

GARMENT WORKERS' WAGE

Board chief asks workers, owners to narrow gap

STAR BUSINESS REPORT

The chief of a wage board formed to review salaries of more than 4.4 million garment workers of the country yesterday asked both representatives of owners and workers to narrow the gap in pay hikes they proposed and reach consensus as soon as possible.

Earlier, the owners' representative, Siddiqur Rahman, also the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), proposed an increase of 20 percent to bring the monthly salary to Tk 6,360.

The workers' representative, Shamsun Nahar Bhuiyan, proposed Tk 12,020: Tk 7,500 as basic salary and Tk 4,520 for transport, house rent and other costs.

"Both the representatives assured the board that they would take necessary measures through discussions among the respective sector leaders," the board chairman, Syed Aminul Islam, told journalists following its fourth meeting.

Hopefully the board will be able to attain a fruitful result on the review in the next meeting on September 12, he said at the board's Topkhana Road office in the capital.

Labour rights groups staged demonstration in front of yesterday's meeting venue and chanted slogans demanding Tk 16,000 as the minimum wage.

Aminul said the government extended the board's existence by two more months till October 17. The BGMEA president said the new wage would come into effect from December.

Pathao offers food delivery in Ctg

STAFF CORRESPONDENT, Ctg

Rideshare company Pathao yesterday launched food delivery service in Chittagong, the second city after Dhaka, through a programme at The Peninsula Chittagong.

Customers can select food from restaurants listed in the Pathao app for delivery, said CEO Hussain M Elius, adding that it eliminated the hassle of going out and waiting in queues.

The service in Dhaka is "getting unexpected positive response", he said.

Harun-ur-Rashid, deputy commissioner (Traffic-North Zone) of Chittagong Metropolitan Police; Nazim Uddin Shyamol, president of the Chittagong Union of Journalists, and Ahmed Fahad, vice president of Pathao, were present.



Quazi Osman Ali, CEO of Social Islami Bank, opens a branch relocated to Moulvibazar Trade Centre in Dhaka yesterday.

China discusses ways to stabilise market expectations

REUTERS, Beijing

China's financial oversight body has discussed with experts ways to improve communications with market participants and stabilise market expectations, the central bank said on Monday.

The office of the cabinet's Financial Stability and Development Committee

(FSDC), which is based at the central bank, held a meeting with experts including former central bank chief Zhou Xiaochuan, the central bank said in a statement.

The meeting was chaired by central bank governor Yi Gang, who is also a deputy head of the FSDC, the central bank said.

EU must challenge PayPal, Apple in payment services: ECB

AFP, Frankfurt

European Union countries must foster payment services that work across the continent to boost its financial sector and reduce dependence on third countries like the United States, a top European Central Bank official said Monday.

"Large non-European companies now play a significant role in the provision of payment services in Europe, while European banks are focused solely on serving their national market," ECB board member Yves Mersch told a Paris financial regulation conference.

Despite a series of European directives aimed at harmonising the payments market, "European banks seem to have surrendered much of the pan-European payment business," he complained.

"Instead, those foundations are often exploited by multinationals from outside Europe offering innovative, consumer-friendly solutions," he added, pointing to the head-start enjoyed by US tech giants like PayPal, Google, Amazon and Apple or Chinese firms like Alibaba and Tencent.

Now banks -- still mostly siloed within individual EU nations -- are integrating services like PayPal or Apple Pay into their products piecemeal, without worrying about pan-European compatibility.

The same is true of card payments, with national systems like France's Carte Bancaire or Germany's Girocard incompatible with each other, while American

services like Mastercard or Visa are accepted almost everywhere.

What's more, he charged that lenders are dragging their feet on issues like granting technical access to startup "fintech" (financial technology) companies, which could develop homegrown innovative payment services.

Mersch also added his voice to a growing chorus calling for greater European financial independence from America as the transatlantic alliance has wavered since the election of US President Donald Trump.

With hundreds of millions of Europeans using American payment providers, "we have to be mindful of the fact that extraterritorial jurisdiction could, in a worst-case scenario, affect the operation of those companies and disrupt payments between European counterparties," he warned.

Russia was forced to quickly develop a national payment card service in 2014 after Russian banks' access to the Mastercard and Visa networks came under threat when the United States imposed new sanctions on Moscow following its seizure of Crimea.

Last month German Foreign Minister Heiko Maas called for Europe to develop its own version of the Swift interbank messaging system and "payment systems not dependent on the USA".

Maas' appeal was in part motivated by Trump's unilateral withdrawal from a deal with Iran, under which Tehran agreed to freeze its nuclear weapons programme in exchange for Western nations lifting sanctions.

Robi online gaming offers cash prizes

STAR BUSINESS DESK

Robi has recently introduced an online gaming competition through its gaming platform My Play.

Game Hero offers Tk 5 lakh in cash prizes to 30 winners through three contests, Monkey Carnival, Endless Runner and City Car Racing, till September 29, Robi said in a statement yesterday.

The first participant to score 30,000 points will receive Tk 2 lakh, the second Tk 1 lakh and the third Tk 50,000.

178 awarded CIP status

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The foreign ministry will also write to embassies or high commissions for visa purposes if a CIP plans to travel abroad for business purposes.

The CIPs will be able to use the VIP lounges at the airports and their spouses and children will get priority in booking seats at public hospitals. Commerce Secretary Shubhashish Bose and EPB Vice-chairman Bijoy Bhattacharjee also spoke.



Eva Rezwana, executive director and chief marketing coordinator of Walton Group, hands over a prize won through the purchase of a ceiling fan under its ongoing digital campaign to a customer at its corporate office in the capital yesterday.

Iran currency hits all-time low against dollar

AFP, Tehran

The Iranian rial hit another all-time low against the US dollar on Monday in spite of central bank efforts to stem the decline.

The rial has lost around 15 percent of its value on the open market in the past three days, bottoming at 128,500 to the dollar by Monday evening, according to Bonbast.com, which monitors Iran's rates.

The drop followed a speech by central bank governor Abdolnaser Hemmati on Saturday, in which he announced tighter restrictions on allocating foreign exchange reserves, said financial journalist Maziar Motamedi.

"Hemmati said that he wishes to be

much more careful in allocating foreign currencies at government rates, signalling a potential forthcoming shortage of hard currency," he told AFP.

The rial has lost 70 percent of its value in the past year, primarily due to increased hostility from the United States and its withdrawal from the 2015 nuclear deal in May. Official statements have done little to calm the markets.

Hemmati, who took over in August after his predecessor was sacked, "seems to have had a point when he said in (his inaugural speech) that he will try to minimise public remarks, as every comment coming from high-ranking officials aiming to calm the market has spurred negative reactions," said Motamedi.

Independent chairman appointed to Jubilee Bank

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The High Court asked the RJSC to provide the lists to the independent chairman so that he could then organise the pending AGMs within 60 days.

The independent chairman is to submit the meetings' decisions to the High Court within eight weeks of the last AGM.

Jubilee Bank opened as Khoksha-Janipur Bank Ltd in April 1913; Bangladesh has four other non-scheduled banks with operations on a limited scale.

It was converted into Khoksha-Janipur

Loan Company in 1964 in line with Banking Companies Ordinance 1962 which had barred its banking business for limitations. Bangladesh Bank recognised it as a non-scheduled bank in June 1984.

Based in Kushtia and with one branch, the bank has movable and immovable assets worth around Tk 4 crore alongside paid-up capital of Tk 1 crore and equity of Tk 1.80 crore. The bank can disburse loans mortgaging gold. It can also lend without mortgage, a maximum Tk 25,000 to a single client.

Remittance up 7.13pc

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Many banks are offering higher rates against the remitted greenbacks to encourage the migrant workers to send money via their channels, he said.

On August 30, the interbank exchange rate was Tk 83.75 per US dollar, up from Tk 80.70 a year earlier.

The upward trend of remittance inflow is helping the country to reduce its large current account deficit, the central banker said.

The deficit hit a record \$9.78 billion last

fiscal year.

The banking sector has been facing a shortage of greenbacks for several months because of higher import payments.

He said banks are deploying representatives abroad to boost the flow of remittance through legal channels.

At the same time, the central bank has strengthened surveillance against hundi, an illegal cross-border fund transfer process.

The monitoring has given a boost to the inbound remittance flow, he added.

Runner allowed to make 500cc bikes

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Prices of motorcycles fell in Bangladesh thanks to the duty cut, which ultimately encouraged customers to buy more of such vehicles. The sale of motorcycles doubled to nearly 4 lakh units in the last five years,

according to industry estimates.

Khan said five companies have already taken up bike manufacturing and five more plan to begin production.

He said Runner has a 14 percent share in the domestic market.

Brexit progress fears drive drop in sterling against euro

REUTERS, London

The British pound was set on Monday for its biggest daily drop against the euro in more than three months as concerns grew about the progress of Brexit negotiations.

Sentiment was also further sapped by UK manufacturing data that underscored the weak state of the British economy.

Traders bought sterling last week after the European Union's chief Brexit negotiator, Michel Barnier appeared to strike a conciliatory note. That raised hopes a Brexit breakthrough was imminent as Britain and the EU try to agree what a post-Brexit trade deal would look like.

But developments on the British political front dashed those expectations after Prime Minister Theresa May's former foreign secretary Boris Johnson said her Brexit strategy meant disaster for Britain.

"Markets clearly misunderstood Barnier's comments last week and even in the light of today's moves, investors are still underpricing the

risk of a hard Brexit," said Ulrich Leuchtmann, a currency strategist at Commerzbank in Frankfurt.

Against the dollar, the British currency sank 0.8 percent to \$1.2855 while there were bigger losses against the euro with sterling on track to post its biggest daily

drop in more than three months.

The EU's Barnier told a German newspaper on Sunday that he strongly opposed Britain's latest proposal.

The British currency was the weakest among the major currencies with U.S. markets shut for a holiday,

and it is set to fall for a third consecutive day.

Derivative markets were flashing amber with implied gauges of market volatility jumping to a six-month high as investors grow wary about the prospects of a deal.

"With Brexit negotiations between the UK and the EU in full swing, the potential 'cliff of a hard-Brexit has come more clearly into focus," UBS strategists said in a note.

Latest data indicates investors have ramped up their short positions on the British currency, with overall net short bets reaching their highest level since early May 2017.

Economic data provided no relief. British manufacturers had their weakest month in over two years and export orders suffered a rare decline in August, a survey showed.

"Weak economic data and bearish political background means this is a double-pronged attack on sterling," said Neil Jones, Mizuho Bank's head of hedge fund sales based in London.



Wads of British pound sterling banknotes are stacked in piles at the Money Service Austria company's headquarters in Vienna, Austria.

BASIC Bank's losses widen for bad loans

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The rescheduled loans may become default again because of the non-payment of regular instalments by the clients, he said. The substantial decline in profit put pressure on its management prompting Managing Director Muhammad Awal Khan to resign.

Khan, who took charge in November last year, tendered his resignation at a meeting of the board on August 14.

The financial health of the bank is not improving because of the failure of the management, Majid said.

The management is not confident enough to take any decision, he said.

In the four years between 2009 and 2013, Tk 4,500 crore was swindled out of BASIC Bank, once a healthy public bank, in the country's biggest financial sector fraud.

The scam left the bank officials in a state of fear and the top management could not motivate them, resulting in the deterioration of financial indicators, Majid said.

"The bank needs to undertake massive business expansion activities but the offi-

cial are shy of giving big loans."

Some clients had their loans rescheduled by paying down-payment but they did not continue to pay instalments, he said. The clients might have some bad intentions, but the bank has also failed to tackle the situation, he said.

The bank regularised the loans without proper assessment of cash flow or failed to motivate the borrowers to keep repaying loans, the chairman said.

The outstanding loans of the bank's top 20 defaulters rose to Tk 2,240 crore in June from Tk 2,122 crore in December.

"BASIC Bank managed to recover only Tk 4 crore in the first six months of the year."

It recouped Tk 49 crore in January to June from the defaulters while the figure was Tk 158 crore last year.

Net interest margin was 0.52 percent in the negative in June as the bank's higher interest expense dwarfed its income, according to central bank data.

The bank's capital shortfall also widened to Tk 3,106 crore at the end of June compared to Tk 2,656 crore in December.

Dhaka becomes IDB's regional hub

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According to Economic Relations Division (ERD), the regional office will cover member countries such as Bangladesh and the Maldives and some non-member Asian countries such as India, Sri Lanka, Myanmar, Nepal, Bhutan and China.

Currently, the IDB has a representative office in Dhaka, but it can not take policy decisions without permission from its headquarters in Jeddah.

Officials of the ERD said Bangladesh and the IDB signed an agreement to set up the regional office in 2015. Last year, the IDB president also revealed his plan to establish the office during a meeting with Finance Minister AMA Muhith in Jeddah.

Establishment of the regional headquarters will help the IDB take quick decisions on project activities, said an ERD official. The office will be headed by a regional hub manager. Established in 1973, the IDB has 57 shareholding member-states. Bangladesh is one of the largest recipients of the IDB group financing.

Since joining the bank in 1974, Bangladesh has received \$17 billion in trade finance and \$2.18 billion in project finance. Of the funds, about 10.01 percent was concessional and 89.5 percent non-concessional.

According to the Foreign Aid Budgetary Account of the ERD, Bangladesh was the fourth largest recipient of the IDB financing in 2017, receiving \$900.6 million. The amount was 9.2 percent of the IDB's total financing for the year.