



The top brass of the Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh led by its president, Md Saiful Islam, congratulate Tipu Munshi on being made commerce minister, at the latter's office in Dhaka on Thursday. Syed Nasim Manzur, the association's adviser, was present.

Goldman Sachs says 1MDB scandal could hit pay for top executives

REUTERS

The board of Goldman Sachs Group Inc said on Friday it is withholding a bonus worth at least \$7 million from former chief executive Lloyd Blankfein until investigations into the bank's involvement in the 1MDB scandal are resolved.

The bank also introduced a new forfeiture provision in its annual compensation plans for both its most senior executives, current Chief Executive David Solomon and former head Blankfein, relating to the ongoing 1MDB proceedings.

The move underscores the perils the 1MDB scandal still holds for Goldman, which is being investigated by Malaysian authorities and the US Department of Justice for its role as underwriter and arranger of three bond sales that raised \$6.5 billion (£5 billion) for 1Malaysia Development Berhad.

The US Justice Department has estimated that a total of \$4.5 billion was misappropriated by high-level 1MDB fund officials and their associates between 2009 and 2014, including some of the funds that Goldman Sachs helped raise.

Goldman Sachs has consistently

denied wrongdoing.

The company said in a regulatory filing on Friday that its board can reduce pay packages of top executives if it is later determined that the results of the ongoing investigations related to the 1MDB proceedings would have impacted their year end compensation decisions.

The Wall Street bank also said it paid Solomon \$23 million in total compensation in 2018, a 9.5 percent jump from his 2017 compensation.

Blankfein received \$20.5 million in annual compensation in 2018, down \$3.5 million from 2017.

Budget a trailer: Modi

OUR CORRESPONDENT, New Delhi

Indian Prime Minister Narendra Modi has termed the final budget of his government's present term a "trailer" of what would guide India to prosperity after the April-May parliamentary elections.

The budget, reflecting attempts to woo voters of farming communities, the unorganised sector and salaried class, has been described by the opposition parties as a "rhetoric" which cannot be implemented.

Soon after the budget's presentation in parliament on Friday, Modi said it "is a major step towards making India a powerful nation with the schemes touching the lives of the people".

"This budget takes care of the interest of several sectors, from farmer welfare to middle class, from income tax relief to infrastructure, from manufacturing to medium, small and micro enterprises from housing to healthcare and from the increased pace of development to the New India," he said.

Over 12 crore farmers and their families, 3 crore middleclass taxpayers and 30-40 crore laborers will be directly benefitted, Modi said.

The "government has shown its commitment to provide support and give wings to the hopes and aspirations of this rising middle class" by proposing income tax rebate and other tax reliefs, he said.

A proposal for providing small and



Indian President Ram Nath Kovind (R) and Indian Prime Minister Narendra Modi (L) arrive at parliament for the opening of the budget session in New Delhi on January 31.

marginal farmers Rs 6,000 per month will help those owning 5 acres of land or less, said Modi, adding that it was a "historic step" in the post-independence period towards the welfare of farmers.

He said different plans of past governments had just 2-3 crore well-to-do farmers in their ambit while a large number of growers were left out.

The Indian prime minister said the

budget incorporated schemes keeping in mind the requirements and targets till the next decade's end, energising the 130 crore people of the country towards meeting the targets of New India.

"It is all pervasive, touching the lives of all and all inclusive. It is dedicated to the development of all," Modi added.

On the other hand, opposition parties dismissed the budget, saying it was a series of

"jumla" (rhetoric) of the Modi government to "mislead" the people ahead of the polls.

West Bengal Chief Minister Mamata Banerjee said the budget plans cannot be taken up after the Election Commission announces the Lok Sabha election dates and therefore announcements made in it "have no value".

Sitaram Yechury, general secretary of the Communist Party of India (Marxist), alleged in a series of tweets that a farming family of five being given Rs 3 per day as largesse makes it evident how "disconnected" the government was from the "rural crisis of its making".

Dubbing it a "disappointment", Bahujan Samaj Party chief Mayawati in a statement said the budget was a "jumlaabazi" which "is far from finding solutions to existing problems".

Mayawati's alliance partner and Samajwadi Party President Akhilesh Yadav said, "There is no relief for majority landless farmers and labourers in the budget. The Modi government is concerned only about collecting votes and not about the people."

Rashtriya Janata Dal Spokesperson Manoj Jha said, "People expected a surgery but the government could not imagine beyond Band-Aid."

Calling it an "election budget", D Raja, senior leader of the Communist Party of India, said, "It is an exercise to cover up failures... The macro-level claims do not match with the micro-level realities."

Japan's labour shortage hits 45-year high

AFP, Tokyo

There were 161 jobs for every 100 jobseekers on average last year in Japan, the highest ratio since 1973, highlighting the labour shortage in the world's third-largest economy and its ageing society.

According to labour ministry data released on Friday, the ratio was even higher in December, at 163 jobs available for every 100 people looking for work.

The Japanese labour market has been tight for many years as the workforce shrinks with a rapidly ageing population and a low childbirth rate.

The country's unemployment rate also remained at low levels in December, hitting 2.4 percent, a 0.1-percentage point drop from the previous month, according to separate data from the internal affairs ministry.

Honda lifts profit forecasts

AFP, Tokyo

Japan's Honda Motor said Friday it was revising up forecasts for its full-year net profit despite logging a fall of 34.5 percent for the nine months to December.

The country's third-largest automaker revised up its full year net profit to 695 billion yen (\$6.3 billion) from the previous forecast of 675 billion yen, while also lifting annual sales to 15.85 trillion yen from 15.80 trillion.

For April-December, net profit fell to 623.3 billion yen "due mainly to the impacts of the enactment of the US tax cuts and Jobs Act in the same period last year", Honda said.

Operating profit fell 3.2 percent mainly because of decreased sales revenue, as well as increased sales and administrative costs and "negative foreign currency effects", it added.

US job growth surges in January despite government shutdown

AFP, Washington

US job creation had another blockbuster month in January, blowing past the government shutdown, but that disruption helped to push the unemployment rate higher, the Labor Department reported Friday.

Employers added 304,000 net new positions last month - the highest in nearly a year and almost double what economists had predicted - while growth in worker pay held steady above inflation, according to the report.

The new numbers were welcome news for President Donald Trump, whose already-low public approval rating suffered in the wake of the longest government shutdown in US history.

"Those numbers were very impressive," he said at the White House. "Other countries in other areas are not doing well and we are doing fantastically well."

The construction, health care, hospitality and retail sectors added tens of thousands of workers, another sign that the robust labor market remains a fundamental source of strength with the US economy expected to slow in 2019.

However, the five-week government shutdown - the result of an impasse between the president and Congress over his plans for a wall on the US-Mexico border - was at least partly responsible for an uptick in the jobless rate to 4.0 percent, the highest in seven months.

And hiring in December was revised sharply downward to a still-strong 222,000, but far lower than the 312,000 positions initially reported.

While the partial shutdown of the federal government between December and January idled 800,000 government workers, the Labor Department still counted furloughed employees - who would receive back pay - as employed, leaving the monthly job creation numbers unaffected.

But the shutdown helped to drive the rise in the unemployment rate, since the separate survey of households used to determine joblessness counted furloughed workers as well as contractors as unemployed.

Meanwhile, the increase in unemployment also

was the result of more workers coming off the sidelines to join the job hunt.

That increased the size of the workforce pushed the closely-watched labor force participation rate up to 63.2 percent, its highest level in more than five years.

The shutdown also sent about a half million people into part-time work, swelling this group to 5.1 million, its highest level in 16 months.

Hourly pay grew a token 0.1 percent over December but was up 3.2 percent over January of last year, well above consumer inflation rate of 1.9 percent in the same period, leaving American workers with greater purchasing power.

Employment in leisure and hospitality grew by 74,000 jobs for the month, with restaurants and bars adding 32,000, while construction added 52,000 workers and hospitals and ambulatory care centers together added about 41,000 net new positions.

Economists said the robust job growth was likely more than strong enough to keep the unemployment rate heading downward.

This could put pressure on the Federal Reserve to resume raising interest rates later this year, even though markets now expect no more Fed hikes this year.

Wall Street breathed a sigh of relief this month as policymakers sent strong signals they intended to pause, meaning investors could be in for an unwelcome surprise.

"We expect the labor market to gradually cool in 2019 but the combination of solid payroll gains, rising wages and falling unemployment rate will continue," Oxford Economics said in a client note.

"Barring further tightening in financial conditions that would negatively impact economic activity, the very strong labor market picture supports our expectations that the Fed will keep a tightening bias this year."

Wall Street rose following the report, with stocks boosted by the jobs numbers and a rosy report on activity in the US manufacturing sector.

The Dow Jones Industrial Average wrapped up a strong week on a high note, gaining 0.3 percent at the close.

Md Abul Bashar, a general manager of Bangladesh Bank, and Abdul Aziz, additional managing director of First Security Islami Bank (FSIBL), attend a school banking conference organised by the FSIBL as the lead bank in Cumilla.

FSIBL



New e-commerce rules jolt Amazon.com in India

REUTERS, New Delhi/Mumbai

India's revised e-commerce rules caused widespread disruption on Amazon's India website when they kicked in on Friday, forcing the company to take down its key grocery service and remove a wide range of products such as sunglasses and floor cleaners.

The products began to disappear from Amazon India late on Thursday as it began complying with the regulations before a midnight deadline, two sources with direct knowledge of the matter told Reuters.

In December, India modified foreign direct investment rules for its burgeoning e-commerce sector, which has drawn major bets from not only Amazon.com but also the likes of Walmart Inc, which last year bought a majority stake in home-grown e-commerce player Flipkart.

India's new e-commerce investment rules bar online retailers from selling products via vendors in which they have an equity interest, and also from making deals with sellers to sell exclusively on their platforms.

Numerous items sold by Amazon vendors such as Cloutail, in which Amazon holds an indirect equity stake, were no longer available on its India site. Amazon Pantry, a grocery service primarily managed by company affiliates, was also discontinued, though grocery products could



An employee of Amazon walks through a turnstile gate inside an Amazon Fulfillment Centre on the outskirts of Bengaluru, India.

REUTERS/FILE

be purchased individually. "Pantry is completely empty, how I am suppose to grocery shop," Twitter user Pamela wrote on the social network. "Whatever government rules are, (I) don't care, you guys fix it, I need to shop."

Amazon, which saw record sales and profit during the holiday season, has forecast first-quarter sales below Wall Street estimates due to the uncertainty in India - one of its key growth markets.

The situation in India is "a bit fluid

right now," but the country remains a good long-term opportunity, Amazon Chief Financial Officer Brian Olsavsky said. The company's main goal was to minimize the impact of the new rules on customers and sellers, he added.

Flipkart CEO Kalyan Krishnamurthy warned last month that it faced "significant customer disruption" if the new rules were implemented from Feb. 1. On Friday, the company said it was disappointed the government acted in "haste", but assured compliance.

"We are committed to doing everything we can to be compliant with the new rules," Flipkart India executive Rajneesh Kumar said in a statement, without explaining how the website was impacted.

The new policy was announced after complaints from small Indian traders who said the e-commerce giants used their control over inventory from affiliated vendors to create an unfair marketplace where they could offer discounts. Such arrangements will now be barred.

Both Amazon and Walmart unsuccessfully lobbied against the latest rules and pushed for a delay in their implementation. The US government too urged India to protect the investments of the two retailers, Reuters reported last week.

But Indian Prime Minister Narendra Modi's administration stood firm as the move was widely seen as one to appease small traders in the run-up to a general election due by May.

Industry sources have said the new rules will dent foreign investor sentiment and force the big online retailers to change their business structures, raising compliance costs.

"The company has no choice as they are fulfilling a compliance requirement, the customers will suffer," said one of the sources. "It is very upsetting for foreign investors."



REUTERS/FILE

People wait in line to attend TechFair LA, an expo of technology job, in the USA.