



## Regional Branches Conference 2019

(Dhaka, Rajshahi, Khulna & Barishal)



Sayed H Chowdhury, chairman of One Bank, attends a two-day regional conference for its Dhaka, Rajshahi, Khulna and Barishal branch managers at Spectra Convention Centre in Dhaka ending yesterday. M Fakhru Alam, managing director, was present.

ONE BANK



Md Mazherul Quader, chairman of X Index Companies, and Mahin Bin Mazher, managing director, and Md Touhidul Alam Khan, deputy managing director of Prime Bank, attend a deal signing ceremony recently for the bank to be the lead arranger to raise a syndicated facility for two power projects of X Index.

PRIME BANK

# US job creation surges

Unemployment hits 49-year low

AFP, Washington

The United States had another giant month of job creation in April, with strong hiring in the vast services sector, and unemployment falling to a level not seen since 1969, the government reported Friday.

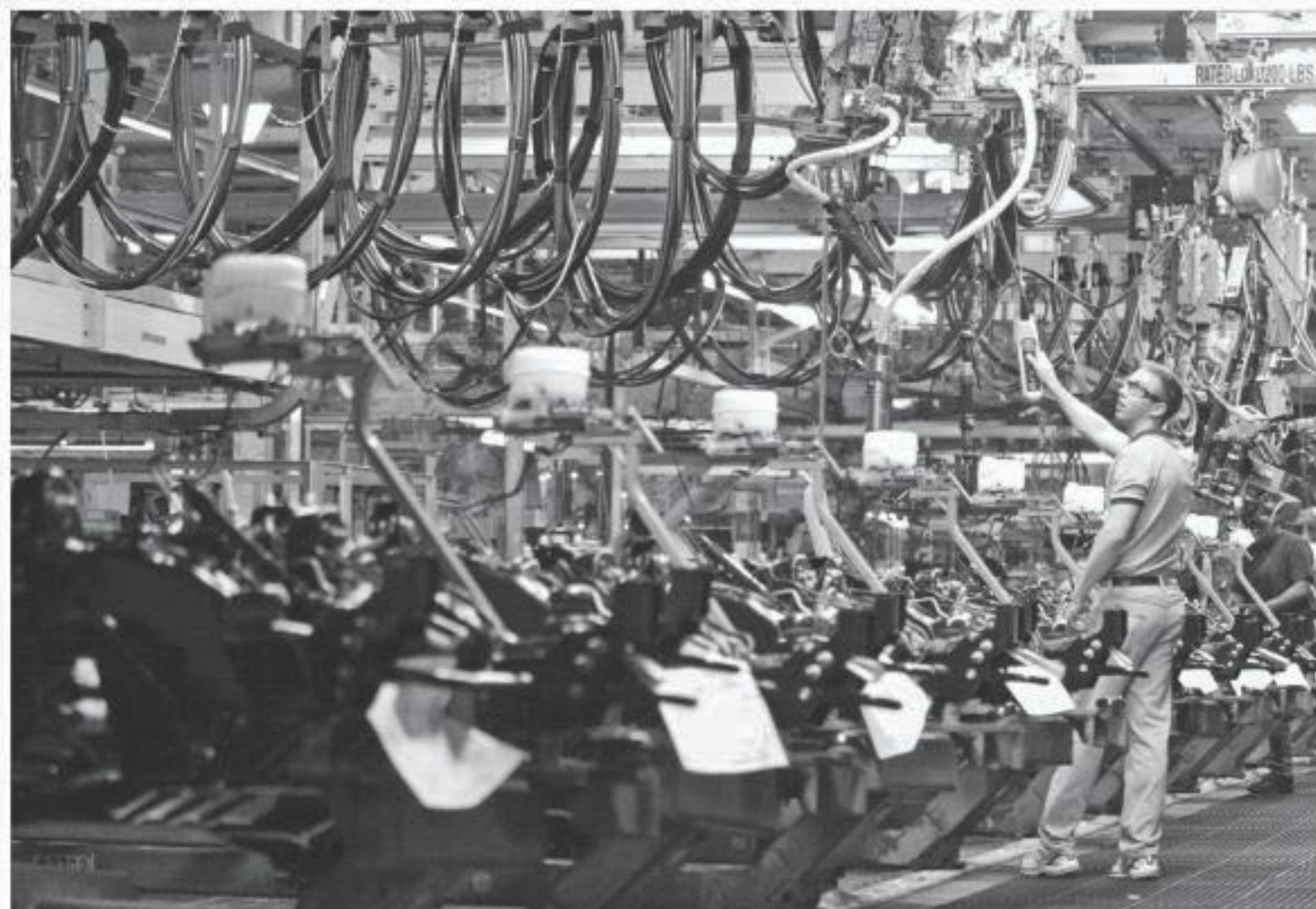
The blockbuster report will help allay fears of a slowing economy and cheer President Donald Trump as he seeks reelection next year.

As the second quarter began, employers scooped up workers in construction, health care, computer systems design, administrative support and other service industries, adding a total of 263,000 net new positions for the month, the data showed.

That was well above the result economists expected, and worker pay continued to climb, according to the closely-watched report from the Labor Department.

The jobless rate fell two tenths to 3.6 percent but the decline was in part because the pool of workers shrank and fewer people were looking for jobs, pulling them out of the labor force.

Average hourly pay also rose by 3.2 percent over April of last year,



AFP/FILE

A man works on an assembly plant of General Motors in Michigan, US.

its ninth consecutive month with annual growth above three percent, again outstripping inflation and boosting purchasing power for American paychecks.

Compared to March, however, the increase in pay was only 0.2 percent, shy of forecasts.

Government hiring also was the strongest in eight months, with 27,000 jobs created. Financial services also continued to add

employees. - Manufacturing lags - But hiring in the manufacturing sector was a weak spot for the third straight month, ending last year's long hiring streak. Durable goods employment was flat and the auto sector continuing to shed jobs.

In the 12 months prior to February, the manufacturing sector had added an average of 22,000 jobs a month, according to the

report. The retail sector also suffered yet more job losses, with 12,000 positions cut.

Hiring in mining, which includes oil and gas, as well as utilities was little changed, the data showed.

Nevertheless, April's brisk hiring pace should further dim hopes among investors that the Federal Reserve will feel pressure to cut interest rates in the near term.

As unemployment falls to half-century lows and workers become scarce, the continued strength of hiring has confounded predictions that companies would soon run out of people to hire, even as firms nationwide for months have complained they are struggling to fill open positions.

And inflation has for several years defied the usual logic that low unemployment would cause wages and prices to rise.

Opinion is now divided among economists as to whether inflation later this year will at last spring to life and pressure the central bank to bump up lending rates -- the opposite of Trump's very loud demand for a drastic interest rate cut.



EXCEL TELECOM

Salahuddin Alamgir, managing director of Excel Telecom (Pvt), a sister concern of Labib Group and a national distributor of Samsung, and Seungwon Youn, managing director of Samsung Bangladesh, attend Excel Telecom's National Partners' Meet-2019 at Raowa Club in Dhaka recently.



KS BODY SPRAY

Sayed Azizul Karim, managing director of Sonargaon Healthcare Pvt, and Vishal Tiwari, country manager of KS Brand in Bangladesh, attend the launch of KS Body Spray at a hotel in Dhaka yesterday. Sonargaon Healthcare is the distributor of KS Body Spray, a product of India's Raymond Consumer Care Pvt.

## India to produce record sugar, stocks to rise further

REUTERS, Mumbai

India's sugar production could rise 1.5 percent in 2018/19 to a record 33 million tonnes, increasing inventories in the world's second-biggest producer and putting pressure on local prices, a producers' body said on Friday.

The record production could force New Delhi to continue incentives for overseas sales of sugar into the next season, weighing on global prices, which are now trading near their lowest in four months.

In the first seven months of the 2018/19 marketing year that started on Oct. 1, mills have churned out 32.1 million tonnes of sugar, 3 percent more than in the same period a year earlier, the Indian Sugar Mills Association (ISMA) said in a statement.

India produced 32.5 million tonnes of sugar for the whole of the 2017/18 marketing year.

"The sugar recovery in northern India has been substantially better than the sugar recovery achieved in the last season," the association said. Years of bumper cane harvests and record sugar production have hammered domestic sugar prices, making it hard for mills to pay monies owed to farmers, who form an influential voting bloc.

India's money-losing sugar mills have run up a record \$4.38 billion in arrears to 50 million cane farmers, who have gone unpaid for their produce for more than a year.

To bring down cane arrears and reduce rising inventories, New Delhi has been providing incentives to mills for overseas sale of sugar and set an export target of 5 million tonnes.

But mills are likely to export only 3 million tonnes of sugar in the current marketing year due to a drop in global prices, according to ISMA estimates. That means India's sugar inventory levels will rise to 14.7 million tonnes at the beginning of the new season on Oct. 1, 2019, up 37.4 percent from a year ago, the trade body said.

The industry has been hoping the 2019/20 season's output could drop due to higher ethanol production and a drought in the western state of Maharashtra, the country's second-biggest sugar-producing region.

## Pakistan's central bank governor fired

REUTERS, Islamabad

Pakistan's government has fired the governor of the central bank and the chairman of the tax collection body, two senior government officials told Reuters on Friday, in another setback to efforts to tackle economic turmoil.

The removal of the two comes only weeks after Finance Minister Asad Umar was asked to step down amid vital bailout negotiations with the International Monetary Fund, suggesting the government wants to overhaul its financial team amid weakening growth rates and soaring inflation.

"The government has decided to remove the governor of the State Bank and the chairman of FBR," a Finance Ministry source said, referring to State Bank of Pakistan Chairman Tariq Bajwa and Federal Bureau of Revenue

Chairman Jahanzeb Khan. A source at the prime minister's office confirmed both had been sacked.

Central bank spokesman Abid Qamar told Reuters that Bajwa had "resigned", and that it was unclear who would replace him.

Bajwa, appointed governor in 2017 during the tenure of the previous government, was one of the key figures in Pakistan's ongoing bailout negotiations with the IMF.

He was also seen to be close to Ishaq Dar, the former finance minister who appointed him and who championed a "strong rupee" policy that many analysts blame for Pakistan's current economic woes, including ballooning budget and current account deficits.

The IMF is pushing Pakistan to embrace a more flexible rupee policy to end repeated boom-and-bust

cycles, with many analysts arguing that the local currency is overvalued.

The government of premier Imran Khan has also been frustrated by the low tax collection rates during its first year in office, with the disappointing figures threatening Khan's promises to build a welfare state for the poor.

The central bank in March cut its economic growth estimates, forecasting the economy would expand 3.5 to 4 percent in the 12 months to the end of June, well short of a government target of 6.2 percent. The IMF paints a gloomier picture, predicting growth of 2.9 percent in 2019 and 2.8 percent next year.

Pakistan's consumer price inflation in March rose to its highest since November 2013, hitting 9.41 percent year-on-year, before easing to 8.82 percent in April.

## Euro zone inflation jumps in April

AFP, Brussels

Inflation in the eurozone jumped to 1.7 percent in April, the Eurostat data agency showed on Friday, fuelled by a surprise surge in prices in Germany.

Analysts surveyed by data company Factset had predicted a more modest rebound to 1.6 percent, up from the 1.4 percent logged in March.

A rise in prices was expected due to the late timing of the Easter holiday, but the final number exceeded expectations, though a drop is expected later in the year as energy prices fall.

The price spike will be welcome news for the European Central Bank, which has delivered years of ultra-low interest rates and pushed trillions of euros in stimulus towards stoking inflation across the 19-nation eurozone to its target of just below 2.0 percent.

Central bankers will also closely evaluate the rise in core inflation, which strips out volatile prices such as energy, that reached 1.2 percent in April, up from 0.8 percent in March.

The rise in inflation comes as worries grow about the European economy, though growth data on

Tuesday showed the eurozone was not in immediate risk of falling into a recession. Germany and Italy account for much of a feared slowdown, with export-oriented Germany suffering the effects of the US-China trade war and Italy expected to stagnate owing to high debt levels and muted domestic demand.

Before Friday's data, Eurozone central bankers last month slashed their price growth predictions, seeing inflation rising from just 1.2 percent this year to 1.6 percent in 2021 -- consistently off the 2.0 percent target.

## Canada's Bombardier says selling aerospace plant in Belfast

AFP, London

Canadian aerospace firm Bombardier said Thursday it was selling its plant in Northern Ireland, which produces wings for Airbus aircraft, as part of a reorganisation of the business.

"As the company moves to optimise its global manufacturing footprint, Bombardier will pursue the divestiture of the Belfast and Morocco aerostructures businesses," the company said in a statement.

"These are great businesses with tremendous capabilities," the Montreal-based firm said.

The company, which axed 490 people in Belfast last year as part of a global cost-cutting drive, is one of Northern Ireland's biggest employers with around 3,600 staff.

"We understand that this announcement may cause concern among our employees, but we will be working closely with them and our unions as matters progress, and through any future transition period to a new owner," it said.

Michael Mulholland, an organiser for the GMB trade union, demanded "reassurances" for workers.

"Our members -- and their families -- have already suffered a terrible year," he said.

"Bombardier jobs are absolutely vital to Northern Ireland's economy and it's time workers were treated with the respect they deserve."

The sale of the Belfast facilities was also deeply concerning to Michelle O'Neill, new head of the Sinn Fein party, who noted that the news added to economic uncertainty caused by Brexit.

Previously the company decided to give up control of its new C Series aircraft, now known as the A220, to Airbus in exchange for using Airbus's sales and marketing heft to lift sales.

Since then Bombardier -- which has 68,000 employees worldwide -- has refocused on business aviation and in particular on its new Global 7500.



BERGER PAINTS

Members of Dhaka Painters Bohumukhi Somobai Somiti attend a painters' rally in the capital's Uttara on May 1 marking International Workers' Day. The association organised the rally in association with Berger Paints Bangladesh.



EBL

Members of a new executive committee of the Association of Anti Money Laundering Compliance Officers of Banks in Bangladesh attend its first meeting at MTB Tower in Dhaka recently. Chowdhury MAQ Sarwar, deputy managing director of Eastern Bank, and Mohammad Abdullah Al Mamun, senior executive vice president of Dutch-Bangla Bank, were elected the association's chairman and general secretary respectively.