

US-Bangla offers 48pc discount marking Victory Day

STAR BUSINESS DESK
US-Bangla Airlines is offering 48 percent discount on the base fare of business and economy classes to all domestic and six international destinations marking the country's 48th Victory Day celebration.
The destinations abroad are Kolkata, Guangzhou, Singapore, Kuala Lumpur, Muscat and Doha, the airline said in a statement yesterday.
The offer will be available on purchases made till 16 December this year for travels from December 1 to May 20 next year.
Tickets are available at US-Bangla Airlines sales offices and with authorised travel agents. All taxes and surcharges will be applied during purchase.

Economists, Wall Street split on Fed signals

AFP, Washington
Economists and investors have been scratching their heads this week over signals from the Federal Reserve, which left the future of US monetary policy open to broadly divergent interpretations.
In remarks delivered Wednesday in New York, Fed chairman Jerome Powell uttered words that set Wall Street on fire.
Claiming that benchmark lending rates were "just below" a range of estimates for "neutral," that is, neither stimulating nor slowing growth, Powell sent a signal that markets took to mean the Fed might ease off on raising rates in 2019.
Traditionally, stock markets love lower interest rates.
And as a result, Wall Street on Wednesday had its best day since March, with the Dow Jones Industrial Average rising 2.5 percent and European equities lifted higher as well.
Minutes released Thursday from the Fed's last policy meeting also showed some policymakers believed going above neutral could slow the economy needlessly.
And Powell's words stood in stark contrast to his remarks of a month earlier, when he said rates were still "a long way" from neutral, perhaps suggesting the Fed actually had a lot more tightening to do.
Currently, the Federal Open Market Committee forecasts three quarter-point hikes for next year after a December increase, which is virtually guaranteed.

The neutral rate can seem like a central bankers' Holy Grail: the "Goldilocks" setting for monetary policy, neither so low as to allow excess inflation nor so high as to weigh on the economy.
Nevertheless, it is a tricky concept: economists put the range between 2.5 percent and 3.5 percent. The US federal funds rate range is now 2.0 - 2.5 percent. And some economists say the markets misread Powell.
Tom Porcelli of RBC Capital Markets said investors were wrong to interpret Powell's words as "dovish."
"Powell is not suggesting that since they are just below the range they may stop soon. All he is doing is pointing out an obvious idea," Porcelli wrote in a client note.
But Powell's most recent words should be taken along with other recent remarks in which he showed concern for the global economic outlook.
He said then that growth abroad was likely to weaken and that US fiscal stimulus, which had goosed consumption, would soon fade.
On Wednesday, Powell also emphasized these uncertainties.
"We also know that the economic effects of our gradual rate increases are uncertain and may take a year or more to be fully realized," he said, adding that there was "no preset policy path." "We will be paying very close attention to what incoming economic and financial data are telling us."



Workshop on Anti-Money Laundering and Branch Compliance in the General Insurance
Date: December 01, 2018
Venue: Spectra Convention Centre
House # 19, Road # 7, Dhaka - 1212
GREEN DELTA INSURANCE
Gokul Chand Das, a member of the Insurance Development and Regulatory Authority; Farzana Chowdhury, CEO of Green Delta Insurance, and Nasir A Choudhury, adviser, attend a workshop on "Anti-Money Laundering and Branch Compliance in General Insurance" organised by the insurer in association with Professional Advancement Bangladesh at Spectra Convention Centre in Dhaka yesterday.

Eurozone inflation slows to 2pc in November

AFP, Brussels
Eurozone inflation slowed in November, official data showed on Friday, lending support to rising fears that economic activity in Europe is cooling.
Eurostat said consumer prices in the 19-country single currency bloc fell to 2.0 percent in November, right at the target level of the European Central Bank.
The EU data agency said unemployment remained stable in October in

the euro area at 8.1 percent for the fourth consecutive month, its lowest level since November 2008.
The inflation data lands as the ECB is widely expected to end mass buying of government and corporate bonds, known as "quantitative easing", next month.
Over more than three years it has pumped around 2.6 trillion euros (\$2.95 trillion) into the eurozone financial system, aiming to fuel expansion and power price growth towards its target of just below 2.0 percent.

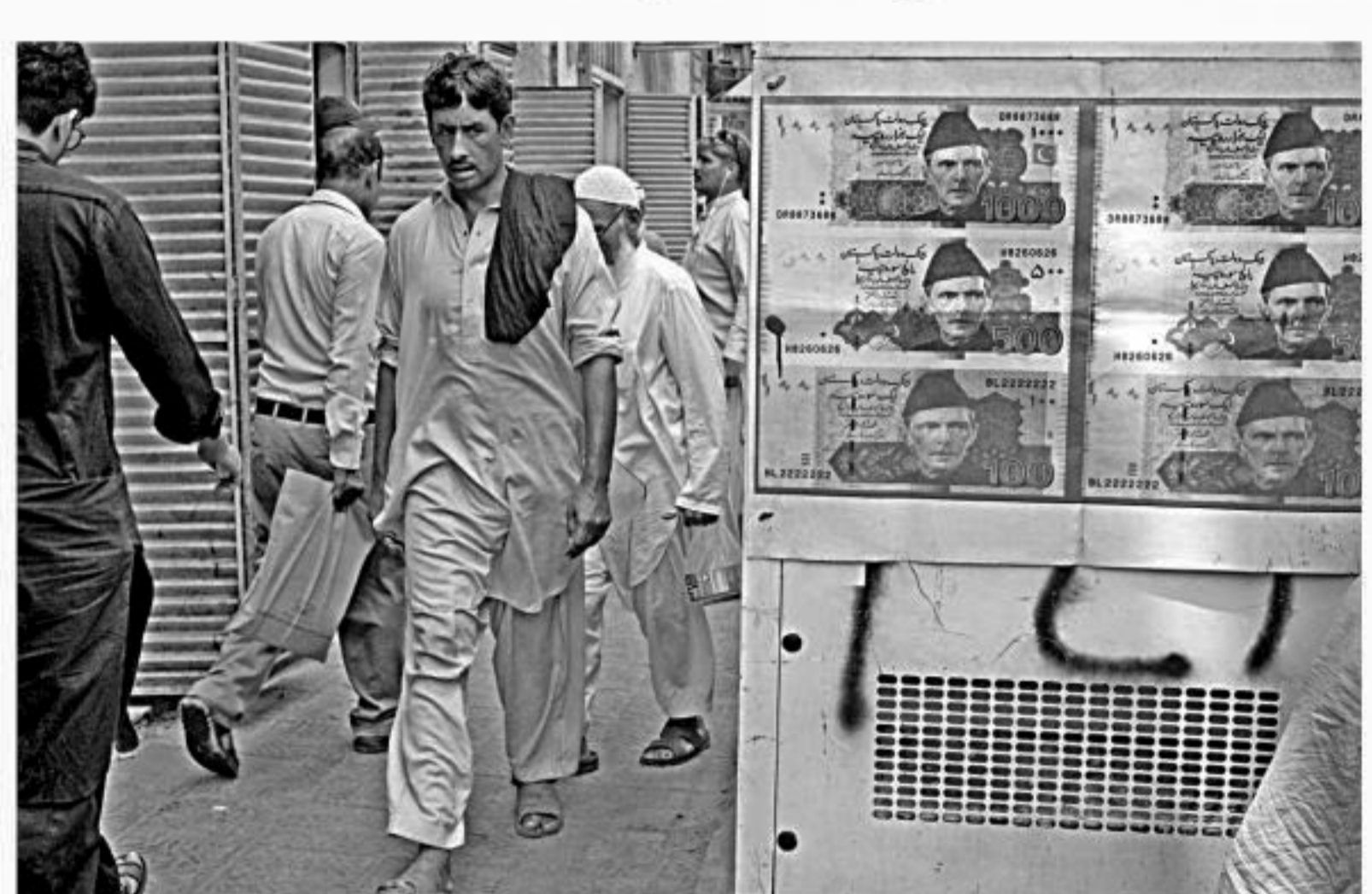
This stimulus programme has largely been deemed a success, but dipping inflation comes after a series of signals that the eurozone economy is slowing just as the ECB boost comes to an end.
ECB chief Mario Draghi on Monday pledged that the end of bond-buying will not leave the economy in the lurch with interest rates set to remain low.
Unemployment meanwhile in the eurozone has fallen steadily since September 2016, when it fell below the symbolic threshold of 10.0 percent.

Moody's sounds alarm on Bangladeshi banks

FROM PAGE B1
State-owned banks will remain undercapitalised and dependent on capital infusions from the government, the report said.
Banks in Bangladesh though will continue to maintain adequate funding and liquidity.
While financial conditions tightened during the first half of 2018, the situation has stabilised after monetary easing measures were implemented.
The lowering of the ceiling for bank's loan-deposit ratio from March next year will further mitigate funding risks, the report said.
Moody's expects the Bangladesh government to remain supportive of the banking system, given the government's track record of taking pre-emptive measures against banking failures.
The government also has the capacity -- as reflected in the country's modest general and external debt burden -- to support the banks in times of need.
In its last credit outlook in March, Moody's gave Bangladesh a stable rating of Ba3, as in the past several years.
"Bangladesh's economy will continue to grow because of its globally competitive garments industry. Steady credit growth and the rebound in remittance inflows will also support domestic consumption," Li added.

Pakistan rupee hits record low, no news on IMF lifeline

AFP, Karachi
Pakistan's rupee plunged almost five percent to a record low Friday after what appeared to be a sixth devaluation by the central bank in the past year as the country struggles with an acute balance of payment crisis.
The unit sank to 143 rupees against the dollar just a day after Prime Minister Imran Khan's government celebrated 100 days in office with a televised conference boasting of its achievements.
The State Bank of Pakistan has indirectly devalued the state-managed unit several times already as it tries to narrow a huge balance of payments deficit.
But traders are growing concerned that neither Khan nor his Finance Minister Asad Umar laid out a comprehensive plan to address the country's economic woes more than a week after negotiations with the International Monetary Fund ended without a much-needed bailout agreement.
The former cricketer has launched a highly publicised austerity drive since being sworn in, including auctioning off government-owned luxury vehicles and buffaloes, in addition to seeking loans from "friendly countries" and making overtures to the IMF.
"The market was disappointed to see that there was no clear cut direction of the government regarding raising loans from IMF or taxation policies for the rest of its term," said



People walk past an advertisement board with photos of Pakistani rupee at a money exchange along a sidewalk in Karachi, Pakistan.

Hamad Iqbal, director of research at Elixir Securities.
The rupee has lost about a third of its value since the start of the year as Pakistan struggles with chronic inflation as it burns through its dwindling foreign currency reserves, which are down around 40 percent this year.
Pakistan secured \$6 billion in funding from Saudi Arabia and struck a 12-month deal for a cash lifeline during Khan's visit to the kingdom in October.
Despite the pledges, the ministry of finance said Pakistan would still seek broader IMF support for the government's long-term economic planning.
With talks with the IMF still ongo-

ing -- Pakistan has been a regular borrower from the IMF since the 1980s -- Khan's new government has been searching for ways to rally its struggling economy.
Islamabad has received billions of dollars in Chinese loans to finance ambitious infrastructure projects, but the US -- one of the IMF's biggest donors -- has raised fears that Pakistan could use any bailout money to repay its debts to Beijing.
The IMF and World Bank forecasts suggest the Pakistani economy is likely to grow by four to 4.5 percent for the year fiscal year ending June 2019 compared to 5.8 percent growth in the last fiscal year.

56 firms to get export trophies today

FROM PAGE B1
Zaber and Zubair exported garment and fabrics worth \$204.82 million in 2015-16, but the figure would have been much higher had buyers paid proper prices, he said.
Chowdhury said the group, which employs over 64,000 workers at its 32 spinning, textile and garment units, would soon have four more spinning units joining production.
The other exporters focus on yarn, terry towel, jute and jute goods, leather and leather goods, frozen food, footwear, agricultural products, vegetables, fruits, plastic products, ceramics, light engineering, pharmaceuticals, computer software and packaging.
A commerce ministry official said the trophy presentation has been delayed, mainly for slow processing of applications and late arrival of approvals from different ministries, agencies and departments.

NBR to encourage local production of pharma ingredients

FROM PAGE B1
Representatives from commerce and industries ministries, the Directorate General of Drug Administration, the Bangladesh Tariff Commission, the Bangladesh API and Intermediaries Manufacturers Association and the Bangladesh Association of Pharmaceuticals Industries have been included in the committee.
The NBR move came after the commerce ministry announced a national policy on production of the API and laboratory reagents last month.
The policy favours tax benefits to the API and laboratory reagents manufacturers.
A revenue official said the committee has been formed to review the existing duty benefits given to pharmaceuticals and the API manufacturers.
As a least developed country, Bangladesh has been exempted by the WTO from implementing patents and data protection for pharmaceutical products until January 2033.

Sub-contractors ineligible for export benefit: NBR

FROM PAGE B1
"This has huge implications from the viewpoint of revenue collection," said a senior NBR official seeking to remain unnamed.
Numerous projects costing a huge amount of money are currently being implemented by the government, including the Padma rail, Karnaphuli tunnel and Dhaka metro rail.
The NBR also said firms not abiding by Public Procurement Rules 2008 in tendering processes would not be eligible for the export benefit.
It directed all VAT field offices to conduct intensive monitoring to realise revenue from such firms, through auditing if necessary.

Indian gold demand shines as local rates dip

REUTERS
Physical gold demand in the world's second biggest bullion consumer India got a fillip this week from a slide in local rates due to gains in the rupee, while buying was steady in other top Asian hubs.
"The appreciating (Indian) rupee has brought down prices. At this price level, jewellers and retail buyers are quite comfortable in making purchases," said Ashok Jain, proprietor of Mumbai-based wholesaler Chenaji Narsinghji.
Local gold prices were trading near their lowest in about three months as an appreciation in the rupee made overseas buying cheaper. After decent sales during the Diwali festival, jewellers have been replenishing inventories for the wedding season, a Mumbai-based dealer said.



Beximco gets another lifeline from Sonali

FROM PAGE B1
The subsequent actions of Beximco, which is helmed by the private sector affairs advisor of Awami League chief Sheikh Hasina subsequent actions, show that they did not bother much about the restrictions.
Under the large loan restructuring policy, state-owned Sonali Bank had restructured Tk 1,070 crore of Beximco Ltd's loans for 12 years to 2027 at an interest rate of 10 percent, which was much lower than the 13-14 percent interest rate prevailing then.
After a year's grace period -- which would be from September 2016 -- the borrower was supposed to pay Tk 57.40 crore each quarter to Sonali.
By December 2017 the borrower was obliged to pay six instalments, but Beximco made only two payments and became a defaulter at the end of December last year.
The lender neither withdrew the facility nor sued Beximco, as per the terms of the large loan restructuring policy.
Rather, Sonali took an extraordinary measure to keep Beximco Group out of the default zone, all in the hope of getting back the large amounts it had lent to the business giant.
In the meantime, Beximco Ltd's loan amount had ballooned to Tk 1,262 crore -- and it was rescheduled again in March this year by Sonali.

Not only that, it got the facility without making any down payment, as the BB rules stipulate that a borrower has to pay at least 10 percent of the defaulted loans -- Tk 126 crore in this case -- as down payment to get them rescheduled.
Curiously, the move was termed 'review of restructured loans', not rescheduling of loan, due to which Beximco was able to avoid the required down payment.
And Beximco was allowed to repay using the 'balloon payment' method: it will pay less, mainly the interest amount, at the beginning, with the sum increasing progressively, to include the principal amount as well, towards the end of the loan period.
Bankers say balloon payment is ideal for borrowers who face cash crunch in the short term, but expect their liquidity situation to improve in future.
Records show that it was not the case for Beximco, which has loans amounting to nearly Tk 7,000 crore outstanding in the banking industry as of March, up from Tk 5,245 crore three years earlier.
Under the new arrangement, which got the blessing of the central bank, Beximco has to pay an instalment of Tk 31.56 crore per quarter from January 2018 to December 2019.
After that, the instalments will balloon to Tk 116.64 crore a quarter until June 2021. From then

onwards, Beximco will pay Tk 40.19 crore per quarter until June 2027.
But, Beximco failed in the very first hurdle: as of October 18 it has paid only Tk 34.50 crore against the three quarters' due of Tk 94.68 crore, according to data from Sonali.
The missed payment has dragged Beximco into the special mention account zone, the precursor to the default zone.
Still, Sonali believes the fresh benefits will facilitate Beximco Group -- which, incidentally, is the state-run bank's biggest defaulter as of December last year -- to run the business smoothly from its existing difficult situation, said the lender's top official.
Md Obayed Ullah Al Masud, managing director of Sonali, said the client appealed to the bank to review the restructured loans and the bank forwarded it to the BB.
"We did not take the required down payment as it was not a rescheduling of loan per se," he added.
Serajul Islam, spokesperson of the BB, confirmed to The Daily Star that the central bank gave the green light to the proposal.
Islam, however, declined to comment why the central bank had repeatedly given such an extraordinary support to a client with a notorious default record.
Insiders in Sonali said Beximco Group has to regularise the loan as

Salman F Rahman is planning to contest in the upcoming national election. Holding on to his chairmanship in IFIC Bank was another reason. Through its public relations firm, Beximco told 'The Daily Star' that it has reviewed its previous restructured loan and requested balloon payment for repayment.
Beximco did not need to deposit any down payment for the new facility, and the tenure of the rescheduled loan also remains unchanged. "The loan was regular and the present status is also same," it said, while dismissing any connection to the new repayment arrangement and Salman F Rahman's participation in the upcoming polls.
Experts criticised Sonali and the central bank for allowing Beximco fresh benefits.
"It will encourage others to insist on the same benefits from banks," said Ahsan H Mansur, executive director of the Policy Research Institute. The move will only help the bank to show a deflated default loans on papers.
"The instance will also infect other banks, so the central bank should think before giving such approvals," he added.
The central bank breached its own large loan restructuring policy by allowing Beximco to reschedule the default loans, said Khondkar Ibrahim Khaled, a former deputy governor of the BB.

A salesman shows gold necklaces to a customer at a jewellery showroom during Dhanteras, a Hindu festival, in Kolkata.