

PHP gets 500 acres to establish steel plant

STAR BUSINESS REPORT

BANGLADESH Economic Zones Authority (Beza) has allotted a 500-acre land to local conglomerate PHP Family to establish an integrated steel plant at Mirsarai Economic Zone in Chittagong. Harunur Rashid, executive member of Bangladesh Economic Zones Authority (Beza), and Mohammed Iqbal Hossain, a director of PHP, signed a land lease agreement at a programme at Pan Pacific Sonargaon in Dhaka on Sunday. At the event, Sufi Mizanur Rahman, founder chairman of PHP Family, handed over a cheque for Tk 62.54 crore to the officials of Beza, which is 25 percent of total rent for 50 years. PHP will invest \$4 billion to set up the plant in two phases within three years, which will produce three million tonnes of basic steel a year, Beza said in a statement.

PHP will supply \$1 billion worth of finished products to the local market and export \$500 million worth of product to African countries from the plant, Rahman said. He hopes the construction work of the plant will start in 2021 and the plant would generate 15,000 jobs directly and 5,000 indirectly. The PHP will also go for joint ventures with foreign entities which may bring in investment worth \$1.2 billion for the plant, he said. The industrial units inside the Mirsarai zone will get gas connection by March 31, 2019, said Paban Chowdhury, executive chairman of Beza. The units will get electricity from two 230-megawatt power plants, which are under construction inside the zone in the port city, he said. Beza will upgrade its existing one-stop service centre by December 31 to provide investors with over 100 types of information from a single platform, he said.

The one-stop service centre of Beza can now deliver only nine types of information, he said. At the event, Md Abul Kalam Azad, principal coordinator for sustainable development goals affairs at the Prime Minister's Office, shed light on the current gas shortage faced by the country's industrial units. The government has imported liquefied natural gas in April and will soon start supplying the gas to the industrial units, which will solve the gas crisis, he said. The introduction of one-stop service centres and proper utility connections to the industrial units will help Bangladesh upgrade its ranking from 177 to 99 in the World Bank's ease of doing business index by 2030, Azad said. Major General Mohd Habibur Rahman Khan, executive chairman of Bangladesh Export Processing Zones Authority, and Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association, also spoke at the event.



Rokia A Rahman, chairman of Midas Financing, and M Hafizuddin Khan, a director, attend the monthly discussion of the financial institution on its premises in Dhaka yesterday.

Midas Financing launches SME Day

It will observe the day on the first Monday of every month

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Midas Financing yesterday launched SME Day to provide better services to the small and medium enterprises in the country. The leading financial institution will observe the day on the first Monday of every month at all its 15 branches all over Bangladesh. The value added financial services provider made the announcement in a monthly discussion on the improvement of small and medium entrepreneurs. Rokia A Rahman, chairman of Midas

Financing, led the discussion on the premises of the publicly listed company in Dhaka where M Hafizuddin Khan, a director of Midas, was also present. SME business owners and women entrepreneurs joined the event and welcomed the move. At the programme, the SME entrepreneurs shared their stories of success, which they achieved with the help of collateral-free loans from Midas. SMEs have been receiving special support from Midas for many years, they said. Midas Financing started its journey in Bangladesh on May 16, 1995.

Normalcy returns to Ctg port

DWAIPAYAN BARUA, Ctg

NORMALCY returned to Chittagong port yesterday afternoon after loading, unloading and delivery of goods were disrupted for around 36 hours for an unannounced transport strike. Different operations had started coming to a halt since 12:00am on Sunday for a dearth of transport. It suspended direct delivery of bulk cargo from ships to general cargo jetties and slowed down container handling at jetties, delivery of import-laden containers and transport of import and export-laden containers between the port and private inland container depots (ICDs). A total of 1,698 twenty-foot equivalent units (TEUs) of export-laden containers could not be taken from the private ICDs and loaded onto designated vessels. A majority of these containers may not be able to reach mother vessels from transshipment ports, said Ruhul Amin Sikder, secretary of Bangladesh Inland Container Depots

Association (BICDA). Around 2,500 TEUs of import-laden containers could not be taken from the port to different ICDs, which must have added to the container congestion inside the port, he said. Unloading and delivery of bulk cargo from three ships at three jetties of general cargo berth area remained suspended till yesterday morning. The delivery started partially on Sunday evening and continued for a few hours when 361 TEUs of containers were delivered from the port. It got halted again that night as transport workers stopped working following vandalism at their office near the port around 9pm. A group of locals swooped on the office of Prime Movers Trailers Workers' Union in Saltgola area around 8pm on Sunday accusing the workers of damaging a vehicle owned by a local resident, said a leader of the workers. This prompted workers to stop running container-carrying trailers and prime-movers inside the port yards. Containers are usually kept on these trailers after being unloaded from ships at the jetties

before being taken to different yards. Though such container handling went on for some time during the day on Sunday, it came to a halt at night after the workers stopped operations. Afterwards, container handling at the port came to a complete halt. With a countrywide transport strike being withdrawn yesterday morning, bulk cargo delivery, including that from the three ships, started at 8am. Md Selim Uddin, supervisor of jetty 5, said they started working after several trucks entered in the morning. The workers of prime movers and trailers joined work at noon on getting assurance from Chittagong Port Authority (CPA) officials that the issue of the attack would be resolved. Abu Bakar Siddique, general secretary of Prime Movers Trailers Workers Union, said the CPA director (traffic) at a meeting in the morning assured them of solving the issue and after that they started working. CPA Director Golam Sarwar said all operations have gradually started and the port officials and workers were trying to bring back normalcy.

German industrial orders plunge

AFP, Frankfurt Am Main

Industrial orders in Germany fell more than expected June, official data showed Tuesday, as global trade tensions weighed on Europe's top economy. New contracts at industrial firms plunged four percent month-on-month, federal statistics authority Destatis said in figures adjusted for seasonal swings, following a 2.6 percent increase in May.

Analysts surveyed by Factset had predicted a far smaller drop of 0.25 percent in June. Analyst Carsten Brzeski from ING Diba bank described the June reading as a "cold summer shower". "Disappointing new orders data show tentative signs of trade tensions hitting the German economy, which doesn't bode well for the industrial outlook in the second half of the year," he said.

HSBC to pay \$765m US fine over crisis-era conduct

AFP, London

BITAIN'S Asia-focused bank HSBC on Monday revealed a \$765-million US fine over the lender's actions in the run-up to the subprime crisis, as it also logged rising first-half profits. HSBC said it has agreed to pay the large US penalty over its conduct in residential mortgage-backed securities (RMBS), a type of investment derivative that bundled home loans into securities and was sold to investors before the 2008 financial melt-

boosted by high-growth markets -- particularly in Asia and the Middle East. "We haven't yet seen any impact on our business or through our customers," chief executive John Flint told reporters when asked about the impact of the China-US trade spat. "It's still too early to tell and in terms of estimating potential impact it's difficult because we don't quite know what the substance of the trade war will be. "We've got some tariffs in place and some coming, but the full impact is very



The HSBC UK headquarters are seen at the Canary Wharf financial district of London.

down. "HSBC reached a settlement-in-principle to resolve the Department of Justice's civil claims relating to its investigation of HSBC's legacy RMBS origination and securitisation activities from 2005 to 2007," the lender announced in a results statement. "Under the terms of the settlement, HSBC will pay the DoJ a civil money penalty of \$765 million." The London-headquartered giant is the latest global bank to reach a US settlement over conduct in the run-up to the notorious subprime crisis which sparked a worldwide recession. However, the deal was agreed in July and therefore was not included in HSBC's first half results, which cover the six months to June. HSBC posted advancing first-half profits and expressed optimism over the outlook - despite headwinds from rising costs, the China-US trade war and Brexit. Pre-tax profit rose almost five percent to \$10.7 billion in the six months to the end of June compared with a year earlier. Net profit or earnings after taxation gained 2.5 percent to \$7.173 billion,

difficult to estimate. "It is possible that it will shave China's GDP growth by a modest amount but (it is) too early to start predicting." Turning to Britain's looming departure from the European Union next year, the bank chief stressed that its cost estimate for a so-called hard Brexit remained unchanged. The lender had warned late last year that a chaotic Brexit could cost it up to \$300 million. It had also outlined tentative plans to switch 1,000 jobs to Paris from London owing to Britain's departure from the European Union due in 2019. "Our role has been to ensure that we are in a position to secure customers' ... needs across the UK, Europe and the network that we serve in 67 markets across the world," added Flint on Monday. "Our planning from the outset has been based on what is euphemistically called a hard Brexit, and therefore the cost guidance that we have given in that regard remains absolutely consistent with what we have talked about in the past."

Trump's trade 'extortion' won't work, China state media says

REUTERS, Shanghai/Beijing

CHINESE state media on Monday lambasted US President Donald Trump's trade policies in an unusually personal attack, and sought to reassure investors anxious about China's economy as growth concerns battered its financial markets. China's strictly controlled news outlets have frequently rebuked the United States and the Trump administration as the trade conflict has escalated, but they have largely refrained from specifically targeting Trump. The latest criticism from the overseas edition of the ruling Communist Party's People's Daily newspaper singled out Trump, saying he was starring in his own "street fighter-style deceitful drama of extortion and intimidation". Trump's desire for others to play along with his drama is "wishful thinking", a commentary on the paper's front page said, arguing that the United States had escalated trade friction with China and turned international trade into a "zero-sum game". "Governing a country is not like doing business," the paper said, adding that Trump's actions imperiled the national credibility of the United States.

The heated dispute between the world's two biggest economies has roiled financial markets including stocks, currencies and the global trade of commodities from soybeans to coal in recent months. Last month, the International Monetary Fund warned that escalating trade conflicts following US tariff actions on its trading partners threaten to derail the global economic recovery. The United States and China implemented tariffs on \$34 billion worth of each other's goods in July. Washington is expected to soon implement tariffs on an additional \$16 billion of Chinese goods, which China has already said it will match immediately. On Friday, China's finance ministry unveiled new sets of additional tariffs on 5,207 goods imported from the United States worth \$60 billion. That move was in response to the Trump administration's proposal of a 25-percent tariff on \$200 billion worth of Chinese imports. The trade war, rising corporate bankruptcies, and a steep decline in the value of the yuan versus the dollar have raised concerns that China's economy could face a steeper slowdown. Recent data showed growth has already started to cool. The government has responded by releasing more liquidity into the banking system, encouraging lending and promising a more "active" fiscal policy.

US companies are putting in place measures to cushion the impact of the trade row, including price hikes, and a number of companies - from industrial firms to home furnishers and toymakers - have said they will move some sourcing and manufacturing outside of China. China's exports are expected to have maintained solid growth in July despite the new tariffs on billions of dollars of shipments to the United States, though the outlook has darkened as both sides raised the stakes in the

risk another round of confidence sapping exchanges." A flurry of articles in Chinese state media emphasized the resilience of China's economy and downplayed concerns about the impact of the Sino-US trade war. "Market participants foresee a relatively stable Chinese currency in the near term, without fear of impacts from the US-China trade dispute. They expect solid economic growth momentum amid policy fine-tuning," an article



Chinese and US flags are set up for a deal signing ceremony in Beijing, China.

trade brawl. The vitriol from the People's Daily follows Trump's comments on Twitter from Saturday in which he boasted that his strategy of placing steep tariffs on Chinese imports was "working far better than anyone ever anticipated", and that Beijing was now talking to the United States about trade. Trump cited losses in China's stock market as he predicted the US market could "go up dramatically" once trade deals were renegotiated. China's stocks were lower on Monday as Beijing's latest tariff threats escalated the tit-for-tat Sino-US trade war, while the yuan weakened after briefly edging up despite the central bank's latest efforts to shore up the tumbling currency. Michael McCarthy, Sydney-based chief market strategist at CMC Markets and Stockbroking, wrote in a note to clients that while China's proposed new tariffs appeared proportionate, "White House tweets claiming an upper hand for the US over the weekend

in the official English-language China Daily newspaper said, citing Chinese economists. On Friday, the People's Bank of China said it would require banks to keep reserves equivalent to 20 percent of their clients' foreign exchange forwards positions from Monday, in a move to stabilize the yuan. "Leading China's economy on a stable and far-reaching path, we have confidence and determination," another commentary in the main edition of the People's Daily said. Trump has threatened tariffs on over \$500 billion in Chinese goods, covering virtually all US imports from the Asian giant, demanding that Beijing make fundamental changes to its policies on intellectual property protection, technology transfers and subsidies for high technology industries. The nationalistic Global Times, responding in an editorial late on Sunday to White House economic adviser Larry Kudlow's remarks that China should not underestimate Trump's resolve, said China did not fear "sacrificing short-term interests".