

US-China trade hopes extend equity surge; central banks supportive

REUTERS, London

World stocks hit a four-month high on Wednesday on hopes of progress in trade talks between the United States and China, with a dovish backdrop at major central banks also helping push markets back into the black.

US President Donald Trump said negotiations with China were going well and suggested he was open to extending the deadline to complete them beyond March 1.

Up to now, it was assumed US tariffs on \$200 billion worth of Chinese imports would rise to 25 percent from 10 percent if no trade deal was reached by then.

Asian shares soared on Trump's comment, and European stock indices also strengthened, pushing the MSCI world equity index, which tracks shares in 47 countries, to a four-month high.

Deutsche Bank's chief strategist Jim Reid said the newsflow was encouraging, despite signs that more progress was needed.

"The overall feeling is that it is one step forward, three-quarters of a step back at the moment. So positive momentum but still fragile," he said in a note.

While hopes for a trade deal between the world's two largest economy are seen as the primary driver for world stocks, dovish central bank messages are also playing a part.

New York Fed President John Williams on Tuesday said he was comfortable with



People stand and sit outside the London Stock Exchange in Paternoster Square, London.

the level US interest rates were at and that he saw no need to raise them again unless economic growth or inflation shifted to an unexpectedly higher gear.

Investors are also looking to the release on Wednesday of minutes from the Federal Reserve's January meeting, at which policymakers effectively signaled no further rate hikes and possible tweaks to its balance sheet normalization.

In Europe, expectations have been growing that the European Central Bank will restart a program to provide long-term cheap loans to banks to boost a faltering economy, while the Bank of Japan has flagged its readiness to ease further.

broadest index of Asia-Pacific shares outside Japan rose as much as 1.1 percent to mark its highest levels since Oct. 2. Hong Kong's Hang Seng gained as much

as 1.3 percent to six-month highs, while Korea's Kospi and Taiwan's index recovered to levels last seen in early October. Japan's Nikkei added 0.6 percent to two-month highs.

On currency markets, the dollar steadied against a basket of major currencies, after suffering its biggest one-day loss of the month on Tuesday. It had also recorded big slides against the euro and sterling.

The greenback strengthened 0.2 percent against the yen after Japan recorded its biggest annual drop in exports in January for more than two years, and on recent dovish Bank of Japan signals.

Markets were also focused on newsflow on the Brexit front, with sterling holding most of its gains following a 1 percent surge on Tuesday as British Prime Minister Theresa May headed to Brussels to try push negotiations forward.

The yuan rose as much as 0.6 percent against the dollar, its biggest intra-day gain in more than a month, after Bloomberg reported on Tuesday that the United States was seeking to secure a pledge from China that it will not devalue the currency as part of a trade deal.

Oil prices hovered near 2019 highs, supported by OPEC-led supply cuts and US sanctions on Iran and Venezuela, but further gains were capped by soaring US production and expectations of an economic slowdown.

Atiqur Rahman, IDLC's new executive committee chairman

STAR BUSINESS DESK

Atiqur Rahman has recently been appointed executive committee chairman of IDLC Finance Ltd, a non-bank financial institution.

Rahman joined Transcom Group, one of the largest business conglomerates in the country, as group finance director in 1991, IDLC said in a statement yesterday.

He is also a director of Transcom Beverages, Transcom Foods, Transcom Electronics Bangladesh Lamps, Transcom Distribution Company, Eskayef Pharmaceuticals, Mediastar, Trinco, Transfin Trading Transcom Consumer Products and Ayna Broadcasting Corporation. "We are pleased to appoint Atiqur Rahman as the chairman of the executive committee. His long years of experience will certainly help navigate the company towards the right direction," said IDLC Chairman Aziz Al Mahmood.

Rahman is also the chairman of Heritage Agro Farms and director of Monipur Tea Company, Marina Tea Company and M Rahman Tea Company.



Russian economy grew by 0.7pc in Jan

REUTERS, Moscow

The Russian economy expanded by 0.7 percent in January year-on-year after growing by 2.3 percent the previous month, the Economy Ministry said on Wednesday.

Economic growth was lower affected by a slowdown in manufacturing industry and construction. Sales were also weak due to value-added tax increase from January.

The economy growth in January was below the forecasts - the Reuters poll of economists and analysts estimated GDP to grow by 1.5 percent in January.

Austria, Bangladesh aim to deepen ties

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Kneissl lauded Bangladesh's "impressive development and amazing achievements" in the last one decade and assured to remain a stronger partner in its development journey.

"We are delighted to work together," said the Austrian minister, who was accompanied by a high-powered delegation comprising experts, senior government officials, top businesspeople and a media team.

One of the priorities of her visit was to join the observance of International Mother Language Day. She and her delegation members also called on President Abdul Hamid at Bangabhaban in the evening.

Speaking at a joint press briefing at state guesthouse Meghna, Momen said establishing direct air connectivity would help create more avenues of cooperation with enhanced trade relations.

He said Prime Minister Sheikh Hasina has outlined certain development roadmaps aiming to graduate to a developing country by 2021 and a developed country by 2041. So, Bangladesh needs lots of investment, technology transfer and better trade relations with Austria and other countries.

Momen said the Austrian foreign minister and her team came here to help Bangladesh as a partner and assured to provide cooperation, support and expertise in areas of education, power generation, renewable energy and skill development. On the Rohingya refugee issue, the foreign ministry said it was discussed with due importance and Austria promised to do its part through the European Union.

Speaking at the briefing, Kneissl highly appreciated the tremendous efforts of the Bangladesh government and its people in providing humanitarian support to Rohingya Muslim minorities. She said her country was working with the EU in its efforts to resolve the Rohingya crisis and mentioned that the EU remains serious about the cause.

The Austrian minister said they were in a similar situation and they had also welcomed refugees. "We know the burden it has on the society," she said.

Later, Momen addressed a business luncheon he hosted in honour of Kneissl and her delegation.

Momen urged the Austrian businessmen and investors to invest in Bangladesh taking advantage of the country's demographic dividend and attractive packages that were on offer for foreign direct investment.

The business delegation comprised representatives of 13 leading companies from Austria.

16 persons, 3 firms fined Tk 2.29cr

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The commission also fined Md Ali Monsur Tk 10 lakh, Mukul Kumar Shaha Tk 1 lakh, and his wife Lipika Saha Tk 2 lakh, Padma Glass Limited Tk 5 lakh, Rahmat Metal and Industries Tk 2 lakh, Abdul Kaium Tk 5 lakh, Moriom Nessa Tk 5 lakh and M/S Kaium And Sons Tk 5 lakh for manipulating share prices of the companies.

Mostafa Helal Kabir, deputy managing director of Popular Life Insurance, and his wife Fowjia Jasmin were fined by Tk 10 lakh each. Another insurance official, Shahadat Hossain, was fined Tk 50 lakh for insider trading of the life insurance company.

The regulator fined Md Idmoon Guda and Md Mahmuduzzaman Tk 2 lakh each for their involvement in manipulation of share price of Stylecraft.

For price manipulation of Monno Jute Stafflers, the BSEC fined Saif Ullah Tk 10 lakh, Abdus Selim Tk 5 lakh and Md Ziaul Karim Tk 5 lakh.

Nokia migrates GP users' data to cloud platform

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It will also leverage the evolution towards a consolidated environment combining telecom and IT data centres or infrastructure, Haque added.

Under the agreement, Nokia will move all of Telenor's Asia subsidiaries to a cloud core platform, located in their respective countries of operation. The deal will simplify the way new technologies and services are introduced, allowing GP to attract new subscribers.

Through this process GP will transform itself into a digital service provider and better address the evolving needs of its subscribers, Haque said. Rade Kovacevic, chief technology officer of GP, said they are delighted by the successful migration of user data to the Nokia cloud UDC platform.

"Nokia completed the project within a challenging timeline - even migrating 31 million subscribers over one night - and Grameenphone will continue to leverage the company's expertise and cloud technology in our journey to become a digital service provider to drive further operational efficiencies."



Istiyak Sheyam, CEO of Repto Education Center, and Md Ilmul Haque, chief operating officer of Sheba.xyz, exchange documents after signing a deal at the latter's headquarters in Dhaka last Monday for providing online training to Sheba.xyz service providers through its "REPTO for Business" platform.

App-based delivery men highlight India's growing gig economy

AFP, Mumbai

Suraj Nachre works long hours and regularly misses meals but he treasures his job as a driver for a food delivery startup -- working in a booming industry that highlights India's expanding apps-based gig-economy.

The 26-year-old is one of hundreds of thousands of young Indians who, armed with their smartphones and motorcycles, courier dinners to offices and homes ordered at the swipe of a finger.

A surge in the popularity of food-ordering apps like Uber Eats and Swiggy provides a welcome source of income for many as India's unemployment rate sits at a reported 45-year high.

But they also shine a spotlight on the prevalence of short-term contracts in the economy, raising questions about workers' rights and conditions and the long-term viability of the jobs.

"(These delivery workers) are treated as independent contractors so labour laws governing employees are not applicable and they lack job security," Gautam Ghosh, a human resources consultant, told AFP.

"While jobs created by food delivery apps are crucial, they may not exist in 10 years so for the

majority of youngsters they are a stopgap arrangement," he added.

India's army of food delivery drivers, mostly men but some women too, became a talking point on social media late last year when a rider for the Zomato platform was filmed sampling a customer's order.

The video, apparently shot on a mobile phone, showed the man taking bites from several food parcels before wrapping them again. It sparked anger online and he was promptly sacked.

Many internet users rallied to his defence, however. They insisted

that the two-minute clip showed he was hungry and desperate, and said Zomato had acted harshly in dismissing him.

"It is a challenging job," said Nachre, expressing sympathy for the unnamed delivery man who was working in the southern city of Madurai before being fired.

"We work 12 hours straight in soaring heat and heavy rains. Sometimes I don't even have time to eat," he added.

Nachre drives for the Scootsy platform. He leaves home at 9:00 am and does not return until after 1:00 am. Navigating Mumbai's

abysmal traffic makes work stressful, he says.

"We're always in a rush to deliver and customers keep calling us. We know we have to be on our toes all the time or customers might complain and we may lose our jobs," Nachre told AFP.

India's food delivery apps, backed by major international investment, are offering new avenues of employment for Indian youngsters who lack higher education but possess a driving licence.

Their importance to the likes of Nachre was highlighted recently when a leaked government report said India's unemployment rate was 6.1 percent in 2017-18, the highest since the 1970s.

"This job is lucrative," said Nachre, who has no post-school qualifications and earns a minimum of 18,000 rupees (\$253) a month. In his previous job running errands at an office he made only 8,000 rupees.

The app-based food delivery industry is worth an estimated \$7 billion to Asia's third-largest economy, according to market research firm Statista, and is expanding rapidly.

Swiggy announced at the end of last year that it had received \$1 billion in funding from foreign backers including South Africa's Naspers and China's Tencent.



An Indian delivery man working with the food delivery app FoodPanda delivers food to a hospital worker in New Delhi.

Local cement makers edge out global giants

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"In addition, we are very happy to be a proud partner in the social development across the communities where we operate," he added.

Presently, several local cement manufacturers procure clinker from LafargeHolcim, which produces 7 percent of the total clinker requirement for Bangladesh.

The country's total cement production capacity at present is around 60 million tonnes against the consumption of 32 million tonnes, meaning there is room for exports.

Last fiscal year, cement worth \$12.59 million was shipped overseas, up 16.68 percent year-on-year, according to the Export Promotion Bureau.

Businesses concerned about higher lending rates, default loans

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"Not everyone is a willful defaulter. Many became defaulters while running their business as they could not make profit," Taseer said.

Industrial loans account for 44 percent of the total default loans, raising serious concerns about the quality of loans being disbursed.

"The default loans must be recovered but the government should not bring down the amount through write-offs," the DCCI president said.

The central bank should take initiatives to bring the willful defaulters to book in the interest of corporate governance in the banking sector, Mohiuddin said.

"We have urged the central bank to form a working group to address the issue. In response, the BB governor assured us of including representatives from the business community,

among others, in the group," he told The Daily Star after the meeting at the BB headquarters.

SK Sur Chowdhury, banking reform adviser to the central bank, told The Daily Star that the central bank had agreed in principle to form the committee. He, however, said there was no scope to fix the interest rate in an open economy.

The central bank is still monitoring the interest rate on both lending and deposits set by the lenders so that they cannot breach their declared rate, Chowdhury added.

The FBCCI also demanded easing of the policies for loan classification and provisioning.

SM Moniruzzaman and Ahmed Jamal, deputy governors of the central bank, FBCCI Senior Vice President Sheikh Fazle Fahim and Vice President Md Muntakim Ashraf were present at the meeting.

Grameenphone vents out against SMP restrictions

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Furthermore, the Bangladesh Telecommunication Regulatory Commission did not follow the global best practices when announcing Grameenphone an SMP operator and the penalties thereafter, Sadat said.

The BTRC declared Grameenphone an SMP operator on February 11 for cornering 40 percent of the subscribers and revenue.

Grameenphone pointed out that there is another parameter that must be met as per rules for declaring an operator an SMP: spectrum holdings. "Presently, none of the operators hold more than 40 percent of the allotted spectrum," Sadat said, adding that there is no evidence of abuse of dominant position or anti-competitive behaviour.

Subsequently, the SMP directives imposed on it run counter to the principles of fair competition and are ultimately detri-

mental to creating value for customers.

He singled out the ban on Grameenphone from running marketing campaigns as an anti-competitive move.

"Getting information regarding products and packages is a customer's right. How will customers know what Grameenphone is offering?" The operators should be able to flourish on their own merit, he said.

In future, Grameenphone might have to make certain contribution to social obligation fund and corporate social responsibility as part of its penalties. "Those issues have no connection with expanding market competition," Sadat added.

Meanwhile, BTRC is likely to bring in some changes to the restrictions placed on Grameenphone, especially pertaining media campaigns, said a high official of the telecom regulator.