



**Md Arfan Ali, president and managing director of Bank Asia, and Kamal Quadir, CEO of bKash, exchange documents after signing a deal at the bank's corporate office in Dhaka on Tuesday. Customers will be able to transfer funds instantly from the bank to bKash accounts.**

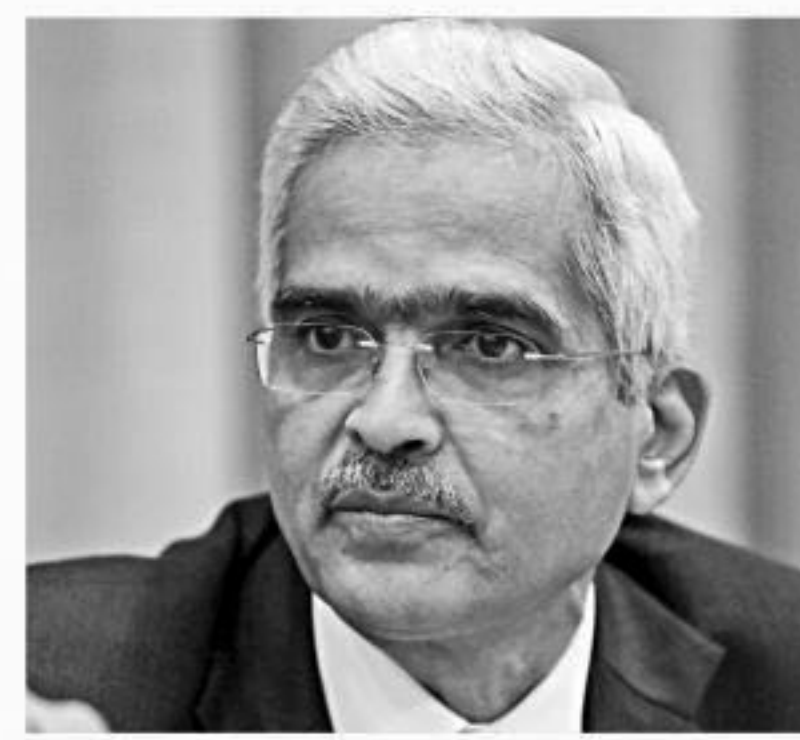
## India names Modi demonetisation backer as central bank head

REUTERS, Mumbai

Ex-finance ministry official Shaktikanta Das took charge of the Reserve Bank of India on Tuesday, in a swift appointment expected to ease a dispute with the government as it pushes for looser credit rules ahead of a general election.

The announcement by Prime Minister Narendra Modi's administration came just a day after Urjit Patel resigned from the post, following months of clashes between the two institutions over lending curbs and how to deploy the central bank's surplus reserves.

Pressure on the RBI to take immediate steps to boost the economy, includ-



**Shaktikanta Das**

ing a transfer of the excess reserves to the government, could well rise after Modi's ruling Bharatiya Janata Party (BJP) suffered likely election losses in

three key states on Tuesday. Das - a high-profile backer of Modi's controversial 2016 move to scrap high-value currency notes, known as demonetization - will serve a three-year term as governor, effective immediately.

RBI watchers said they expected the 61-year-old, who retired last year as secretary of the department of economic affairs having previously served on the RBI's board, to put relations between the Mumbai-based bank and the finance ministry in New Delhi on a stabler footing.

Investors will also look closely at his ability to hold up against outside influences after recent efforts by the Modi government to gain greater control over the central bank's regulatory powers.

## Global economy in 2019: Growth beginning to fray

AFP, Washington

American farmers have been forced to warehouse a bumper crop of soybeans, or sell at a loss, while a Midwest medical supply company is considering shipping production overseas amid growing uncertainty.

Surveys of US business and consumer sentiment continued to show economic optimism going into next year but cracks are beginning to form -- in the United States and around the world -- with President Donald Trump's trade conflict the major source of concern.

The International Monetary Fund is forecasting respectable global growth of 3.7 percent next year but the world's two largest economies -- the United States and China -- are starting to cool.

"The mood is that of uncertainty and the

impact in China, in particular, is beginning to be noticed," Minnesota-based MedSource Labs CEO Todd Fagley told AFP.

"We have been told by some local Chinese manufacturers that it 'feels' like they're entering a slowdown and that they are being hurt already due to higher export costs and overcapacity."

Signs the US expansion may have peaked shook global stock markets in recent weeks and Wall Street's main indices have erased all the gains posted this year.

The US recovery will soon become the longest in recorded history but the boost provided from last year's tax cuts is dwindling. Rising interest rates and a shortage of workers are crimping the housing market.

At the same time, the trade conflict threatens to undercut growth, hamper investment and

spur US inflation.

"Growth momentum likely peaked in the second quarter," S&P Global Ratings economists said. But the United States is "more likely to see a slowdown than a contraction in the near term."

And amid the uncertainty, worries that had been bubbling in the background, drowned out by the overwhelming good news, are now rising to the surface: the surge of borrowing by heavily indebted companies, the huge weight of US student loan debt and the impact of rising interest rates on home buying.

Meanwhile, Europe faces political and economic upheaval and Japan remains in a long-term funk.

The central danger to the global outlook is the US trade conflict with China, due to the potential to spillover to the rest of the world.

The dispute threatens to derail, halt or shift hundreds of billions of dollars in global trade but Trump also is threatening tariffs on auto imports.

Steep US tariffs on steel and aluminum already have hit the bottom line of American manufacturers.

The IMF warns a continued escalation of the tariff threats could cut 0.8 percentage points off global growth.

"It's vitally important, because trade is a major engine for growth," IMF Managing Director Christine Lagarde said in a recent television appearance.

While many officials and executives agree with the Trump administration's complaints about China's trade policies -- notably forced technology transfer -- they worry about his aggressive strategy.

And businesses, farmers and ranchers already are feeling the pain.

"Our concern is the cure is worse than the disease," Jake Colvin, a vice president of the National Foreign Trade Council, told AFP. "Tariffs are already having a negative effect on the real economy."

And the shape of any deal Washington and Beijing could agree on is unclear.



IGLOO ICE CREAM

**GM Kamrul Hassan, CEO of Igloo Ice Cream, receives a "Best Ice Cream Brand 2018" award on behalf of the company at "Best Brand Award Bangladesh 2018" organised by Bangladesh Brand Forum in partnership with Nielsen Bangladesh and in association with The Daily Star at Le Méridien Dhaka recently.**



MAHINDRA & MAHINDRA

**Drivers and helpers pose for a photograph during Mahindra & Mahindra Ltd's campaign, Stand er Ostad, in Dhaka recently. Eleven of Mahindra Maxximo HD series pickup customers who gave spot bookings will get to meet its brand ambassador, national cricketer Mashrafe Bin Mortaza.**



REUTERS/FILE

**A man walks past a container area at the Yangshan Deep Water Port in Shanghai.**

## Spain to see biggest wage hike since 1977

AFP, Madrid

Spanish Prime Minister Pedro Sanchez said Wednesday his cabinet would approve next week a 22 percent increase in the monthly minimum wage to 1,050 euros (\$1,192) in 2019.

The increase, "the biggest since 1977", will be submitted to a cabinet meeting in Barcelona on December 21, he told parliament.

"A rich country can't have poor workers," said Sanchez, who is widely expected to call an early general election next year.

The measure was part of his minority Socialist government's draft 2019 budget unveiled in October but which he is struggling to pass in parliament so it will now be approved by decree.

The announcement comes after French President Emmanuel Macron unveiled Monday a 100-euro (\$113) per month increase in the minimum wage from next year in a major concession to "yellow vest" protests which have roiled the country.

After years of austerity policies imposed to cope with the fallout from the 2008 financial crisis, governments are under increasing pressure to ease the purse strings, especially for the lower paid.

Sanchez's Socialists control just 84 seats in the 350-seat parliament, the smallest number for a government since the country returned to democracy following dictator Francisco Franco's death in 1975.

He negotiated the draft 2019 budget with far-left party Podemos, which controls 67 seats, but would still need the support of Catalan separatist parties to pass the spending plan and they have steadfastly refused.

The government estimated the minimum wage hike will cost the state 340 million euros per year.

Employers groups and the conservative opposition parties, the Popular Party (PP) and Ciudadanos, oppose the wage hike, saying it will hurt job creation.

PP leader Pablo Casado has said the 2019 budget, which also includes tax hikes, is "economically suicidal".

## Don't contact our board members, Renault tells Nissan

REUTERS, Tokyo/Paris

Renault told alliance partner Nissan to stop contacting the French company's directors ahead of a Thursday board meeting as the Japanese automaker tried to share evidence of wrongdoing by its ousted chairman Carlos Ghosn, two sources said.

Ever since Ghosn's Nov. 19 arrest in Japan, Renault and the French government, the automaker's biggest shareholder, have demanded to see the findings of a Nissan internal investigation that include allegations of financial misconduct by the 64-year-old executive.

Ghosn was charged on Monday in Japan for failing to declare deferred income he had agreed to receive for the five years ending March 2015. While Nissan fired him as chairman days after his arrest, he remains chairman and CEO of its French partner.

Renault's board meets on Dec. 13, and the findings of Nissan's investigation will be shared at the meeting where Ghosn's future could be also debated, one of the sources with knowledge of the matter said. The French firm told Nissan not to contact its directors ahead of the meeting, because such contact was outside the

agreed channels for communication of the sensitive findings, the source said.

Nissan offered last week to brief Renault's board about findings on what it considers proof of wrongdoing by Ghosn, said a second source who has knowledge of the matter but declined to be identified as it was confidential.

But Renault advised Nissan to brief its lawyers instead, which led to a meeting between the Japanese firm's officials and Renault's legal teams early this week in Paris, the person said.

The Japanese automaker later invited Thierry Bollere, who was named Renault's deputy CEO with the same powers as Ghosn a day after his arrest, as well as board members, to examine the contents of the findings, said the source. Bollere, though, told Nissan on Tuesday to "refrain from contacting the board", the source said.

The exchange between Renault and Nissan is another example of the testy relationship between the two automakers, despite assurances by executives on both sides to preserve the alliance. The alliance, of which Ghosn has been the driving force, is widely seen as vital for the members' long-term survival.

Board members invited to see the evidence included Martin Vial, who heads the French

state shareholdings agency, interim Chairman Philippe Lagayette and independent director Patrick Thomas, the second source said.

The French government said on Tuesday it remained unaware of detailed allegations against Ghosn.

Under French government pressure, Ghosn had been exploring a deeper tie-up or even a full merger between Renault and Nissan, despite strong reservations at the Japanese car maker.

Nissan is 43.4 percent owned by Renault. While almost 60 percent bigger by sales, it remains the junior partner in their shareholding hierarchy with a smaller reciprocal 15 percent non-voting stake in the French firm. Renault's biggest shareholder is the French state with 15 percent.

Ghosn was indicted on Monday along with Nissan and alleged co-conspirator Greg Kelly for failing to declare \$43 million in deferred income he had agreed to receive, in addition to the \$44 million he was paid for the five years ending in March 2015.

French daily Les Echos first reported that Nissan communicated a 400-page dossier on Ghosn's alleged misconduct to Renault via lawyers. The French finance ministry declined to comment.



ACI LIMITED

**M Anis Ud Dowla, chairman of Advanced Chemical Industries Ltd, presides over the company's 45th annual general meeting at Officers' Club Dhaka yesterday. The company approved 115 percent cash and 3.5 percent stock dividends for the year ending on June 30, 2018. Arif Dowla, managing director, was present.**

**RN Paul, managing director of RFL Group, launches a two-month campaign, Honey-Bunny offer, of Vision Emporium at the group's head office in the capital's Badda on Tuesday. Vision Emporium, the group's retail chain for electronic products, will offer customers gifts and vouchers of Tk 10,000, Dhaka-Saint Martin's Island trips and Tk 1,000 in cash backs during the campaign.**

RFL GROUP

