

Euro zone loan growth picks up

AFP, Frankfurt

Lending to the private sector in the eurozone picked up pace in December, official data showed Monday, suggesting little effect from the withdrawal of a key pillar of central bank stimulus last month.

Borrowing among eurozone firms and households grew 3.4 percent year-on-year in December, European Central Bank figures showed after adjusting for some purely financial transactions. The pace of growth added 0.1 percentage point compared with November.

Looking in more detail at the data, loans to both households and non-financial firms grew as quickly in December as the previous month, at 3.3 and 4.0 percent.

But growth in credit to insurance companies and pension funds jumped more than 10 percentage points, to 18.4 percent. The figures suggested little impact on the real economy last month as the European Central Bank finally wound down mass purchases of government and corporate bonds, known as "quantitative easing".

Over more than three years the Frankfurt institution bought more than 2.6 trillion euros (\$3.0 trillion) of government and corporate bonds, aiming to pump cash through the financial system to stoke growth and inflation.

But while the scheme has succeeded in warding off deflation -- a harmful spiral of falling prices and activity -- price growth has fallen back from the ECB's target of just below 2.0 percent.

Looking ahead, indicators and forecasts point to economic expansion in the 19-nation eurozone falling back further from the boom year of 2017.

The IMF last week predicted growth of 1.6 percent this year, compared with 1.8 percent in 2018 and 2.3 percent the previous year.

Get a grip on Brexit

Businesses tell UK's quarrelling politicians

REUTERS, London

British businesses implored politicians on Monday to stop quarrelling over Brexit and agree an orderly exit from the European Union, as some big firms set up emergency situations rooms to cope with the possible tumult of a no-deal divorce.

With less than nine weeks until the United Kingdom is due by law to leave the European Union on March 29, there is no agreement yet in London on how and even whether to leave the world's biggest trading bloc.

Parliament rejected Prime Minister Theresa May's Withdrawal Agreement, which includes a nearly two-year transition period to help minimise economic disruption, earlier this month.

That has left the UK on course to leave without a deal, a step that could snarl up ports, fracture supply chains and send shockwaves through financial markets.

On the eve of Tuesday's votes in the British parliament on a way forward, the United Kingdom's shipping industry called for lawmakers to stop arguing and agree a deal that Prime Minister Theresa May could seal with the EU.

"We need put aside party politics and in the moment of need that we find ourselves in, we need to look at the bigger picture and look at what is best for the country," Bob Sanguinetti, chief executive of the UK Chamber of Shipping, told Reuters.

The chamber, which represents 200 companies including Maersk and P&O that facilitate 95 percent of the country's trade in

goods, said May should either ditch the Irish backstop -- the most contentious part of the deal she agreed in November -- or put a time limit on it. "In the absence of a viable alternative to the Withdrawal Agreement, we continue to be heading for a no-deal scenario which is damaging, disruptive and chaotic to business, to manufacturers and consumers," Sanguinetti said.

The comments from Sanguinetti, a former commodore in the British navy, indicate just how worried British business is about the possibility that the world's fifth-largest economy could drop out of the EU without a deal.

May is trying to use a series of votes in parliament on Tuesday to find a consensus that lawmakers in her own party could support, just two weeks since her deal suffered the biggest parliamentary defeat in modern British history.

But as the politicians battle over Brexit, some of the world's biggest companies are having to guess what lies in store for the UK, one of the biggest destinations for foreign investment over the past two decades.

As the crisis over EU membership approaches its finale, the possible outcomes include a no-deal Brexit, a last-minute deal, a delay, a snap election, or even a referendum that could undo the 2016 Brexit vote.

"Many of the businesses we're speaking to are praying for an extension to Article 50," said James Stewart, head of Brexit at KPMG, referring to the two-year negotiation period with the EU.



Muhammed Aziz Khan, chairman of Summit Group, receives a "Global Asian of the Year 2018" award in power and energy category, presented by magazine AsiaOne at a function in Singapore recently for his contribution to the sector and industry.



Farmers Bank Chairman Chowdhury Nafeez Sarafat attends the bank's conference for loan recovery at its Mirpur training institute in Dhaka on Saturday. Vice Chairman Hasan Taher Imam and CEO Md Ehsan Khasru were present.



Mohammad Moinul Islam, a director of Rancon Trucks and Buses, sole distributor of FUSO in Bangladesh, and Sk Nur-Ul-Alam, CEO, hand over a dummy key to Panupong Pongtanyaviriya, co-project manager of SMCC-ITD-JV, one of the contractors of Dhaka metro rail project, at a programme in Dhaka recently. Rancon delivered a fleet of transit concrete mixers for the project.

Subrata Ranjan Das, executive director of ACI Motors, sole distributor of Yamaha motorcycles in Bangladesh, and model Jannatul Ferdous Peya, Yamaha's brand ambassador, open a dealer showroom at Chowdhury Para in Khilgaon of Dhaka on Sunday.

ACI MOTORS



Int'l luxury cruise ship sailing thru' Sundarbans

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The next one is scheduled to begin from February 19 from Chennai, according to the cruise plan posted by the Monaco-based operator Silversea on its website.

The fare starts at \$9,500 per guest.

If anyone wants to join the cruise, he/she should make reservations on Silversea's website. It is not possible to get on the cruise mid-way.

Foreign tourists will go inside the Sundarbans through canals with the help of forestry officials, Rahman said.

On January 27, the Silver Discoverer anchored at the Mongla port to visit the Sundarbans with cruisers, also comprising citizens from India, Canada and the Netherlands, reports our Bagerhat correspondent, quoting Harbour Master of the Mongla Port Authority Commander Mohammad Durul Huda.

The ship has anchored on the port jetty for immigration, he said, adding that security had been heightened in the area for tourists. Huda said the tourists are set to visit various attractive spots of the forest, including Hiron Point, Kotka and Dubla in the Sundarbans.

This is the third time Silver Discoverer, which would start for Bali from March 5, has visited Bangladesh.

It came to Bangladesh twice in the first quarter of 2017. Some 162 tourists visited at that time, according to Rahman.

In the next two voyages between India-Bangladesh-Myanmar, 150 foreign tour-

ists would do the cruise, he said.

Rahman said the authorities are providing on arrival visa to the visiting tourists for 15 days.

There is a good prospect of cruise tourism here, according to Rahman.

"Visits by tourists from different countries will not only help improve the image of our country but also benefit the local community economically," he said, adding that Sri Lanka and Myanmar benefit economically from such cruises.

He demanded a one-stop service from Bangladesh Tourism Board to provide all sorts services including visa processing and customs clearance to facilitate tourism.

Director General of the Department of Shipping (DoS) Commodore Syed Ariful Islam said his office gave clearance to Silversea in November last year and requested the respective agencies to take the required measures. "We want tourism to grow in Bangladesh," said Captain KM Jashimuddin Sarker, chief nautical surveyor of the DoS.

Cruise ships travel to Bangladesh during winter as the weather remains calm during the period.

Silversea's cruise ship is visiting Bangladesh as per the international treaties and not under the coastal shipping agreement between Bangladesh and India, Sarker said. DoS DG Islam said one cruise vessel wants to come to Bangladesh under the coastal shipping agreement in March this year.

EPZ labour law gets final nod from cabinet

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Now, workers will be able to call strike or lockout with the consent of two-thirds of the workers instead of previous three-fourths. Workers will be able to write the constitutions of the WWAs in line with the main labour law.

The election of the executive committees of WWAs will be held within six months of the end of the tenure of a committee, down from one year previously.

If a worker goes into retirement at the age of 60 or he or she resigns, they will receive basic salary equivalent to 45 days for each year of service up from the existing 30 days.

If a worker completes 25 years on the job, he or she will enjoy full compensation benefit.

The amended law allowed formation of WWAs in new industrial units within three months of their operation.

Previously the workers had to go through 12 steps to form WWAs, which the amended law has reduced to only three steps so that they can enjoy the freedom of association and bargaining. The amended law guarantees job security to the elected leaders of WWAs in case of strikes and lockouts.

Factory owners have also given the go-ahead to form associations. As of fiscal 2017-18, eight EPZs employed 502,013 workers, invested \$4.69 billion and exported goods worth \$6.66 billion, according to data from Bepza.

The cabinet also approved in principle the draft of Bangladesh Flag Carrier Ships (Preservation) Act 2019.

In case of transporting any Bangladeshi goods, 50 percent of the export and import goods will have to be carried by Bangladeshi vessels, according to the draft.

The existing law requires 40 percent of the goods to be carried by the local vessels. The cabinet secretary said the act was amended to promote Bangladesh Shipping Corporation. However, if a Bangladeshi ship is not available, foreign ships can be used. But in that case, a waiver has to be taken from the government.

In the existing laws, no specific amount of fine has been prescribed for violation of any law. The draft law has called for fines of up to Tk 5 lakh.

BB to crack down on habitual defaulters

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"And then the banks apply to the courts to get the ownership of the mortgaged properties. In my long experience I have seen that the ownership of the majority of the mortgaged assets remains disputed," said Bhuiyan, also a financial lawsuit expert.

As a result, the lenders fail to enjoy the ownership status, and the cases remain stuck with the court.

So, there should be a provision in the law that will resolve the question of ownership of the mortgaged assets before floating the auction, which will help settle the cases at the earliest, he added.

Syed Mahbubur Rahman, chairman of the Association of Bankers, Bangladesh (ABB), a platform of banks' MDs, welcomed the central bank's initiative. "This is long overdue."

Lenders have been demanding for long to

reform the acts in order to recover the default loans.

"It takes a long time to resolve the cases at the money loan courts because of the lengthy process of the Artha Rin Adalat Ain," said Rahman, also the MD of Dhaka Bank.

The authority concerned should set up a dedicated bench with the High Court to settle the cases pertaining to default loans, he said.

In a joint meeting held on January 12, the Bangladesh Association of Banks, a platform of sponsors of private banks, asked the ABB chairman to prepare a working paper on how to recover default loans.

The two organisations have taken the decision as part of the instructions given by Finance Minister AHM Mustafa Kamal on January 8 to stem further rise in default loans.

GP logs record profit

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GP acquired 74 lakh new subscribers in the year, registering 11.3 percent growth and ended the year with 7.27 crore active users. It also added 59 lakh internet subscribers. Some 51 percent subscribers of the operator now use mobile data.

Grameenphone delivered a strong business performance driven by excellent execution in the market with the launching of 4G in February and witnessed a healthy growth in voice and data revenue," said Michael Patrick Foley, chief executive officer of GP, at a press conference at his office in Dhaka.

"We will continue to drive our proven strategic priorities with speed and agility while providing value to our customers, employees and shareholders."

GP Chief Financial Officer Karl Erik Broten said, "With the growth potential of the market and our focus on operational efficiency, simplification, and driving value for our customers, we are optimistic in delivering profitable growth going forward."

Last year, GP invested Tk 3,400 crore to modernise network for the 4G rollout, pay licence and tech-neutrality conversion fee, and acquire spectrum. It contributed Tk 8,420 crore to the national exchequer.



Shafiqul Alam, CEO of Jamuna Bank, opens an ATM booth of the bank at Gulshan-2 in Dhaka recently.



Capt (retd) Abdus Sabur Khan, chairman of Opsonin Pharma, attends the company's Annual Sales Conference 2019 at International Convention City Bashundhara in Dhaka yesterday. Abdur Rouf Khan, managing director, was present.



OPSONIN PHARMA