

# UK's Body Shop opens outlet in Dhaka



THE BODY SHOP  
From left, Russell De Chernatony, franchise account manager for South Asia at The Body Shop; Kanbar Hossein-Bor, acting British high commissioner to Bangladesh; and Shriti Malhotra, managing director of The Body Shop Bangladesh, open the first store of the British cosmetics brand in the country in the capital's Jamuna Future Park on Friday.

## STAR BUSINESS DESK

Quest Holdings Bangladesh, the exclusive partner of The Body Shop in Bangladesh, has recently opened the first store of the British cosmetics brand in the capital's Jamuna Future Park.

Bangladesh is the 70th market of the brand, said The Body Shop in a press release yesterday.

Kanbar Hossein-Bor, acting British high commissioner to Bangladesh,

attended the opening.

The outlet will offer the brand's products such as White Musk, Body Butter and the Vitamin E range, as well as new favourites Body Yogurts.

"We are very excited to bring The Body Shop to Bangladesh," said Annie Chan, general manager for franchise at The Body Shop Asia-Pacific, in the statement.

"We are confident that our partner, Quest Holdings Bangladesh, will

bring its local expertise and extensive retail knowledge to deliver our beautiful products and a great customer experience to our customers in this exciting and dynamic new market."

Shriti Malhotra, managing director of The Body Shop Bangladesh, said, "Our customers in Bangladesh will be able to discover The Body Shop's amazing products and the power of beauty and rituals from around the world."

# Fed official says rate hikes 'right course'

REUTERS, Nusa Dua, Indonesia

The US Federal Reserve does consider the impact of interest rate hikes on emerging markets when setting policy, but the increases are the "right course of domestic policy" for the world's largest economy, said a top Fed official on Saturday.

The comments by Fed Vice Chair Randal Quarles came as some emerging markets face increasing pressure this year as higher US interest rates draw foreign capital away, and due to fears of fallout from a tariff war between the US and China.

The Fed has also been at the receiving end of criticism from President Donald Trump, who on Thursday called its interest rate increases a "ridiculous" policy. Those surprisingly caustic remarks came a day after the president told reporters, in response to a Wall Street rout, that the "Fed has gone crazy."

# Japan wants to put global imbalances on the map

REUTERS, Nusa Dua, Indonesia

Japan wants to highlight global imbalances as key topics of debate, and take steps to fix them, when it chairs next year's gatherings of the Group of 20 major economies, government officials said this week.

Tokyo hopes other countries would join Japan to counter US President Donald Trump's focus on narrowing US trade deficits through purely bilateral trade deals, the officials say, rather than the big international agreements now in place.

The annual International Monetary Fund and World Bank meetings have been held on the Indonesian resort island of Bali this week.

Japan's agenda-setting plan also underscores Tokyo's view that instead of focusing too much on bilateral trade imbalances, there should be more emphasis on overall capital flows and structural factors behind the US current account deficit - such as a lack of domestic savings.

Japanese Finance Minister Taro Aso said he made the case to his G20 colleagues at a dinner meeting on Thursday.

"I've told my counterparts that excessive global imbalances are risks to the global economy ... and that it's important to discuss this at next year's G20 meetings," Aso told reporters.

Trump's "America First" policies and escalating Sino-Chinese trade frictions have overshadowed the weekend gathering of

G20 finance leaders, many of whom expressed concerns over the harm to global growth from trade conflicts.

The G20 finance leaders failed to bridge differences on trade with this year's chair, Argentine Treasury Minister Nicolas Dujovne, conceding that the G20 can only provide a platform for countries to solve disputes among themselves.

Japan, which takes over from Argentina as G20 chair next year, sees brighter prospects for the forum.

"The G20 isn't a forum to solve bilateral trade disputes...but it's the best forum for debate if you see trade frictions as part of a bigger problem of global imbalances," said a senior Japanese government official directly involved in G20 negotiations.

Global imbalances had once been a key topic of debate at G20 gatherings with a focus on each country's current account balance, or the overall flow of money that included, but was not confined, to trade.

This approach runs counter to Trump's focus on narrowing the US trade deficit via import tariffs and bilateral deals.

Japan has long favoured a multilateral approach on trade over bilateral deals, which would put it under direct US pressure to open up sensitive markets like agriculture.

Tokyo is also wary of having its hands tied on keeping sharp yen rises in check. A strong yen is seen as hurting Japan's economy by making its exports less competitive overseas.

# India's retail inflation picks up

REUTERS, New Delhi

India's retail inflation rose marginally in September, nudged up by food and fuel prices, but short of the Reserve Bank of India's 4 percent medium-term target, strengthening views it could tighten monetary policy in December following unchanged rates last week.

The monetary policy committee (MPC) of the RBI left the repo rate at 6.50 percent while reiterating its target of keeping consumer inflation at 4.00 percent in the medium term on a "durable basis".

In September, consumer prices rose 3.77 percent from a year earlier, compared with a 3.69 percent increase in August, the Statistics Ministry said on Friday.

For September, the median forecast of economists polled by Reuters was 4.00 percent, with estimates ranging from 3.60 percent to 4.70 percent.

CPI inflation has started inching up on the back of rising prices of food and other goods and services, said Rupa Rege Nitsure, chief economist at L&T Finance Holdings.

"Given the massive depreciation of the rupee and elevated crude oil prices, RBI will have to resort to policy rate signals sooner than later."

Slower inflation in food prices, which make up nearly half of India's consumer price index (CPI), has so far cancelled out rises in imported goods following the weakening rupee.

Food inflation rose to 0.51 percent from a year earlier, against 0.29 per-

cent in August.

Core inflation, which excludes volatile food and fuel sectors, was seen at 5.8 percent, down from around 6 percent in August, according to analysts. The RBI has projected inflation of 4.8 percent by June 2019, slightly lower than its August forecast of 5.0 percent.

It has raised its policy rate 50 basis points since June, and is widely expected to raise rates by at least 25 basis points more this year. The next policy review is due on Dec. 5.

Prime Minister Narendra Modi, eyeing a second term in general elections early next year, worries that rising retail petrol and diesel prices and a weakening currency could undercut his efforts to boost economic growth.



ZEESHAN INTERNATIONAL

Shahab Uddin Khan, managing director of Zeeshan International Agencies Ltd, receives Bangladesh Indenting Agents' Association's platinum award in the best service exporter 2018 category from Amir Hossain Amu, industries minister, at the Sonargaon hotel in Dhaka recently. Mazibul Hoque, railways minister, was present.

# Don't hire temporary employees

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The management of the state-run banks and financial institutions continued to recruit employees on a temporary basis beyond their manpower organogram which goes against administrative discipline, the circular said.

The temporary employees are deprived of government facilities despite providing services at the entities for a long period. Moreover, there is no scope in government rules for making their jobs permanent.

In this perspective, the ministry took the decision not to employ any more employees on a temporary basis.

The decision came after Agrani Bank requested the finance minister to make permanent the jobs of its 1,208 temporary field officers.

The proposal was turned down on the ground that there was no scope for creating new posts or amending the organogram.

The board of Agrani Bank recruited the 1,208 temporary field officers in 2010 to help its branch-level staff open 10-Taka accounts across the country. Their contracts were extended several times.

In its instruction to Agrani Bank, the ministry said the job tenures would not be further extended.

From 2010 to 2013, Agrani recruited 4,856 employees to meet manpower shortages. So, there is no more need to extend the tenures, according to the ministry's letter sent to the bank.

The bank proposed to make the jobs permanent considering the fact that the officers had been serving the bank for a long time, said Mohammad Shams-Ul Islam, managing director of Agrani Bank.

The finance minister was earlier positive about regularising the temporary employees. But since the finance ministry has now instructed not to extend their job tenures, the bank will comply with it, he added.

# Idcol offers Tk 69cr for solar power plant

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An agreement between Idcol and the SSPL is expected to be signed tomorrow, said Pavel.

The SSPL is setting up the plant on 42 acres of land, said Moshir Rahman, its chairman.

"We have started developing land and we expect that equipment will come by the end of November. We hope to go into operation at the end of February next year," he said.

The SSPL is one of the nine compa-

nies which signed agreements with Bangladesh Power Development Board (BPDB) to sell the electricity they generate to the state-run utility agency.

The BPDB will buy electricity from the SSPL at \$0.13 per kWh under a 20-year contract. Till date just one from among the nine has launched commercial operations.

The government has so far approved proposals from the private sector for 22 on-grid solar power

parks. The total power generation capacity of the proposed projects is 1,370MW, according to Power Division.

The government earlier targeted to avail 10 percent of its power generation, meaning 2,000MW of electricity, from renewable sources by 2020.

Fossil fuel-based plants generate the majority of the electricity in the country, according to data by the Sustainable & Renewable Energy Development Authority.

# Blue chips sink, junk stocks go wild

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"This is not a good sign for the market," said Mohammed Rahmat Pasha, managing director of UCB Capital Management.

Some big local investors and foreign investors are observing the political situation, so their investment is becoming less and less as the national election nears, he added.

Since October last year, net foreign investment in the capital market has been Tk 225.45 crore in the negative, DSE data showed.

"Our institutional investors are rushing for speculative items and foreign investors were not active in the last few months," said Abu Ahmed, a stock market analyst.

If the trend continues, it will be a matter of concern for the development of the capital market.

"The mismatch is clear in the market," said Ahmed, also a former chairman of the economics department of Dhaka University.

# Post Office to bring digital financial service

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Though yet to be fixed, the payment modalities promise increased financial freedom with additional security and control.

"Certainly the government's allowances and funds will be disbursed through this platform," he said, adding that the platform is targeting to engage about 2.5 lakh entrepreneurs.

Employees of the existing 9,886 post offices across the country will act as agents for Nagad.

The post offices have over 100 years' experience in managing financial transactions,

said Sushanta Kumar Mandal, director general of the Bangladesh Post Office, which will have the lion's share in Nagad.

Bangladesh Post Office has experience in facilitating financial transactions for the marginal population under different projects of World Bank, the International Committee of the Red Cross, the United Nations Development Programme, a2i, World Food Programme and others.

"We are well equipped to tackle any irregularities with speed and efficiency," he said, adding that Nagad has the government's full support.

# Local exporters on edge

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"The central bank should allow the open market to set the rate of the dollar against the local currency," Mansur said.

He said although inflation may spiral in the short-run, in the long-run it will be good for the economy.

The high rate of the USD will force the businesspeople not to import avoidable and luxurious products, said Mansur, also a former economist of the International Monetary Fund.

Local exporters face difficulties because of the depreciating trend of competitors' currencies, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

"Bangladeshi products are slowly fading away from the focus of foreign buyers thanks to their higher cost," he said, adding that India is gaining traction in the global market for jute goods, leather and garments because of the heavy depreciation of its rupee.

Last fiscal year, exports fetched \$36.66 billion, up 5.81 percent from a year earlier. The amount though fell short of the government's target of \$37.5 billion.

The taka depreciated the least in comparison to its peers, said Md Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association.

"India is our main competitor. But, we are lagging behind our other rivals too."

Rahman went on to call for adjustments to the exchange rate to give a leg up to Bangladeshi exporters.

Meanwhile, a BB official said the Federal Reserve System, the central bank of the US, has already raised its benchmark interest rate thrice this year, meaning that other countries have to spend more to hold the dollar, the global reserve currency.

The ongoing trade war between the US and some other countries is another reason for escalating the exchange rate of the dollar against the currencies of the emerging economies, he said.

"The local currency will face more trouble in the months to come. So, the central bank has to take preparation to tackle the upcoming situation," he added.



MTB

Rashed A Chowdhury, a director of ABC Group and Mutual Trust Bank Ltd (MTB), and Anis A Khan, CEO of MTB, attend the launching of Progressive Equity Build-Up jointly by the group and the bank at MTB Tower in Dhaka recently. Customers can avail the loan product for ABC's housing project "The Oasis - At Ispahani Colony" in Moghbazar.

Zeeshan Kingshuk Huq, co-founder and CEO of business-to-business e-commerce venture sindabad.com, receives a merit award in "Start-up Category" at Asia Pacific ICT Alliance Awards in China yesterday.

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