

Fed's Powell: Bank consolidation weighing on rural communities

Decades of bank industry consolidation have weighed on the economies of rural areas as branches and local community banks disappeared and access to financial services declined, Federal Reserve Chairman Jerome Powell said on Tuesday, citing meetings of Fed staff held last year in communities where banks had closed.

The trend is likely stunting business and consumer lending, particularly for already poor and isolated communities, Powell said at a conference at Mississippi Valley State University addressing ways to improve financial services and reduce poverty levels in rural areas.

"The loss of the branch often meant more than the loss of access to financial services; it also meant the loss of financial advice, local civic leadership, and an institution that brought needed customers to nearby businesses," Powell said. The largest impacts, he said, are on "small businesses, older people, and people with limited access to transportation."

That comes at a time, he said, when the economy as a whole is doing well, but the benefits are not well spread.

"Data at the national level show a strong economy. Unemployment is near a half-century low, and economic output is growing at a solid pace," Powell said. "But we know that prosperity has not been felt as much in some areas, including many

rural places," like the counties of the Mississippi Delta.

Powell spoke at a conference where such issues are at center stage, with members of local community development groups focusing, for example, on how "financial deserts," particularly in rural places, have driven families to rely on high-interest payday loans and other more expensive forms of borrowing.

Powell said the Fed had some tools to try to address the problem, but that they are limited - enforcing, for example, the provisions of the Community Reinvestment Act that assess commercial banks' loans to small businesses and minority applicants. Nonbank lending, of the sort that conference attendees flagged as a persistent problem, is not under the Fed's oversight.

Powell said he hoped a debate over change to the CRA would lead to a law that would "more effectively encourage banks to seek opportunities in underserved areas."

He said he felt the Fed's move to lighten regulations on community banks could help by keeping more of them in business.

Powell's prepared remarks did not delve into monetary policy.

In an earlier question and answer session with students he said he does not think there is a large risk of recession right now.

"We don't feel that the probability of recession is at all elevated," Powell said.

EU adds Saudi Arabia, Panama to dirty-money blacklist

The European Commission added Saudi Arabia, Panama and other jurisdictions to a blacklist of nations that pose a threat to the bloc because of lax controls against terrorism financing and money laundering, the EU executive said on Wednesday.

In total 23 jurisdictions are listed. They are Afghanistan, American Samoa, the Bahamas, Botswana, North Korea, Ethiopia, Ghana, Guam, Iran, Iraq, Libya, Nigeria, Pakistan, Panama, Puerto Rico, Samoa, Saudi Arabia, Sri Lanka, Syria, Trinidad and Tobago, Tunisia, US Virgin Islands and Yemen.

Apart from reputational damage, inclusion on the list complicates financial relations with the EU. The bloc's banks will have to carry out additional checks on payments involving entities from listed jurisdictions.



Prof Syed Ferhat Anwar, director of the Institute of Business Administration (IBA) of the University of Dhaka, and AF Nesaruddin, president of the Institute of Chartered Accountants of Bangladesh (ICAB), exchange documents after signing a memorandum of understanding at a programme yesterday exempting the IBA graduates from some of the ICAB curriculum subjects.

Amazon, GM in talks to invest in electric pickup truck maker Rivian

Amazon.com Inc and General Motors Co are in talks to invest in Rivian Automotive LLC in a deal that would value the US electric pickup truck manufacturer at between \$1 billion and \$2 billion, people familiar with the matter told Reuters on Tuesday.

The deal would give Amazon and GM minority stakes in Rivian, the sources said. It would be a major boost for the Plymouth, Michigan-based startup, which aspires to be the first carmaker to the US consumer market with an electric pickup.

If the negotiations conclude successfully, a deal could be announced as early as this month, the sources said, asking not to be identified because the matter is confidential. There is always a chance that deal talks fall through, the sources cautioned.

"We admire Rivian's contribution to a future of zero emissions and an all-electric future," GM said in an emailed statement, declining to specifically comment on any talks with Rivian.

Amazon and Rivian declined comment. The Rivian deal would come as its much larger electric car manufacturing rival, Tesla Inc, struggles to stabilize production and deliver consistent profits as it rolls out its flagship Model 3 sedan.

Tesla CEO Elon Musk told investors last August that an electric pickup is "probably my personal favorite for the next product" from the company, though he has spoken only in general about a potential launch, saying that it would happen "right after" Tesla's Model Y, which the company has

targeted to start production in 2020.

Rivian intends to begin selling its R1T, the pickup it debuted in November, in the fall of 2020. The company was founded in 2009 by CEO R.J. Scaringe.

Scaringe has described the Rivian vehicle's platform as a "skateboard" that packages the drive units, battery pack, suspension system, brakes and cooling system all below wheel height to allow for more storage space and greater stability due to a lower center of gravity.

He has also said the company plans to partner with outside firms to develop advanced self-driving technology, rather than try to do so on its own.

Big automakers, including GM, have not jumped into the market for electric pickups thus far. GM CEO Mary Barra has said it has given a "tiny bit" of thought to developing all-electric pickups.

The No. 1 US automaker is counting on profit from sales of conventional large pickup trucks and sport utility vehicles in North America to fund its electrification push. GM said last November it was doubling resources allocated to developing electric and self-driving vehicles, as part of a significant restructuring that included ending production at five North American plants.

GM last month announced a strategy to make its luxury Cadillac its lead electric vehicle brand, revealing it would be the first vehicle built on the Detroit automaker's "BEV3" platform to challenge Tesla. GM has said one of the first fully electric Cadillac models using the new platform would hit the market around 2022.

IFIC Bank gets new vice chairman



Ahmed Shayan Fazlur Rahman has recently been elected vice chairman of IFIC Bank. Rahman is the executive director of Beximco Group, the bank said in a statement yesterday.

He is the chairman of the advisory committee for Bangladesh, Prince of Wales Trust, British Asian Sector.

Rahman is also honorary consul general of Kazakhstan in Bangladesh and a member of the executive committee at Saarc Youth Chamber. He has completed his BBA with distinction from American University, Washington.

Rahman is the son of Salman F Rahman, who is the prime minister's private industry and investment adviser and also the vice chairman of the group.



Manwar Hossain, group managing director of Anwar Group, and Mehmood Hossain, managing director of the group's textile division, attend the launch of a new seven-seater Peugeot 5008 SUV by the group's sister concern, AG Motor, in Dhaka recently. AG Motor is the exclusive importer and dealer of Peugeot in Bangladesh.

New DMD for Exim Bank



Sheikh Bashirul Islam has recently been promoted to deputy managing director of Exim Bank.

Prior to the promotion, he was the senior executive vice president, the bank said in statement yesterday.

He joined the bank as senior assistant vice president in 2001.

Islam also served the bank as branch manager, head of international division and regional head of Rajshahi region.

New Zealand holds rates, sees no movement until 2021

New Zealand's central bank said Wednesday its interest rate freeze was likely to continue for another two years amid persistent low inflation and a healthy growth outlook.

The official cash rate (OCR) has been unchanged at 1.75 percent since November 2016 as the Reserve Bank of New Zealand takes a hands-off approach to maintaining economic growth.

"We expect to keep the OCR at this level through 2019 and 2020. The direction of our next OCR move could be up or down," Governor Adrian Orr said Wednesday.

While the economy is expected to grow at about 3.0 percent this year, Orr said inflation remained at the lower end of the bank's 1.0-3.0 target band.

BSEC slaps Tk 2.30cr fine

The broad index, DSEX, increased by 16.4 points, or 0.29 percent, to 5,748.31 points. Turnover, one of the important indicators, dropped 20.9 percent to Tk 712.64 crore.

Among the major sectors, non-bank financial institutions gained 1.1 percent, telecommunication 1 percent and engineering 0.6 percent; pharmaceuticals though dropped 0.2 percent.

Fortune Shoes dominated the turnover chart with its transaction of 1 crore shares worth Tk 38.49 crore, followed by Monno Ceramics, United Power, Paramount Textile and Bangladesh Submarine Cable.

Gainers took a strong lead over the losers as 169 advanced, 136 declined and 42 issues remained unchanged on the DSE floor. Global Insurance was the day's best performer, advancing 10 percent, while Jute Spinners was the worst loser, shedding 9.96 percent.

Consumer rights slowly beefing up

The agency regularly runs drives in markets and takes measures. Two of its teams visit the markets in Dhaka city six days a week. The agency is penalising pharmacies almost every day for selling expired medicines, among other offences.

"We are working independently. We have fined Pran, ACI and Meghna Group of Industries for their faults."

Many businesses have admitted their ignorance about the rules during public hearings and many have rectified themselves after facing the penalty.

Yet, anti-consumer activities continue unabated. Some businesses even do not want to correct their behaviour.

"We have found businesses that have violated rules even after facing fines. In such cases, we have doubled the amount of the fine we impose initially."

The DNCRP will write to licensing authorities to scrap the registration of repeat offenders, Laskar said.

"Dishonesty and high profiteering tendency among businesses is one of the main barriers to ensuring consumers rights.

The shortage of workforce and hesitation among people whether they would get remedy if they complain are also key challenges.

"We request consumers to file complaints without any hesitation. We will give them remedy."

The number of complaints, however, is

mostly concentrated in the capital. It is less at the district level and at upazila and union levels it is negligible.

This has prompted the DNCRP to take an initiative to expand its activities up to the upazila level.

"The law will not be fully implemented if our activities are not expanded," he said, adding that the number of the committees will increase if the number of complaints rises.

The agency has also taken an initiative to revise the existing law to bring more services under its jurisdiction.

"Once the law is amended, all sellers except for vegetable and fish retailers will have to issue receipts for their sales."

The DNCRP plans to increase the number of market drives and public hearing from next fiscal year.

It is also keeping an eye on questionable claims in advertisements.

"We have seen an advertisement of Mr Noodles where it claimed that this is the only halal (permissible in Shariah law) noodles in Bangladesh. We asked the company whether all other noodles brands are haram (not permissible in Shariah law) or are not prepared following Islamic hygiene standards."

Afterwards, the brand has stopped making the claim.

He also lauded the initiative of the Bangladesh Food Safety Authority to grade restaurants according to their hygiene standards.

Renault to scrap Ghosn's 30m euro golden parachute

The board of Renault was poised to cancel as much as 30 million euros (\$34 million) in deferred pay and severance to its ousted boss Carlos Ghosn, as directors met on Wednesday to approve its full-year accounts, sources told Reuters.

Renault will scrap around 460,000 performance shares attributed to Ghosn since 2014-15 and now worth 26 million euros, under proposals backed by the French government, its biggest shareholder, two people familiar with the matter said.

The board is also likely to drop a two-year non-compete clause worth 4-5 million euros to Ghosn, who was forced out in January following his arrest in Japan for suspected financial misconduct at Nissan, Renault's alliance partner.

A Renault spokesman did not immediately return calls and messages seeking comment.

Ghosn, 64, was arrested in Japan and ousted as Nissan chairman last November and has since been indicted along with Nissan and a fellow director for failing to disclose more than \$80 million in additional 2010-18 compensation that he had arranged to be paid later. Ghosn denies the deferred pay was illegal or required disclosure.

CDBL moves to restrict sponsors' share sale

The Central Depository Bangladesh Ltd (CDBL) is hoping the system would be ready within four months, said its Managing Director Shuvra Kanti Choudhury.

"This is a good initiative," said Rakibur Rahman, director of the Dhaka Stock Exchange (DSE), adding that the move will boost investor confidence. It is tough to trace when sponsors are offloading their shares as there is no system to bar their selling, said a top official of the Bangladesh Securities and Exchange Commission (BSEC) requesting anonymity.

"Only when they inform us willingly that we can know."

With the view to bringing discipline to the stock markets, the BSEC has instructed the CDBL to initiate a system so that the regulations can be enforced.

The sponsors though would be able to sell other companies' shares that are available on their beneficiary accounts.

"Only their own companies' shares would be blocked," said Choudhury, also a former executive director of the BSEC.

The new system has already been approved by the BSEC and the Bangladesh Association of Publicly Listed.

"So, we have no problem with the new module."

LNG boosts Ctg factories

The cost per cubic feet is Tk 9.10 for households and Tk 17.04 for commercial units. The gas crisis has been mitigated by the LNG to some extent as some plants are yet to get the supplies, said Mahabubul Alam, president of the Chittagong Chamber of Commerce and Industry.

Chattogram needs 450 MMCF per day to run productions and the crisis would end within three months given the plan taken by the government, he added.

A second FSRU, operated by Summit Corp with Japan's Mitsubishi Corp as a partner, is expected to start operations by the end of March. Ruptarita Prakritik Gas, which supervises LNG distribution, already hopes to take supplies to 500 MMCF by February's end with the existing FSRU.

The supplies are expected to reach 1,000 MMCF once the second FSRU starts functioning, according to Rafiqul Islam, general manager of Ruptarita Prakritik Gas.

Some five land-based LNG terminals are also under construction and once executed it will be able to fulfil all the demand for gas, including that from Chattogram, he said.



Khondoker Rashed Maqsood, CEO of NRBC Bank; ABM Arshad Hossain, an additional secretary to the Information and Communication Technology Division, and Md Mustafizur Rahman, project director of a2i, attend a deal signing ceremony in Dhaka yesterday for collection of utility bills using the project's platform.