



Ahmed Shayan Fazlur Rahman, vice chairman of IFIC Bank, presides over its 42nd annual general meeting at Officers' Club Dhaka yesterday. The bank approved 10 percent stock dividend for 2018. M Shah A Sarwar, CEO, was present. An extraordinary general meeting was also held.

BMW, Daimler team up on automated driving tech

REUTERS, Berlin

Some 1,200 developers at BMW and Daimler will team up to develop automated driving technology, the companies said on Thursday, the latest carmakers forced to pool their development resources at a time of shrinking margins.

The strategic partnership will focus on developing technologies for assisted driving systems, automated driving on highways and automated parking, BMW and Daimler said in a statement, adding that the two companies will implement the technologies in their cars independently.

The two carmakers first announced their plans to join forces on automated driving technology in February, saying

they were discussing the possibility of extending their partnership.

BMW and Daimler on Thursday said they had finalised the agreement and that they expected the technology to be deployed in mass-market vehicles from 2024.

Earlier this year, BMW and Daimler, Germany's two biggest carmakers after Volkswagen, both issued profit warnings earlier this year.

Facing headwinds from international trade conflicts and narrowing margins due to tougher emissions legislation, carmakers are being driven to team up by the massive development costs of key technologies in which they face competition from internet giants like Alphabet's Waymo.

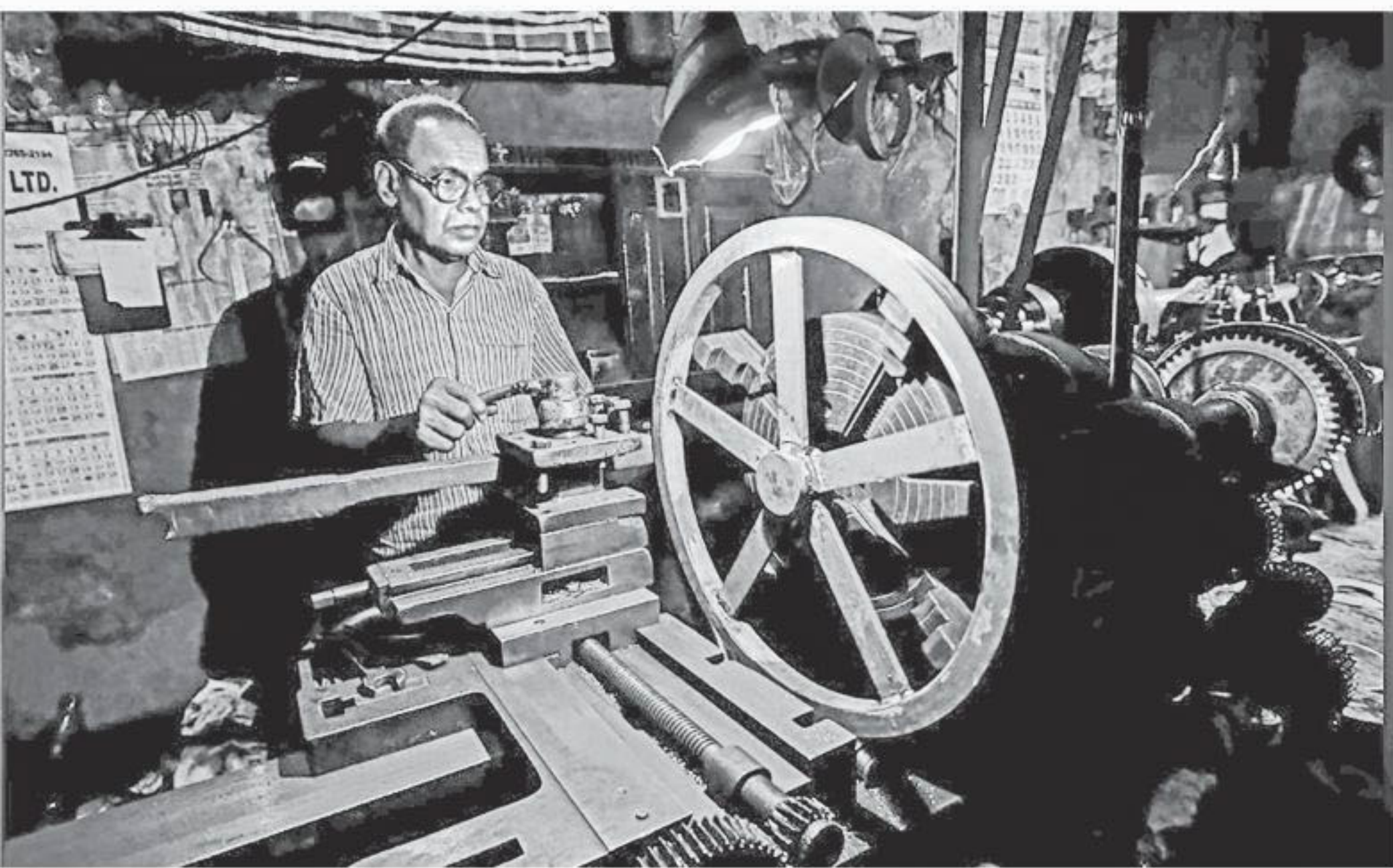
Europe's biggest carmaker Volkswagen and Ford are in the final stage of talks on a strategic alliance to jointly develop self-driving and electric cars. Newspaper Handelsblatt said the deal was set to be approved on July 11.

In May, Renault and Italian-American group Fiat Chrysler Automobiles announced they were in merger talks, but discussions were later called off.

Daimler issued a profit warning in June - its third in 12 months - saying it was setting aside hundreds of millions of euros to cover a regulatory crackdown on diesel emissions.

In May, BMW warned on profits, saying it had had to make larger investments than expected.

India projects 2019/20 GDP growth to rise to 7pc



A worker operates a lathe as he makes spare parts of agricultural machines at a workshop in Kolkata yesterday.

REUTERS, New Delhi

India predicted on Thursday that economic growth in the current fiscal year could rise to 7.0 percent from the 6.8 percent for the year that ended March 31, which was the slowest pace in

five years.

The government's economic survey, presented to parliament on Thursday, said India will face a challenge on the fiscal front following an economic slowdown impacting tax collections amid rising state expenditure on the farm sector.

However, the investment rate was expected to pick up following improvement in consumer demand and bank lending, the report said.

"The growth in the economy is expected to pick in 2019/20 as macroeconomic conditions continue to be stable," the finance ministry's chief economic adviser Krishnamurthy Subramanian, the report's main author, said.

In January-March, annual growth slumped to 5.8 percent, the slowest pace in 20 quarters. Growth for the financial year that ended in March already disappointed, and indicators such as plummeting industrial output and automobile sales have stoked fears of a deeper slowdown.

The survey, an annual report on the health of the economy, was released the day before Finance Minister Nirmala Sitharaman presents the budget statement.

Prime Minister Narendra Modi's government is widely expected to push up spending to spur economic growth through tax incentives to boost consumer demand and investment, officials of his political party said. Modi won a second term with a landslide victory in general elections held in April and May.

A shortfall in monsoon rains, pivotal for the farm sector that constitutes about 15 percent of the economy, employing nearly half of India's workers, has increased concern about rural distress and strengthened the case for government intervention.

A deepening liquidity crisis among India's non-banking financial companies is also hurting private spending, hitting sales of everything from houses to auto parts.



Officials of ACI Seed receive an award at the closing ceremony of a three-day National Seed Fair 2019 at Bangladesh Agricultural Research Council in Dhaka recently.

US reviews export requests to Huawei with 'highest scrutiny'

REUTERS, Washington

The US government said on Wednesday it was reviewing license requests from US companies seeking to export products to China's Huawei Technologies Co Ltd "under the highest national security scrutiny" since the company is still blacklisted.

In an email to Reuters, the Commerce Department said that as it reviewed applications, it was applying the "presumption of denial" standard associated with Entity Listed companies, meaning applications are unlikely to be approved.

President Donald Trump surprised markets on Saturday with an announcement that US companies would be allowed to sell products to Huawei, which was placed on the so-called Entity List in May over national security concerns.

US chipmakers, which had been seeking a carve-out for exports of less sensitive technology to the world's top telecoms technology maker, welcomed the news.

But four days after Trump's announcement on the sidelines of the G20 in Japan, industry and government officials were uncertain about the new policy.

US trade deficit hits 5-month high as imports from Mexico soar

AFP, Washington

America's politically-sensitive trade deficit jumped to a five-month high in May as imports of automobiles rose to their highest on record, according to government data released Wednesday.

The trade deficit with Mexico, a country President Donald Trump threatened with stinging tariffs, rose to its highest in a decade, according to the Commerce Department report.

Financial markets in May were whipsawed by the shifting uncertainties of Trump's trade wars, and fears of the impact of more tariffs on the US economy.

The May data should prove frustrating for the president, who has made eliminating the deficit a signature goal of his administration, saying it is a sign other countries are stealing from the United States.

Trump on Wednesday lobbied some of his frequently-made accusations at China and Europe, accusing them of driving down the value of their currencies to remain competitive.

The US trade gap jumped 8.4 percent to \$55.5 billion, seasonally adjusted, well above analyst forecasts.

That surge combined with the April trade gap, which was revised higher than originally reported, could weigh on growth forecasts for the second quarter.

May was another challenging month for global trade, as Trump threatened to stifle commerce with major partners: Trade talks with China nearly collapsed, and Trump threatened to impose duties on all Chinese imports -- and on all goods from Mexico in a dispute over migrants at the southern border.

- Reorienting trade - Those dangers have receded for the moment following truces with Beijing and Mexico City, but while those positive turns remained uncertain importers may have rushed in to lock in lower prices and rebuild inventories.

"China and Europe playing big currency manipulation game and pumping money into their system in order to compete with USA," Trump said on Twitter.

Trump also implied that the Federal Reserve should likewise ease monetary policy, something he has called for in the past.

The US Treasury, however, again

reported in May that China was not manipulating its currency and departing European Central Bank Chief Mario Draghi last month rejected similar accusations from Trump, saying the ECB does not target the exchange rate.

Imports of goods and services rose 3.3 percent to \$266.2 billion in the latest month, the largest jump in more than four years as Americans bought more passenger cars, crude oil, semiconductors and consumer items, the report said.

Economists John Ryding and Conrad DeQuadros of RDQ Economics question whether the trade will impact US growth in the April-June quarter.

"It is not trade that is subtracting from growth but domestic supply constraints that are holding back growth," they said in an analysis. "Imports have surged over the last three months but these imports are vital for domestic production."

However forecasters Macroeconomic Advisors trimmed their second-quarter GDP forecast by a tenth of a point to two percent as a result of the May data.



Md Mahbub ul Alam, CEO of Islami Bank Bangladesh, opens its 343rd branch at Nalitabari in Sherpur yesterday.

IMF approves \$6b loan for Pakistan

AFP, Washington

The International Monetary Fund on Wednesday approved a \$6 billion, three-year loan for Pakistan to help right the South Asian nation's economy.

With the IMF board's approval, the fund released \$1 billion to Pakistan immediately and will unlock from other international partners around \$38 billion over the program period.

The IMF said in a statement the program aims to "support the authorities' economic reform program" and to help "reduce economic vulnerabilities and generate sustainable and balanced growth." The fund will review Pakistan's performance on a quarterly basis over 39 months, phasing release of the additional aid over time.

The government agreed on the loan program last month and announced plans to slash civil expenditures and freeze military spending while promising to substantially raise revenues to stem a yawning fiscal deficit, and pledging to collect 5.5 trillion rupees (\$36 billion) in taxes.

Discontent is simmering in the country following repeated devaluations of the rupee, soaring

inflation, and increasing utility costs, while tax collection has been a long-standing challenge for authorities.

"Pakistan is facing significant economic challenges on the back of large fiscal and financial needs and weak and unbalanced growth," acting IMF chief David Lipton said in a statement.

The program "aims to tackle long-standing policy and structural weaknesses, restore macroeconomic stability, catalyze significant

international financial support and promote strong and sustainable growth." While Lipton said it will be key for authorities to reduce the large public debt and improved fiscal discipline, with a poverty rate of nearly 30 percent he said Pakistan must increase resources to help the poorest segments of society.

"Protecting the most vulnerable from the impact of adjustment policies will be an important priority," he said.



Actors Sadika Parvin Popy and Symon Sadik and Walton executive directors Eva Rezwana, Emdadul Haque Sarkar, Nazrul Islam Sarker, Humayun Kabir and Md Rayhan open Samrat Electronics, an exclusive distributor showroom, in Tongi on Wednesday.



A man walks past the International Monetary Fund logo at its headquarters in Washington.