MIDAS FINANCING

Rokia Afzal Rahman, chairman of Midas Financing Ltd, presides over the company's 22nd annual general meeting at Midas Convention Centre in Dhaka on June 28. The company approved 10 percent stock dividend for 2017.

Iran urges Opec members to refrain from unilateral actions

REUTERS, *Dubai*

Iran has asked fellow Opec members to "refrain from any unilateral measures", warning that would undermine the unity of Opec, following reports that Saudi Arabia has raised its oil production to a record high this month.

As Tehran seeks ways to counter US sanctions that would restrict its exports and eat into its market share, Iranian Oil Minister Bijan Zanganeh wrote to his UAE counterpart, Suhail al-Mazrouei, who holds the Opec presidency in 2018, urging him to remind Opec members to adhere to last month's agreement.

"Any increase in the production by any member country beyond commitments stipulated in Opec's decisions ... would constitute breach of the agreement," Zanganeh wrote in the letter seen by Reuters and reported by Iranian state media.

"I hereby request your excellency to remind Opec member countries to adhere to their commitments ... refrain from any unilateral measures undermining the unity and independence of the Opec," he added.

Opec agreed with Russia and other oil-producing allies on June 23 to raise output from July, with Saudi Arabia pledging a "measurable" supply boost, but giving no specific numbers.

Opec and non-Opec countries said they would raise supply by returning to 100 percent compliance with previously agreed output cuts, after months of underproduction. That would be roughly 1 million barrels per day of crude oil output increase according to Opec officials.

But since then sources familiar with Saudi oil thinking have briefed the market about an imminent rise in Saudi output to a record. Last week, a source told Reuters that Saudi output would rise to 11 million bpd in July, a whole 1 million bpd above May.

Iran had been pushing hard for oil producers to hold output steady as US sanctions are expected to hit its exports.

But Saudi Arabia, Opec's biggest producer, was keen to raise output to meet calls from US President Donald Trump and major consumers such as India and China to help cool oil prices and avoid shortages, according to Saudi officials including Energy Minister Khalid al-Falih.

Non-Opec Russia, meanwhile, was under pressure from its own energy companies to lift caps on output and fight a steep rise in domestic fuel prices that was hurting President Vladimir Putin's popularity, Russian sources have said.

Saarc countries' conclave begins in New Delhi today

PALLAB BHATTACHARYA, *New Delhi*

The Saarc Development Fund (SDF) will engage with top multilateral institutions from tomorrow to strengthen its financial resources for more infrastructure, economic and social projects in Saarc member-countries.

The multilateral institutions include the World Bank, the Asian Development Bank and the Asian Infrastructure and Investment Bank.

Senior officials of the Saarc countries will take part in the two-day partnership conclave to be held at the India International Centre in New Delhi starting today.

Maximum support from the multilateral funding organisations was sought for the region, according to a statement issued by the SDF.

The two projects cleared by the SDF two months ago are a waste-to-energy project in Sri Lanka involving participation of India and a hydro-power scheme in Nepal with participation of Bangladesh and India.

The two projects entail a cumulative investment of $30 million, said SDF Chief Executive Officer Sunil Motiwal, who is now in Delhi for the conclave.

"We are confident that the projects would help the SDF to achieve its development goals in the region and promote welfare and prosperity of the people in the Saarc region," Motiwal said.

"Other potential bankable infrastructure projects with regional connectivity are under our active consideration for co-financing."

The SDF is currently implementing 12 regional projects with more than 70 implementing and lead implementing agencies covering all the eight member-countries under the social window funding.

"We have already committed $73.74 million for social window projects as of date, of which $46.26 million has already been disbursed to the member-countries."

"Recently, we have in-principle approved two energy infrastructure projects in the region with a loan commitment of $30 million under our Infrastructure window," he said.

"Other potential regional connectivity projects are under our active consideration to co-finance in Saarc member-states. Therefore, SDF is well poised to contribute significantly in achieving its developmental role in the Saarc region."

The SDF established by eight Saarc countries in April of 2010 is the umbrella financial institution of Saarc projects and programmes.

Midas approves 10pc stock dividend

STAR BUSINESS DESK

Midas Financing Ltd has approved 10 percent stock dividend for shareholders for 2017 at the company's 22nd annual general meeting.

Rokia Afzal Rahman, chairman of the company's board of directors, presided over the event at Midas Convention Centre in Dhaka on Thursday.

The meeting also unanimously approved the directors' report, audited financial statement and auditor's report, the company said in a statement yesterday.

Directors Abdul Karim, M Hafizuddin Khan, Ali Imam Majumder, Mohammed Nasir Uddin Choudhury, SM Azad Hossain and Md Shamsul Alam were present.

Shafique-ul-Azam, managing director, Md Atiar Rahman Ansary and Mohammod Monirul Islam, general managers, and Md Abdul Wadud, company secretary, were present.

Jet Airways adds flights on Dhaka-New Delhi route

STAR BUSINESS DESK

Jet Airways has started running two flights on Mondays, Tuesdays, Wednesdays and Saturdays on the Dhaka-New Delhi route from June 25 while continuing to fly once on the remaining days.

An economy class return flight starts at Tk 34,721, a "Première" one at Tk 127,598 while one-way fares start at Tk 24,187 and Tk 92,247, respectively, the Indian airline said in a statement.

TMSS

Sarrath Kongahage, chairman of the Sri Lanka Foundation, a centre of leadership, education and training, and Hosne Ara Begum, executive director of non-governmental organisation Thengamara Mohila Sabuj Sangha, attend a cooperation deal signing ceremony in Colombo on Friday.

Brexit won't harm UK-Bangla trade

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"Britain wants to develop the real relationship in commercial sense. The services sectors, education and financial services and insurance would be new areas of commercial relationship in near future between Bangladesh and the UK."

"I am very much aware of the Rohingya issue. We need a long-term solution. The return of Rohingya [to Myanmar] people must be safe, secure and voluntary. We stood beside Rohingya people," Field said after a visit to the Rohingya camps in Cox's Bazar on Saturday.

The UK is leading the way with £129 million of aid already given, he said. Over 706,364 people have fled from their homes in Myanmar's Rakhine State into Bangladesh since August 2017, joining around 340,000 Rohingyas who had previously fled.

Bangladesh has been enjoying zero-duty benefit on export to the UK since 1971, under the EU's Everything but Arms scheme. The commerce minister said the UK will continue providing the duty-free benefit to Bangladesh even after Brexit, a move which will separate the Theresa May-led country from the EU.

Bangladesh will also continue getting benefits of the GSP Plus status from the EU after the country's graduation from the league of least developing countries, he said.

At the end of the current fiscal year, Bangladesh will be able to achieve the overall export target of $37 billion, of which garment items will grab $30 billion.

The minister said the next national election scheduled to be held in December this year will be free and fair.

"We are expecting that the next election would be participatory and BNP must take part in it."

Container handling rises at Ctg port

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Mahbubul Alam, president of Chittagong Port Users Forum, suggested that the trade and industry-induced growth could be maintained through the timely completion of projects such as the one for a Patenga container terminal, Laldia multipurpose terminal and Bay terminal.

Locals lose out in Rwanda's second-hand clothes war

AFP, *Kigali*

Across Rwanda, markets selling piles of cast-off clothes once worn by Americans have become the unlikely centre of a trade war that vendors say is ruining their livelihoods.

Kigali, determined to boost its domestic textiles industry, in 2016 raised tariffs on the importation of secondhand clothes, disrupting a multi-million dollar industry and setting it on a collision course with the United States.

Friends Celestin Twagirayezu, 33, and Mercelle Dusabe, 35, began selling secondhand clothes a decade ago at adjacent stalls in Kigali's popular Nyabugogo market in Kigali.

It was a good business which expanded quickly, allowing them to buy homes and get married. Then Rwanda slapped a 12-fold increase on import tariffs on used clothes and a 10-fold increase on used footwear, a price hike that amounts to a de facto ban for cash-strapped traders.

"The decision took everyone by surprise, at first we relied on the stocked clothes but after a few months reality kicked in, and things went from bad to worse," said Twagirayezu."I am soon throwing in the towel".

East Africa imports around an eighth of the world's used clothing into an industry that employs some 355,000 people who earn $230 million a year, according to a study by the American development agency, USAID.

The large majority of these clothes come from the US and regional leaders, including Rwanda's Paul Kagame, blame the cast-offs for stymieing development of their own clothing industries. While Twagirayezu has watched his business wither, Dusabe switched to selling Chinese imports, but is not faring much better.

"You can't imagine how many customers I have lost by switching to selling Chinese clothes! Many people still come asking for second-hand clothes, when they don't find them they don't come back," he said.

Twagirayezu agreed, saying customers prefer second-hand clothes to Chinese imports, citing the lower price and higher quality. Initially, the East African Community regional bloc was united in its battle against used clothes.

But the alliance cracked as Kenya, Tanzania and Uganda balked at the prospect of retaliatory loss of access to US markets via the African Growth and Opportunity Act (AGOA) whereby some countries can export some products to the US duty free.

Rwanda, alone, did not capitulate and in 2016 its imports of used clothing dropped by a third. In late March this year the US told Rwanda it would lose some of its AGOA benefits within 60 days as a result. The deadline since passed and no action was announced, but with President Donald Trump on the warpath over trade Rwanda is unlikely to be forgotten.

Rwanda's clothing industry is nascent, with only a couple of players, which means there are some surprising victims of the trade spat.

One of those losing out is Chinese garment maker C&H which set up in Kigali's special economic zone in order to enjoy AGOA benefits.

Many of its US clients have put orders on hold until the AGOA issue is resolved. "We have lost market in the US because of the AGOA situation," said manager Emmy Iraguha.

C&H has an annual turnover of $154 million and has been producing exclusively for export. It has not yet bowed to Rwandan government pressure to produce clothes for the local market to fill the gap left by the dearth of second-hand clothes.

Rwanda's other clothes producer is Uterxwa, which specialises in industrial clothing and uniforms, has welcomed the "positive move" to ban second-hand clothes.

"Once the companies making clothes locally are many the products will be competitive, not only in Rwanda but even in the neighbouring countries," said managing director Ritesh Patel, alluding to the difficulty of producing clothes cheaply enough for the domestic market.

"The alternatives to secondhand clothes are very expensive," said Kevin Uwamahoro, a motorcycle taxi driver who crosses into Uganda to go clothes shopping at its still-thriving second-hand markets.

The big winner in this David and Goliath trade war might well be Chinese companies whose flood of cheap garments are set to replace used clothing while continuing to stifle local industrialisation.

"Considerable imports of Chinese clothing, both legitimate and undeclared, constitute the real threat to the East African textile industry," said the USAID study.

However, Andrew Mold of the UN's Economic Commission for Africa, said high import tariffs on clothes from China and India mean there is a "margin for regional firms to compete".

In the meantime, however, it is ordinary Rwandans -- buyers and sellers of second-hand clothes -- who continue to suffer.

VW CEO says arrest of Audi's Stadler hard to comprehend

REUTERS, *Berlin*

The CEO of Volkswagen, Herbert Diess, told a German newspaper the arrest of Audi head Rupert Stadler was a shock and hard to comprehend.

VW has suspended Stadler, head of VW's most profitable brand, after German authorities arrested him as part of an emissions probe.

"It was a massive shock for me. The arrest of a CEO of a major car brand: that's never happened before," Diess told Germany newspaper Bild am Sonntag.

"The arrest is hard to comprehend. I knew Rupert Stadler as a problem solver," the newspaper quoted him as saying. Diess said that for him, Diess was innocent until proven guilty.

Stadler, who has not made any public comment, has not been charged and prosecutors are set to continue questioning him next week.

SINGER

Singer Bangladesh officials present a free LED TV to a customer at an outlet in Dhaka recently under a "Singer-Late Korlei Hobe Deri, Bishwa Cup-e Ek Hajar LED TV Free" sales campaign. Over 600 such TVs have been presented.

World is grateful

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He said the WB has a great faith in the direction of the government and the country.

The WB lent a record amount this year to Bangladesh -- $3 billion and this is the second largest in the world, according to Kim.

The WB has recently announced a $480 million fund for the support of the Rohingyas.

Muhith said it is a critical hour for the nation. "It is critical simply because we have a large burden to share."

He said Bangladesh certainly wants Rohingyas to go back to their country from Bangladesh with dignity and safety. "That is what we want."

Later at a press conference in his office, Muhith said of the $480 million WB fund, $50 million will be available in a couple of days, while the rest within next two years.

The government has also allocated Tk 400 crore for the Rohingyas in the budget for the new fiscal year.

After getting the WB money, the government will be able to use the budgetary allocation elsewhere, said Muhith.

The WB fund is completely grant, part of which will be used in education, health, sanitation and in other development works.

Muhith said the WB may also give another $500 million but the form of the funding has not been decided yet.

Replying to a query, Muhith said the WB has suspended regular loans to Myanmar except some humanitarian assistance.

He expressed gratitude to both the UN Secretary General and the WB chief for visiting Bangladesh.

"It has proved that the world community stands by Bangladesh."

He said it is a huge burden for a small but densely-populated country like Bangladesh to provide shelter to the Rohingyas.

Muhith said the high profile visit will put an additional pressure on Myanmar to take back its citizens.