



Selim RF Hussain, CEO of Brac Bank, receives on behalf of the bank a BGA Women's Market Champion Engagement Award presented by the Global Banking Alliance for Women at its summit in Jordan recently.

BRAC BANK

China to widen market access for foreign investors: Xi

REUTERS, Madrid

China will widen market access for foreign investors and step up protection of intellectual property rights, China's President Xi Jinping said on Wednesday ahead of the G20 meeting of world leaders in Argentina.

Speaking before the Spanish upper house of parliament during a two-day stop in Madrid, Xi also said China planned to import \$10 trillion worth of goods over the next five years.

"China will make efforts to open, even more, its doors to the exterior world and we will make efforts to streamline access to markets in the areas of investment and protect intellectual property," Xi said.

Xi made no reference to US President Donald Trump, who on Monday said he expected to move ahead with raising tariffs on \$200 billion in Chinese imports to 25

percent from the current 10 percent.

Two very small groups of demonstrators, one expressing opposition to China's human rights record and one waving a "Welcome" sign, gathered outside the senate as the Chinese leader spoke.

Xi and his wife Peng Liyuan earlier stood side by side with Spain's King Felipe and Queen Letizia in the crisp Madrid winter sun outside the Royal Palace to receive full military honors from the king's guards.

China and Spain will on Wednesday sign an accord on the export of Iberian ham to China, as part of a series of deals to be inked during the state visit.

But Spain will not sign up to Beijing's "Belt and Road Initiative," a wide-ranging development strategy adopted by the Chinese government involving global infrastructure projects, a Spanish government source said.

UK govt, Bank of England to spell out no-deal Brexit risks for economy

REUTERS, London

The British government and the Bank of England are set to step up their warnings on Wednesday of a big hit to the economy from a no-deal Brexit, potentially helping Prime Minister Theresa May tackle deep opposition to her plan.

Barely four months before Britain is due to leave the European Union, May has failed to get much of her own Conservative Party behind the agreement sealed with EU leaders on Sunday, leaving open the possibility of a no-deal Brexit.

BoE Governor Mark Carney and finance minister Philip Hammond have both previously stressed the importance of a transition period, as included in May's plan, to ease Britain out of its four-decade membership of the EU.

Carney said last week that the impact of leaving the bloc without a transition could be akin to the 1970s oil crisis for the world's fifth-biggest economy. But the prospect remains of a disruptive Brexit, given the scale of opposition to May's plan in parliament where it faces a vote on Dec. 11.

Finance minister Philip Hammond told BBC television on Wednesday that no Brexit option would be as good for the economy as staying in the EU, but May's plan "delivers an outcome that is very

close to the economic benefits of remaining in".

The Daily Telegraph said Wednesday's report from the government would show that in a scenario resembling May's plan, Britain's economy would be 1-2 percent smaller in 15 years' time than if the country remained in the EU. But it would be 7.6 percent smaller if there is no deal.

The forecasts are likely to revive the protests from supporters of a more definitive break from the EU who accused the government of trying to scare voters into remain-

ing in the EU ahead of the 2016 Brexit referendum.

"Politically, it looks like a rehash of Project Fear," Dominic Raab, who resigned as May's Brexit minister earlier this month, told the Telegraph. "People expect to be inspired, not scared witless into deferring to the government."

Hammond dismissed the Project Fear accusation. "I am not trying to scare anybody and I reject the term scare-mongering," he said.

Brexit supporters say May's deal will hurt Britain's economy by making it harder to strike trade

deals with faster-growing countries and regions beyond Europe.

Many voters ignored government warnings of a dire outcome for the economy when they decided to leave the EU in the 2016 referendum and it is not clear that lawmakers will be swayed by forecasts about the effects of a no-deal Brexit.

The government is expected to publish on Wednesday morning its assessment of the impact of different Brexit outcomes including a comparison with remaining in the EU. Then, at 1630 GMT, the BoE will publish its assessment of the implications for interest rates and its oversight of the banking sector arising from different Brexit scenarios.

Carney and other senior officials at the central bank have warned investors not to count on cuts to borrowing costs in the event of a no-deal shock to the economy, saying it could push up inflation sharply as well as damage growth.

Alongside its Brexit analysis, the BoE will publish its regular Financial Stability Report and results of its 2018 stress tests of banks in Britain. The Financial Conduct Authority, Britain's financial markets regulator, will publish its own Brexit impact report at 1030 GMT on Thursday, later than an original plan to publish it on Wednesday.



Britain's Prime Minister Theresa May



LAFARGEHOLCIM BANGLADESH

Kazi M Aminul Islam, executive chairman of Bangladesh Investment Development Authority, speaks while inaugurating a Supercrete Bridge at Dowarabazar in Sunamganj on Tuesday. LafargeHolcim Bangladesh built the bridge as part of its corporate social responsibility.

Loan growth to eurozone businesses slows in Oct

AFP, Frankfurt

Growth in lending to businesses in the 19-nation euro area slowed in October, European Central Bank data showed Wednesday, in a further sign of stuttering expansion in the bloc.

Adjusted for some purely financial transactions, growth in lending to non-financial firms fell to 3.9 percent year-on-year in October, down 0.4 points compared with the previous month. With growth in loans to households steady at 3.3 percent, business accounted for all of a 0.1-percentage-

point slowdown in overall private sector credit growth, to 3.3 percent.

The ECB eyes closely the pace of growth in lending to judge the effectiveness of its policies to pump cash through the financial sector and into the real economy -- intended to power expansion and push inflation towards its target of just below 2.0 percent.

Policymakers are widely expected next month to remove one pillar of easy-money policy, mass purchases of government and corporate bonds, which have amounted to almost 2.6 trillion euros (\$2.9 trillion) since 2015.

US consumer confidence dips in Nov but still strong: survey

AFP, Washington

American consumers remain very upbeat about the US economy and prospects for employment into 2019, despite dipping from a record level in October, according to a survey released Tuesday.

However, the Conference Board said the November survey showed consumers were less optimistic about the outlook for business conditions and income in the near-term, even while they expect jobs to be plentiful.

The consumer confidence index dipped more than two points to 135.7 from the 18-year high of 137.9 last month, the survey showed, which was better than economists had expected. The feelings about present conditions improved again, driven by the strong employment and plentiful jobs, but the view of the economy six months in the future fell four points.

"Overall, consumers are still quite confident that economic growth will continue at a solid pace into early 2019," said Lynn Franco, the Conference Board's director of economic indicators.

"However, if expectations soften further in the coming months, the pace of growth is likely to begin moderating."

Analysts note that the expectations gauge reflects the recent drop in the stock market, which in the past two months has erased most if not all of the 2018 gains. Markets have been concerned about the impact of President Donald Trump's trade wars as well as the prospects for rising interest rates.

The split between the outlook for present and future conditions "is not surprising," economist Ian Shepherdson of Pantheon Macroeconomics said, adding that "the expectations index is sensitive to the stock market, so it reflects the recent correction and volatility." "The present situation index is driven mostly by the unemployment rate, which is at a 49-year low and still falling," he said in a research note.

Economist Joel Naroff noted that confidence is consistent with moderating growth and a slowing housing market after the boom early in the year. "Households remain confident, but their irrational exuberance is wearing off," Naroff said.

German consumer confidence clouds over in December

AFP, Frankfurt

The mood among German consumers is tipped to pall slightly in December, suffering a hangover from weaker third-quarter growth, a forward-looking survey predicted Wednesday.

Market research firm GfK's monthly barometer shed 0.2 points compared with November to reach an indexed 10.4.

"A phase of economic weakness has also left traces on the consumer mood in November," the pollsters commented on the survey of 2,000 people.

European powerhouse Germany suffered its first quarterly growth slowdown since 2015 between July and September, official data showed this month, as gross domestic product (GDP) shrank by 0.2 percent.

Indian govt to run power play at next RBI board meeting

REUTERS, Mumbai/New Delhi

For all the cordiality on show at the end of Reserve Bank of India's last board meeting, tensions could resurface when it next gathers on Dec. 14 as the government aims to ramp up pressure for changes in the way the central bank operates.

A majority of the 18-member board, now stacked with government nominees, intends to press for reduced curbs on lending and governance changes that would give the board more say, according to three sources with direct knowledge of what was said when the board last met on Nov. 19.

Like the government, most board members feel that RBI should be "more transparent and accountable" for its decisions, said one source, who was also aware of discussions held subsequently within the government.

Prior to the November meeting, senior officials in Prime Minister Narendra Modi's administration had cranked up pressure, publicly and privately, on policy matters, raising fears among former central bankers that the RBI was at risk of losing independence.

With a general election due by May, and voters concerned about weak farm incomes and whether enough jobs are being created, Modi is keen to stimulate the economy and is looking for the RBI to allow easier lending policies.

"The relationship between the RBI and the government is like a stretched rubber now," said a former top RBI official. "Once stretched the rubber will never return to its original size. The memory of this significant assault on the autonomy of the central bank will last for a long time."

The worsening atmosphere between the government in New Delhi and the central bank in Mumbai fed media speculation earlier this month that RBI Governor Urjit Patel might



REUTERS/FILE

The Reserve Bank of India logo is seen at the gate of its office in New Delhi.

consider resigning.

In the past, the board has acted as little more than an advisory body, but under the 1934 law that established the central bank it has the ability to possess real teeth and force policy change.

To speed along its transformation, the government has appointed experts from various fields, including accounting, technology and finance to the board. At its next meeting, it is likely to review how the central bank and the board engage, as well as the functioning of the sub-committees of the board, the sources said.

"The next board will take up the agenda pending from the earlier two meetings," a second source said. "This mainly includes governance at the central bank, the relationship between the board and the RBI and other related issues."

Those other issues could include providing more liquidity support to a weakened non-banking finance sector, functioning of the sub-committees of the central board and easing lending

curbs on 11 state-run banks who are under a prompt corrective action plan (PCA) imposed by the RBI.

"RBI governance, PCA and liquidity are our top priorities," said the first source, adding he expected the RBI to accept the that viewpoint sooner rather than later.

Ex-RBI officials, including a governor and a deputy governor, said that never before has the board tried to interfere in the central bank's regulatory functions. The Finance Ministry and RBI spokesmen did not have a comment for this story.

Top government officials have pressed the RBI to ease capital rules for banks, provide more liquidity to the shadow banking sector, support lending to small businesses and let the government use more of the RBI's surplus reserves to boost the economy.

At its meeting last week, the RBI's board had decided that a sub-committee will look into the matter of easing curbs for the 11 banks and make recommendations to the board.



LIVO

Nazrul Islam, chairman of Glokel Bangladesh, and Md Aulad Hossain, managing director, launch the company's electrical and electronics brand Livo at its corporate head office in Dhaka recently.