

UK economy picks up speed

REUTERS, London
Britain's large services industry grew last month at its fastest rate since October, a survey showed on Wednesday, prompting investors to increase bets that the Bank of England will raise interest rates next month.
After a weak first four months of 2018, the IHS Markit/CIPS services Purchasing Managers' Index (PMI) rose to 55.1 in June, easily beating economists' average forecasts in a Reuters poll of 54.0, unchanged from May's reading.
June surveys this week for the smaller manufacturing and construction sectors also beat expectations.
Taken together, the three PMIs point to overall economic growth of 0.4 percent in the second quarter,

double the pace of the first, IHS Markit said.
Sterling rallied and British government bond yields rose as financial markets priced in a greater chance that the Bank of England will raise interest rates to 0.75 percent from the 0.5 percent they have stood at for most of the past decade.
In May, the BoE postponed a widely-expected rate hike after the economy slowed more than forecast in the three months to March, due in part to unusually harsh winter weather.
High inflation and continuing deep uncertainty about the terms Britain's departure from the European Union in March 2019 have acted as underlying drags on growth.
The central bank also said in May

that in the event of a recovery, rates were likely to rise for only the second time in more than a decade as part of a gradual move away from the emergency stimulus programme it rolled out during the financial crisis.
"These PMIs - the last before the Monetary Policy Committee finalise their August 2 decision - are consistent with a robust second-quarter rebound, and keep our call for an August hike on track," Morgan Stanley economist Jacob Nell said.
Last month BoE chief economist Andy Haldane joined two other members of the BoE's nine-strong Monetary Policy Committee in calling for a rate rise, and data was revised to show the first-quarter slowdown was less severe than first thought.

Delta Life Insurance re-elects chairman



Monzurur Rahman
STAR BUSINESS DESK

Monzurur Rahman has recently been re-elected as the chairman of Delta Life Insurance Company Ltd.
Rahman, also a sponsor director of the company, is a director of Pubali Bank, the insurer said in a statement yesterday.
He is an independent director of LafargeHolcim Bangladesh Ltd and the chairman of Rema Tea Company Ltd.

Uber returns to Finnish roads after taxi market deregulation

REUTERS, Helsinki
Uber Technologies will re-start its ride-hailing business in Finland on Wednesday after a one-year pause, it said, seeking to benefit from the country's transport law reform.

The US company has come under pressure from traditional taxi drivers and regulators across Europe, who accuse it of unfair competition and skirting traditional licensing rules.
In Finland, Uber was deemed legal provided its drivers held valid taxi licenses, but the company has been the target of police investigations and drivers have been ordered to give up their earnings to the state for not having valid permits.
An overhaul of transport legislation came into force on July 1, removing a cap on the number of taxi licences the government issues in a year and fare restrictions, while creating a legal framework for apps such as Uber.
The company will relaunch its uberX and uberBLACK services on Wednesday afternoon in the wider capital region, including Helsinki, Espoo, Vantaa and Kauniainen.
"Drivers who have been fully licensed under the new regulations will now be able to help hundreds of thousands of Finns get around at the touch of a button," Uber Nordics general manager Joel Jarvinen said in a statement.
"We hope that other countries, where local people are not currently able to use apps like Uber either to get around or to make money on their terms, will soon follow suit," Jarvinen said more than a quarter million people in the Helsinki area have opened the Uber app since August even though the company was not operating.

Dhaka Bank re-elects chairman



Reshadur Rahman
STAR BUSINESS DESK

Reshadur Rahman has recently been re-elected as the chairman of Dhaka bank.
The bank also elected Md Amirullah as its new vice chairman, the bank said in a statement yesterday.
The bank also re-elected some of its directors in different positions.
Abdul Hai Sarker has been re-elected as the chairman of the executive committee of the bank while Khondoker Monir Uddin as the chairman of the bank's risk management committee. The bank also re-elected Syed Abu Naser Bukhtear Ahmed as the chairman of the audit committee.

Citi holds airline treasury forum

STAR BUSINESS DESK
Citibank NA Bangladesh has recently hosted a discussion on contemporary airline banking processes with the participation of International Air Transport Association representatives, airline executives, local aviation industry experts and Bangladesh Bank's senior officials.
Titled "Bangladesh Airline Treasury Forum, Breakthrough to Excellence",

the forum was held at The Westin Dhaka recently, Citibank said in a statement.
Citi presented its range of digital payment solutions with a focus on increasing efficiency at a time when aviation expenses are on the rise, the statement added.
"Bangladesh stressed on the importance and relevance of the aviation sector supporting the growth of the country's economy," N Rajashekaran,

managing director and Citi country officer, Bangladesh.
"As the leading global bank in Bangladesh, Citi is committed to bringing its range of innovative payment solutions that will enable the aviation industry to grow efficiently," Vincent Couche, Citi's Asia Pacific sector head for industrials, and Md Moinal Huq, head of treasury and trade solutions at Citibank NA Bangladesh, also spoke.



Najith Meewanage, chief operating officer of the Commercial Bank of Ceylon PLC, and Ziaur Rahman, director of business development and operation at Travel Shop Ltd, sole global operator of Biman Holidays, attend a deal signing ceremony at the bank's head office in Dhaka recently. The bank's credit cardholders can avail Biman's holiday packages through equal monthly instalment at zero interest.

VW to launch car-sharing with electric vehicles in 2019

REUTERS, Frankfurt
Volkswagen plans to start offering car sharing services using fully electric vehicles in German cities next year as part of efforts to serve consumers who don't want to buy their own vehicles.
Its offering will compete in its home market with DriveNow and Car2Go, the soon-to-be-merged carsharing services of BMW and Daimler.
Volkswagen said on Wednesday the new carsharing service would be expanded to major cities in Europe, North America and Asia as early as

2020 and focus on core VW brand cars.
VW is seeking to move on from its diesel emissions scandal of 2015, the repercussions of which are still being felt across the German car industry, and focus on greener technologies.
It set up mobility services division Moia in 2016, which focuses on ride hailing and car pooling and which will be complemented by the new carsharing service.
New CEO Herbert Diess, who took office in April, said it was vital for VW "to pick up speed and make an unmistakable mark" in areas including new

mobility services which VW wants to contribute a significant share to future group business.
Renault announced plans on Wednesday to launch a ride-hailing and car-sharing scheme covering the French capital and its surrounding areas from September.
Renault and Peugeot-maker PSA are vying to offer a car sharing scheme in Paris to replace Autolib, the electric car sharing service run by French tycoon Vincent Bolloré's group that was recently ditched by local authorities after a dispute.

GE flying high in Bangladesh

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Nugent hopes that GE's business in Bangladesh will get a further boost with its newly developed 9HA gas turbine, which has achieved a record efficiency level of nearly 64 percent.
The cost of the technology provided by GE depends on multiple factors like the structure of the project, bidding requirements, financing structure, output required and so on.
The correspondent also spoke with GE Power's Chief Technology Officer Steven Hartman and General Manager of Fleet Management Justin Eggart at the monitoring and diagnostic centre in Atlanta, to know about the cyber threats emerging from the fast-moving technological developments.
A little disruption can cause havoc, Eggart said.
"We see people attempting to hack power plants across the world every day."
GE has invested \$2 billion for digitalisation so that the employees can monitor data round the clock and put engineers on alert within seconds.
"We could have monitored only 2 percent data five years ago. Now, we can monitor 80 percent data," Eggart added.
GE has invested several billion dollars on cyber security measures to protect its more than 2,500 power generation assets across the globe, according to Hartman.
"We put a device in our power plants that gives alarm whenever there is an attempt of hacking and accordingly our engineers take immediate steps to protect customers' data," Hartman said GE is yet to witness a successful cyber attack in any of its customers' power plants in around 180 countries.
Incorporated on April 15, 1892, GE is a global digital industrial company.
The company's products and services range from aircraft engines, power generation, and oil and gas production equipment to medical imaging, financing and industrial products.
GE is listed with the New York Stock Exchange; yesterday, each GE share traded at \$13.37.
As of yesterday, GE's market capitalisation was \$116 billion, which was almost two-fifth of Bangladesh's gross domestic product at the end of June.

Govt working to launch Sukuk, says BB official

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Hassan was addressing a seminar titled "Product diversification of Islamic banks: prospects and challenges" organised by Bangladesh Institute of Bank Management (BIBM) on its premises in the capital.
Sukuk shows elements resembling both shares and bonds, depending on the applicable underlying Islamic financial contract and structure.
In countries where Sukuk has been introduced, Islamic banks and financial institutions are using it to operate their liquidity management.
Islamic banks use Sukuk to maintain the statutory liquidity ratio with their respective central bank and float it to mobilise long-term funds.
Many Islamic countries have introduced the tool to mobilise long-term funds from the global market.
According to Islamic Financial Service Industry Stability Report 218, Saudi Arabia has issued the largest share of Sukuk issuance (38.81 percent) whereas Malaysia possesses 32.88 percent.
Md Alamgir, associate professor of BIBM, presented a keynote paper, saying that Sukuk was playing a vital role in the global Islamic financial market and its introduc-

tion had become the need of the time to expand Islamic banking activities in Bangladesh.
The instrument will help the government, central bank, corporate groups and Islamic banks to mobilise funds and in liquidity management, he said.
Mohammed Haider Ali Miah, managing director of Exim Bank, said Malaysia had introduced Sukuk 28 years ago and they had recently introduced green Sukuk, which resembles the green banking model launched by the BB.
"It is good news that the finance ministry has approved the issue to introduce the Sukuk. We should think to implement the Shariah-compliant rules to settle the transaction of the savings certificates, repo (repurchase agreement), reverse and special repo," he said.
Md Mahbub-ul-Alam, managing director of Islami Bank Bangladesh, said the amount of default loans would come down in Islamic banks if they could diversify their products.
"The number of clients of our Islamic banks is much higher than those in Malaysia, but the latter is now controlling 70 percent of the asset shares of Islamic banks of Asia whereas Bangladesh possesses only 5 percent," he said.
Malaysia has frequently been issuing different products like

Sukuk to popularise Islamic banking, he said.
Helal Ahmed Chowdhury, a supernumerary professor of the BIBM, said Islamic banks in Bangladesh now hold 22 percent share of the banking sector's asset but they do not have adequate number of products that matches the share.
Financial risk of Islamic banks will be mitigated if they launch more products to disburse loans in the retail sector, mainly to small and medium entrepreneurs, he said.
Md Fariduddin Ahmed, former managing director of Islami Bank Bangladesh and Exim Bank, said there are 15 to 20 products in the country's Islamic banks but they usually use only one or two products.
The banks should use the products properly, he said, adding that Sukuk would help them to manage liquidity and regulatory operation.
Islamic banks had already captured an adequate market share in line with their requirement, said Yasin Ali, another supernumerary professor of BIBM.
"They will have to bring new products in the market for their business to survive competing with traditional banks," he said.
Toufic Ahmad Chowdhury, director general of BIBM, presided over the seminar.

India hikes crop prices

REUTERS, New Delhi
India on Wednesday raised the government-mandated price for summer-sown crops such as rice and cotton by the most since Prime Minister Narendra Modi came to power in 2014, as he looks to woo millions of poor farmers ahead of a general election next year.
The country announces support prices for more than a dozen crops each year to set a benchmark. But analysts say the median hike this year was 25 percent compared with 3-4 percent in the last three years, which could hit government finances and stoke inflation.
"The government is committed to realising the vision of doubling farmers' income by 2022, towards which it is working on a comprehensive strategy," Radha Mohan Singh, the minister for agriculture and farmers' welfare, said in a statement after a meeting of Modi's cabinet.
Rural India voted overwhelmingly for Modi's Bharatiya Janata Party four years ago to hand him the biggest mandate in 30 years. But a crash in commodity prices has meant his immense popularity in the countryside has waned over the past few months.

Exports miss target for second year

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It declined in fiscal 2017-18 as most of the tanneries that shifted to the Savar leather estate from the city's Hazaribagh area are yet to become fully operational, tanners said.
After a gap of three years, jute and jute goods again crossed the \$1-billion mark in exports earnings as the demand for the natural fibre is increasing globally.
Jute and jute goods exports grew 6.56 percent to \$1.02 billion. The sector, however, fell short of the target of \$1.05 billion.
Exports of home textiles were up 9.95 percent to \$878.68 million, agricultural products 21.79 percent to \$673.70 million, and pharmaceuticals 16.03 percent to \$103.46 million.
Bicycle exports grew 3.97 percent to \$85.73 million, ceramics 32.70 percent to \$51.94 million, and furniture 20.27 percent to \$63.18 million.
On the other hand, frozen and live fish exports declined 3.42 percent to \$508.43 million, plastic goods 15.79 percent to \$98.48 million, rubber 9.21 percent to \$25.84 million, and terry towel 4.4 percent to \$42.35 million.

China, India lead way in foreign aid

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During Prime Minister Sheikh Hasina's visit to New Delhi last year, India promised to provide \$4.5 billion in loans and the ERD has already signed loan agreements with the neighbouring country's Exim Bank for the amount. Since 2010 India has committed to give \$7.5 billion to Bangladesh under three lines of credit.
But the utilisation of the loans is low: in the last eight and a half years only \$607 million could be utilised.
The reason for the unhurried utilisation of the loans is complexities in the projects rather than the neighbouring country dragging its feet in parting with the amount, said the ERD official.
Apart from this, last year another big development partner Japan com-

mitted \$1.83 billion in loan.
And the traditional development partners, the World Bank and the Asian Development Bank, made big sums of aid commitment.
World Bank President Jim Yong Kim after a meeting with Finance Minister AMA Muhith on Sunday told reporters that the Washington-based multilateral lender has lent a record amount to Bangladesh this year: \$3 billion.
Globally, this is the second largest amount lent out by the WB, he said.
Meanwhile, utilisation of foreign aid kept pace with commitment last fiscal year. In the first 11 months of fiscal 2017-18, aid utilisation was \$4.69 billion, according to ERD statistics.
June's figure has not been accounted for thoroughly; as per provi-

sional statistics, aid utilisation last fiscal year stood at \$6.1 billion.
"This is a new record," the ERD official said. The highest foreign aid utilisation was recorded in fiscal 2016-17: \$3.68 billion.
The majority of the disbursement made last fiscal year was loans from the WB, the ADB, Japan International Cooperation Agency and China.
Last fiscal year, China disbursed \$1 billion.
As the aid commitment is increasing every year, so is the unutilised foreign aid in the pipeline.
On June 30 this year the amount of foreign aid in the pipeline will most definitely cross the \$40 billion mark, up from \$35.75 billion a year earlier, according to ERD officials.

Lack of data a barrier to attaining SDGs: expert

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Addressing the programme, Mohammed Farashuddin, former governor of Bangladesh Bank, suggested taking initiatives to reduce inequality.
Shafiqul Azam, secretary to the Economic Relations Division (ERD), said 15 percent of the additional investment would come from external resources. Out of the external resources, 5 percent will be official development assistance and the rest is expected to come as FDI, said Azam.
However, he said the increase of cost of foreign loans due to graduation to a lower middle income country would be lower than the domestic loans.
He further said the development partners would like to continue their

support to implement the SDGs.
M Mosharrar Hossain Bhuiyan, chairman of the National Board of Revenue, and Yunusur Rahman, senior secretary to the bank and financial institutions division of the finance ministry, gave presentations on their ministry initiatives regarding the SDGs.
Earlier at the opening session MA Mannan, state minister for finance and planning, urged public servants, NGOs, development partners and international agencies to work more diligently with the government like in the past to help attain the SDGs.
Prime Minister's Principal Secretary Md Nojibur Rahman spoke at the inaugural session as a special guest while GED member of the Planning

Commission Shamsul Alam also spoke on the occasion. "Without the support of the international community, we won't be able to meet the additional resource gap," Rahman said.
"If the international community and development partners join hands together with us, we will be able to fulfil the gap of additional financing," Rahman, however, reminded all to keep in mind the "emerging need of the hour", which was the Rohingya issue.
Principal Coordinator on SDG Affairs at the Prime Minister's Office Md Abul Kalam Azad moderated the function.
He said the government has confidence on its development partners and the other stakeholders on the development process of the country.