week, but no deal is expected until very late in 2018 or early 2019, according to two of the people familiar with the matter who, like all the sources, could not speak for attribution as the negotiations are not public.

It was currently unclear whether BHP may hold a second bid round with certain bidders or all of them, or it may opt to continue weighing the received bids toward securing a preferred deal.

The long delay can be explained by the sheer scale of the process and the number of parties involved, although bankers have also been critical of BHP's approach which has been regarded as slow-moving throughout.

Prime Bank re-elects chairman



STAR BUSINESS DESK

Azam J Chowdhury has recently been re-elected as the chairman of Prime Bank for a two-year term.

Chowdhury is the chairman and owner of East Coast Group and the chairman of The Consolidated Tea & Lands Company Bangladesh Ltd, the bank said in a statement yesterday.

He is the managing director of MJL Bangladesh Ltd, an affiliate of Exxon Mobil Corporation in Bangladesh, according to the statement.

He is also a director of Omera Petroleum Ltd, Omera Cylinders Ltd and Omera Fuels Ltd.

One Bank re-elects top brass



STAR BUSINESS DESK

One Bank has recently witnessed the reelection of its chairman, Sayeed H Chowdhury, vice president, Asoke Das Gupta, and chairman of its executive committee, Zahur Ullah.

Chowdhury is the founder chairman and CEO of conglomerate HRC, a member of the British Institute of Management and chairman of Media New Age Ltd and Information Services Network Ltd, the bank said in a statement yesterday.

Inflation lowest in 13 months

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Prices of clothes, fuel, furniture, home appliances, medical services, transport and educational items and house rent marked a rise in May, according to a statement of the BBS.

Although the inflation rate has come down, it is still higher than the government's target.

Finance Minister AMA Muhith had set an inflation target of 5.5 percent for the current fiscal year ending on June 30.

The average inflation was 5.81 percent from June 2017 to May 2018.

Japan Airlines to expand budget carrier's fleet after 2020 launch

REUTERS, Sydney

Japan Airlines Co Ltd hopes to expand the fleet of a new low-cost carrier by two jets a year after it launches in mid-2020, a director of the airline said on Monday, as it takes on rival ANA Holdings Inc's budget arm Peach.

"In the case of Japan Airlines we can introduce five or six aircraft a year based on our size. Maybe two aircraft a year is very challenging for a new airline but we hope they can expand at that kind of pace," said JAL director Masaru Onishi on the sidelines of an airline industry conference.

The new airline, which will offer medium and long-haul flights, will be designed to cater to a broad group of

Japanese and foreign passengers and will take a more experimental approach to its product than the full-service parent carrier, Onishi, a former chairman of JAL, said.

The yet-to-be-named carrier will offer a mix of budget and premium options for meals and seats, depending on what passengers are willing to pay, Onishi said.

The airline, which will launch with its first two Boeing Co 787-8 Dreamliners, will also operate to some of the same destinations that Japan Airlines already serves because it caters to a different demographic, he said. JAL, which operates the short-haul low-cost Jetstar Japan joint venture with Australia's Qantas Airways, is setting up the new airline to compete against Peach as Japan benefits from a boom in international tourists.

Islamic banks see faster credit growth: survey

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The Islamic banks were also ahead in deposit collection, registering a 12.79 percent growth, compared to 10.75 percent by all banks.

The weighted average rate of profit on deposits was 5.65 percent for Shariah-based banks, higher than that of private commercial banks and the banking industry as a whole. Similarly, the spread of Islamic banks was the lowest compared to that of others.

According to the survey, investment by all banks is concentrated mostly in Dhaka and Chittagong divisions.

The survey found that 47.86 percent of the deposits were collected from only 12.13 percent of the account-holders.

What was more surprising is that the banking industry invested about 67 percent of their funds into less than 2 percent of their clients.

Moreover, two thanas of Dhaka city, namely Motijheel and Gulshan possess the highest share of deposits and credit growth.

There are eight Shariah-based banks in the country with Islami Bank Bangladesh Ltd (IBBL) holding the majority share.

IBBL accounted for 36.9 percent of the total deposits mobilised by the full-fledged Islamic banks last year, down

from 38 percent in 2016.

Among other lenders, Union Bank improved its position in 2017 amassing 5.6 percent of the deposits, up from 4.16 percent a year ago.

The Islamic banking industry holds about 20 percent of assets, liabilities and equity, and channel about 37 percent of the remittance into the country.

According to the chief executives surveyed, the Islamic banking industry has failed to nurture leaders who can take over and run the industry.

Due to the lack of a sharing mode of investment, Islamic banks are also favouring the concentration of wealth within the rich.

Currently, there is no separate act in Bangladesh to guide Islamic banking activities, although the central bank has formulated a guideline for them.

It is now the need of the hour to introduce more comprehensive guidelines to bring greater transparency and accountability to the industry, the report recommended.

Md Alamgir, an associate professor of the BIBM, presented the research paper.

Abu Hena Mohd Razee Hassan, a deputy governor of the Bangladesh Bank, and Toufic Ahmad Choudhury, director general of the BIBM, also spoke.



Mujibur Rahman, head of marketing and sales at Total Bangladesh, launches "Total Gas Membership card" for its commercial customers at its office in Dhaka recently, enabling earning of points which can be used to avail trips to Cox's Bazar, Sylhet and Thailand along with shopping vouchers.

TOTAL BANGLADESH

Microsoft says buying GitHub for \$7.5b

AFP, New York

Microsoft on Monday said it will buy software development platform GitHub, in a deal worth \$7.5 billion.

The tech giant, based in Washington state, said it "will acquire GitHub for \$7.5 billion in Microsoft stock."

Subject to customary closing conditions and regulatory review, the deal is expected to be finalized by the end of the year,

Microsoft said in a statement on its website.

"GitHub will retain its developer-first ethos and will operate independently to provide an open platform for all developers in all industries," Microsoft said.

"Developers will continue to be able to use the programming languages, tools and operating systems of their choice for their projects - and will still be able to deploy their code to any operating system, any cloud and any device."

EU lauds factory upgrades

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The Sustainability Contact is an ILO-brokered agreement that Bangladesh had signed with the EU in August in 2013 committing to responsible business behaviour. Later, the US and Canada joined the compact to oversee the safety progress in the country's garment sector. There are some issues that still remain to be addressed in the Sustainability Compact, Teerink said.

After the Rana Plaza building collapse, the Accord, the Alliance and the government's engineers have been inspecting and remediating the garment factory buildings.

Nearly 90 percent of the remediation works in the associate factories of the Accord and the Alliance has been completed so far.

Other than amending the labour law and the EPZ law, the government has also appointed an adequate number of labour inspectors and reduced the percentage of required workers to form trade unions to 20

percent from 30 percent, Ahmed said. "As a result, the ILO is satisfied with Bangladesh."

After the Rana Plaza building collapse, there has not been a major industrial accident in the country, he said, adding that the Accord and the Alliance said less than 2 percent of the garment factories in Bangladesh are vulnerable.

Meanwhile, the EU will continue its duty-free benefit to Bangladesh under the GSP plus scheme even after graduation to the developing country bracket. Bangladesh is a strong player among the 49 least-developed countries that are eligible for trade privilege to the EU, accounting for the highest rate of utilisation last year: 65.7 percent.

The country exported goods worth \$18.68 billion to the EU last fiscal year, which was 54.57 percent of the total exports, according to data from the Export Promotion Bureau. Of the amount, apparel accounted for \$17.15 billion.

No scope to whiten black money: Muhith

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There will be no change in income tax, the finance minister said. To give the local industries protection, some customs duties will be increased.

He said he will give an outline on VAT in the next budget. "There will be three rates: low, middle and high." The highest rate will be 15 percent.

But next fiscal year there will be five slabs for VAT, down from existing nine. The budget for next fiscal year will be more or less Tk 4.60 lakh crore.

In the next budget, Muhith will provide an outline for the universal pension system, which will be introduced primarily in the organised sector.

Asked about budget implementation this fiscal year, the finance minister said it will be 92 percent, which is satisfactory.

The budget for fiscal 2018-19 will be passed in parliament on June 28.

E-commerce sites basking in Eid, World Cup orders

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The company is now maintaining a warehouse for some companies and that is also helping make faster deliveries, he said.

Another courier company TikTok that mostly delivers e-commerce products said they are now receiving about 3,000 orders each day.

Ismail Hossain, founder and managing director at TikTok, said they delivered about 500 products a day during last Ramadan.

For Daraz Bangladesh, the jump in orders from last Eid has been more than double, helped in part by some of the offers they are giving to entice

Eid shoppers, said Shayantani Twisha, public relations and communication manager of the company.

Another reason for the surge in orders for e-commerce players is that banks and mobile financial service providers are offering incentives such as cashbacks, discounts and gift to bring people to the digital platform.

The big e-commerce players like Daraz and Bagdoom are also offering discounts themselves.

This has tempted the owner of a cornershop in Mohammadpur to buy three salwar suits for Tk 3,000 as Eid gift for his wife.

It was the first time that he

shopped online and he was very pleased with the experience. Not only were the prices lower, he did not have to brave the traffic jam to go to a shopping centre to get his wife's Eid gift.

Industry insiders said the country's total e-commerce market size is more than Tk 2,000 crore a year and that is growing at 40 to 50 percent annually.

There are 20 lakh regular online customers, with the number increasing ahead of festivals, according to Daraz.

At present, there are 8.59 crore internet connections, according to the Bangladesh Telecommunication Regulatory Commission.

Tk 20,662cr wiped out in a month

FROM PAGE B1

People are losing interest to keep investing in the capital market, as banks are now offering lucrative returns against the deposits, said Mahbub H Mazumdar, CEO of AFC Capital, a brokerage house.

The initiatives taken by the Bangladesh Bank to solve the liquidity crunch had also failed to leave any positive impact on the capital market, he said.

Prices of many stocks hit a 52-week low, but still investors are not using new funds in the market, he said.

The Dhaka stock's benchmark general index—DSEX—fell 3.25 points or 0.06 percent to 5,313.70.

Turnover, another important indicator of the market, decreased 5.5

percent to Tk 402.05 crore with 8.37 crore shares and mutual fund units changing hands on the DSE.

Of the traded issues, 100 advanced, 184 declined and 52 remained unchanged.

Alif Industries dominated the turnover chart with 25.33 lakh shares worth Tk 27.67 crore changing hands. It was followed by Berger Paints, Nahee Aluminum, Intraco Refueling Station and Square Pharmaceuticals.

Bangladesh Autocars was the day's best performer, posting a gain of 9.98 percent, followed by Anwar Galvanizing, Eastern Lubricants and GQ Ball Pen.

SEML Lecture Equity Management Fund was the worst loser, shedding by 7.14 percent, followed by Queen

South Textile, Legacy Footwear and Alif Industries.

Among the major sectors, banking declined 1.12 percent followed by fuel and power with 0.84 percent and textile 0.67 percent.

On the other hand, the pharmaceuticals sector soared 1.30 percent and telecom 1.23 percent.

Chittagong stocks also fell yesterday with the bourse's benchmark index, CSCX, declining 31.31 points or 0.32 percent to finish the day at 9,901.51.

Losers beat gainers as 57 advanced, 134 declined and 30 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 43.99 lakh shares and mutual fund units worth Tk 16.21 crore.