

# 20<sup>th</sup> Annual General Meeting

Thursday, 20 June 2019 | FARS Hotel & Resorts



MERCANTILE BANK

AKM Shaheed Reza, chairman of Mercantile Bank, presides over the bank's 20th annual general meeting at the Fars Hotel and Resorts in Dhaka yesterday. The bank approved 15 percent stock dividend for 2018. Md Quamrul Islam Chowdhury, CEO, was present.

# 3-day Sheltech 'Ready Apartment Fair' starts

STAR BUSINESS DESK

Sheltech's "Ready Apartment Fair" started yesterday at Sheltech Lounge in the capital's West Panthapath.

The three-day fair is featuring ready apartments at Banani, Dhanmondi 32, Mirpur and Siddheswari, the real estate company said in a statement yesterday.

A featured project is Mirpur's Sheltech Bithika, which is the first, fully ready condominium project in Dhaka.

With 184 apartments, 12 commercial spaces and community facilities such as a swimming pool, two separate gymnasiums and community event centre for 200

people, Sheltech Bithika offers not just an apartment, but a complete lifestyle for middle and fixed-income families in Dhaka, the statement added.

The fair will also showcase lakeside, luxury apartments in Dhanmondi, and large, four-bedroom apartments in Banani.

Commercial ready projects are also on sale during this fair, with both apartments and commercial spaces being available in Siddheswari, right next to the Moghbazar flyover.

Clients booking spaces during the exhibition will get a free kitchen cabinet, washing machine and air conditioner.

# Bangladeshi app contest champion going to Nasa

STAR BUSINESS DESK

The first Bangladeshi world champion of NASA Space Apps Challenge is going on a visit to Kennedy Space Center and join the Falcon-9 Space Shuttle Launching Program.

"Team Olik" from the Shahjalal University of Science and Technology in February became the champion team in Best Use of Data category beating 1,395

teams from around the world.

Overall six world champion teams from six categories alongside local organisers are going on the visit, BASIS said in a press release.

The Bangladesh team is expected to be led by ICT Division.

The world champion teams will participate in the launching event on July 21 and attend a felicitation programme and go on the tour on the next two days.

# BoJ joins Fed in signalling easing if needed, keeps policy steady for now

REUTERS, Tokyo

The Bank of Japan kept monetary policy steady on Thursday but Governor Haruhiko Kuroda signaled readiness to ramp up stimulus as global risks cloud the economic outlook, joining US and European central banks in dropping hints of additional easing.

Seeking to dispel concerns the BOJ has run out of ammunition, Kuroda said the central bank could combine interest rate cuts with bigger asset buying if needed to keep the economy on track to achieve its elusive 2 percent inflation target.

"If the economy loses momentum toward achieving our price target, we'll of course consider expanding stimulus without hesitation," he told a news conference.

The BOJ joined central banks across the world that are shifting towards easing policy as the escalating US-China trade war adds pressure on the slowing global economy.

The US Federal Reserve kept rates steady on Wednesday but signaled it was ready to cut rates beginning as early as next month. Central banks of Australia, the Philippines and Indonesia also hinted at the chance of lower rates.

"There's a good chance the Fed will cut rates in July. If that happens, the BOJ will strengthen its forward guidance to keep yen rises in check,"

said Izuru Kato, chief economist at Totan Research.

As widely expected, the BOJ maintained its short-term rate target at -0.1 percent and a pledge to guide 10-year government bond yields around zero percent.

It also kept intact a loose pledge to keep buying government bonds so the balance of its holdings increase by roughly 80 trillion yen (\$738 billion) per year.

"Downside risks regarding overseas economies are big, so we must carefully watch how they affect Japan's corporate and household sentiment," the BOJ said in a statement announcing the policy decision.

The Fed's dovish outlook saw the dollar skid to a six-month low against the yen on Thursday, adding to headaches for Japanese policymakers who worry a stronger yen could inflict more pain on the export-reliant economy.

The BOJ is in a bind. Stubbornly weak inflation has forced it to maintain massive stimulus even as years of ultra-low rates hurt financial institutions' profits.

Despite Kuroda's remarks, many analysts say the BOJ has little ammunition left to fight another recession, with rates already below zero and its huge buying drying up bond market liquidity.

Japan's 10-year government bond yields slid to a three-year low of minus 0.160 percent on Thursday, approaching the minus 0.2 percent floor of a range the BOJ had said would be acceptable.

Kuroda said the BOJ would not persist in keeping yields in a narrow range, but added that it will take necessary steps if the central bank deemed the yield curve as flattening too much.

"If we were to ease, we would ensure that the costs are at a minimum, and the net effect of stimulus is at the largest," he said in a sign the rising cost of prolonged easing could constrain future monetary easing steps.

Yen moves have always been crucial in the BOJ's policy thinking. A recent Reuters poll showed most economists saw a yen rise above 100 to the dollar as a trigger for more easing. The dollar stood around 107.80 yen on Thursday.

"We believe the BoJ will lower policy rates only reluctantly when the yen appreciates more significantly and will, if at all possible, try to maintain the status quo by only adjusting its forward guidance," analysts at Oxford Economics wrote in a research note.

At its previous rate review in April, the BOJ adopted a forward guidance that pledges to keep current ultra-low rates at least until around spring of next year.

# Novoair starts additional daily flight to Jashore

STAR BUSINESS DESK

Novoair yesterday started running an additional daily flight on the Jashore route. It will also increase flights to Cox's Bazar and Saidpur to meet increasing demand, the local private airline said in a statement.

Currently, Novoair operates five daily flights to Chattogram, five to Cox's

Bazar, five to Jashore, two to Sylhet and one to Barishal, Rajshahi and Kolkata respectively.

One way fare starts at Tk 2,500 to Chattogram, Tk 3,900 to Cox's Bazar, Tk 2,700 to Jashore, Tk 2,700 to Saidpur, Tk 2,700 to Sylhet, Tk 2,700 to Rajshahi and Tk 2,700 to Barishal while Kolkata return fares start at Tk 11,300 (including all taxes).

# Renault, Nissan join Waymo in exploring driverless services in France, Japan

REUTERS, Detroit/Paris

French automaker Renault SA, its Japanese partner Nissan Motor Co and tech giant Alphabet Inc's Waymo are exploring a partnership to develop and use self-driving vehicles to transport people and goods in France and Japan, the companies said on Thursday.

The proposed venture could also be expanded to other markets, the companies said.

If the partnership is realized, it will have ramifications for other alliances and other self-driving projects, most of which have yet to hit the road. Automakers across the world are re-thinking independent autonomous vehicle efforts, and instead looking for partners to share rising investment costs and regulatory risks.

In Japan, a potential competitor to a

Renault-Nissan-Waymo venture would be Monet Technologies, a self-driving project involving Toyota Motor Corp and Honda Motor Co and backed by SoftBank Group Corp. SoftBank and Honda also have invested in General Motors Co's Cruise self-driving car unit.

The initial agreement among Waymo, Renault and Nissan aims to "develop a framework for deployment of mobility services at scale," according to Hadi Zablit, Renault-Nissan Alliance business development chief. Physical testing of vehicles and deployment of services would come in later phases.

The two automakers will set up 50-50 joint ventures in France and Japan to develop the driverless transportation services. Zablit said a later Waymo investment is "one of the options" under consideration.



MIDLAND BANK

Md Ahsan-uz Zaman, managing director of Midland Bank, cuts a cake to celebrate the bank's 6th anniversary at its head office in Dhaka yesterday.

# Bank of England chops Q2 growth forecast

REUTERS, London

The Bank of England cut its growth forecast for Britain's economy to zero in the second quarter of 2019 and highlighted risks from global trade tensions and growing fears of a no-deal Brexit.

BoE officials voted unanimously to hold interest rates at 0.75 percent, as expected, and stuck to their message that rates would need to rise in a limited and gradual fashion, assuming Britain can avoid a damaging no-deal Brexit.

However, the BoE noted on Thursday a darkening global outlook that has already prompted the European Central Bank, US Federal Reserve and Bank of Japan to signal this week that more stimulus could be on the way.

# Venture capital firms demand tax exemption

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The body appreciated the government allocation of Tk 100 crore in startup capital for promoting all types of youth enterprises.

"With adequate policy support, venture capital companies in Bangladesh can collectively raise and invest thousands of crores in startups. All we need is policy support from the government," said Hossain, also the managing director of BD Venture.

Zia Uddin Ahmed, the association's

vice chairman and chairman of VIPB Asset Management, said the government should put special emphasis on information technology and supporting dynamic growth of young entrepreneurs.

Wali-Ul Maroof Matin, a director of the platform, and the founder and managing director of Maslin Capital, said alternative investment fund mobilisation was the most critical financial inclusion process being practised in the world economy.

The Bangladesh Securities and Exchange Commission passed the alternative investment rules in 2015, under which various venture capital and private equity companies have been established.

In addition, many such foreign entities are active in Bangladesh, investing \$300 million in total in about 60 startups, according to the association. With some tax benefits, this investment could get much bigger, it said.

# Boeing in talks for more 737 MAX orders after IAG

REUTERS, Paris

Boeing is in talks with other airlines for sales of its grounded 737 MAX after receiving a letter of intent for 200 planes from British Airways owner IAG at the Paris Airshow, its sales chief said on Thursday.

Senior vice president Ihssane Mounir also dismissed the launch of a longer-range single-aisle jet by rival Airbus as suitable for only a "sliver" of the market that Boeing hopes to address with a possible all-new mid-market plane.

# Farm mechanisation cuts cost

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The minister said the supply of workers was not as abundant as in the past. But this is not a bad sign for a country whose economic growth is accelerating.

"However, labour scarcity and high cost of labour is a challenge for commercial farming."

Anis Ud Dowla said the government has set aside Tk 2,000 crore as subsidy for agricultural mechanisation. "So, it is our responsibility to use the subsidy rightly to promote mechanisation and raise agriculture productivity."

He urged Yanmar to manufacture the products in Bangladesh. Hiroyasu Izumi, Japan's ambassador to Bangladesh, said Bangladesh has tremendous potential in agricultural mechanisation as it was in a growth phase. "Japan is always ready to help agricultural mechanisation in the country."

Professor Emeritus MA Sattar Mandal of Mymensingh's Bangladesh Agricultural University (BAU) said the government's subsidy was crucial to introducing the technology as its price was high and farmers have a shortage of capital.

Md Monjurul Alam, a professor of the farm power and machinery department at the BAU, Subrata Ranjan Das, executive director of ACI Motors, Arif Dowla, managing director of ACI Group, and FH Ansarey, managing director of ACI Motors, also spoke.



WARTSILA

Jillur Rahim, managing director of Wartsila Bangladesh, and Mozammel Hossain, managing director of Summit Gazipur Power and Summit Ace Alliance Power, sign maintenance management and operational supervisory agreements for two plants having a combined capacity of 464 MW on Wednesday. Faisal Khan, a director of Summit Group; Lt Gen (ret'd) Abdul Wadud, managing director of Summit Power, and Mostafa Zahed, head of services at Wartsila Bangladesh, were also present.

# Financial discipline in banking a must: IBFB

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The high corporate tax reduces the investment capacity of businesses and leaves a negative impact on the economy, it said.

"So, the government should give tax benefit to the companies enlisted in the stock market," Rashid said.

About the size of the budget, he said there was scope to increase it to strengthen the foundation of the economy, boost job generation and attract foreign direct investment.

However, Rashid said the revenue expenditure is increasing every year in comparison to the development expenditure. The IBFB said the share of the development expenditure should be 45 percent of the total outlay of the budget.

The Tk 100 crore allocation for young entrepreneurs and startups will create new entrepreneurs and help generate new business ideas, Rashid said.

The forum, however, was critical of the proposal to impose 5 percent advance tax along with other duties on importers, as it will hike the price of products and create pressure on the consumers, he said. "Even, multiple slabs of value-added tax may also increase the price of products."

Hafizur Rahman Khan, chairman of Runner Group, and Muhammad Abdul Mazid, chairman of the finance committee of the IBFB, also spoke.