

Social Islami Bank Limited



DHAKA FRIDAY AUGUST 9, 2019, SRABAN 225, 1426 BS o starbusiness@thedailystar.net

# Eid economy to be 29pc bigger

SAJJADUR RAHMAN and JAGARAN CHAKMA

The economy of Eid-ul-Azha is likely to add about Tk 40,000 crore to the economy, up 29 percent year-on-year, according to the Department of Livestock Services and analysts.

The average price of a cow is estimated at Tk 52,500 and a goat Tk 8,500. Based on the estimate, about Tk 28,687 crore will come from cattle sales only, Hiresh Ranjan Bhowmik, director general of the department of livestock services, told The Daily Star.

"This is an estimate and it will take a couple of weeks after the Eid-ul-Azha to get the final number," Bhowmik said.

Other than the livestock sector, spice traders and other service sectors, including transport, are greatly benefitted by the festival, said Zahid

Ahsan H Mansur, executive director of the Policy Research Institute, estimates

the size of the Eid-ul-Azha economy will be more than Tk 45,000 crore this year because of the stable economy. Of the sum, about Tk 30,000 crore was generated by cattle trade and the

remaining Tk 15,000 crore through sales of commodities, refrigerators, freezers, clothing, furniture, transportation and tourism. Abdul Majid, a former chairman of

the Eid-ul-Azha economy this year will be bigger than the last one due to the government's banning of cattle imports. "The money will go to the rural areas

the National Board of Revenue, said

and that will have a significant impact on the rural economy," he added.

The festival also provides the poor

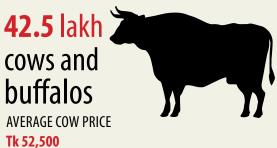
much-needed nutrition and creates some temporary jobs for them. It also brings bonanza for bus and launch operators and commodity traders. Above all, it provides the supply of half of the annual requirement for rawhide for the leather and leather goods industry.

## **EID UL AZHA ECONOMY 2019**

MINIMUM EXPECTED SPENDING

### **TK 40,000 CRORE**

AROUND 1.05CR CATTLE WOULD BE SACRIFICED



**58** lakh goats, sheep and others

**AVERAGE GOAT PRICE** Tk 8,500 TOTAL TRANSACTION Tk 4,930 crore





**ZAHID HUSSAIN** FORMER LEAD ECONOMIST, **WORLD BANK DHAKA OFFICE** 

Nearly 50 percent of the total contribution of livestock sector in GDP comes from the Eid-ul-Azha. This Eid also provides nutrition to 14 percent extreme poor as onethird of sacrificed cattle meat is distributed to the poor.

\*T&C APPLY SELECTED ITEMS ONLY 20% 153/E, Road-11, Banani, Dhaka

FROM SLAUGHTERING

TOTAL TRANSACTION

Tk 22,300 crore



Tk **1,500**cr FROM SPICES





Tk **1,500**cr FROM TRANSPORT



Tk **2,500**cr FROM REFRIGERATORS



MISCELLANEOUS

SOURCE: DEPARTMENT OF LIVESTOCK SERVICES

# Bangladesh second in export growth: WTO

STAR BUSINESS REPORT

Bangladesh has achieved the second highest export growth globally over the past decade (2008-2018) and the highest among South Asian nations thanks to the spiralling apparel shipment, according to World Statistics Review 2019. Vietnam, which is also one of the

top garment exporters worldwide, topped the list with a 14.6 percent export growth while Bangladesh gained 9.8 percent, according to the flagship annual report of the World Trade Organisation.

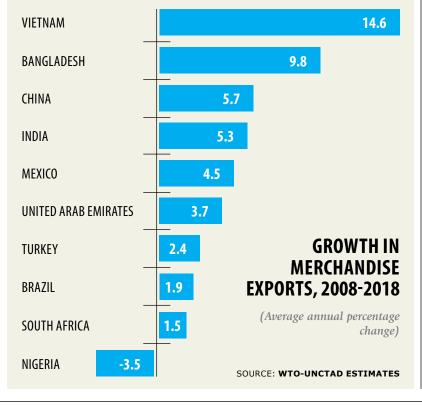
Exports of two giant economies, China and India, grew by 5.7 percent and 5.3 percent respectively. Bangladesh exceeded the export growth of many leading economies like China, India, Brazil and Turkey and some developing nations because of the high volume of garment export. "Bangladesh's exports of apparel

and clothing more than trebled between 2008 and 2018," the WTO said. Vietnam's exports of electrical machinery increased almost 30-fold between 2008 and 2018, according to the report. Bangladesh is now the 42nd largest exporter and 30th largest importer of the world, the data said.

Meanwhile, Bangladesh maintained the title of second largest

garment exporter worldwide grabbing maintained its dominance occupying 31.3 percent despite a slight decline in according to data of the WTO. the growth in 2018.

The share of Vietnam in apparel 6.4 percent of the trade while China trade grew to 6.2 percent, India 3.3 percent and Turkey 3.1 percent, READ MORE ON B3



### Relaxed rescheduling open till Sept 7

STAR BUSINESS REPORT

Defaulters will get till September 7 to apply for rescheduling their loans under the central bank's relaxed policy as per a Bangladesh Bank notice to banks yesterday. The relaxed policy was made available in May to allow defaulters to clear their loans.

However, the High Court issued a status quo, putting the effectiveness of the notice on hold until June 23, barring rescheduling of default loans under the policy.

However, the Supreme Court on July 8 issued a stay on the High Court order for two months. "The stay order on the High Court's status quo will end on September 7, so the BB has allowed defaulters to reschedule their classified loans until that date," said a BB official.

If required, the central bank will change its directive in accordance with court orders, he said.

policy, Under the defaulters can make a 2 percent down payment to avail a 9 percent interest rate and 10 years, including one year's grace period, to pay back their loans.

## e-KYC finally from December

Akm Zamir Uddin

The central bank is set to introduce electronic Know Your Customer (e-KYC) system from December -- a move that would allow account opening without filling in any paper-based documents.

Those with e-KYC will be allowed limited scale transactions, ranging from Tk 20,000 to Tk 5 lakh, in a development that will give momentum to the country's financial inclusion drive.

"A good number of underprivileged and unbanked people will be brought under the umbrella of formal financial services when the new system will be introduced," said Md Anwarul Islam, general manager at the Financial Inclusion Department of the Bangladesh Bank.

The central bank has been working for nearly three years on the programme as part of its efforts to make the financial sector more vibrant, he said.

The pilot programme for e-KYC will begin from next month with 15 commercial banks and two mobile financial service (MFS) providers.

Some 1,600 accounts will be opened in different parts of the country under the programme in order to detect probable difficulties before rolling it on a fullfledged basis from December. Customers with e-KYC can settle transactions through the MFS platform and agent banking. They can also invest in savings certificates and other government securities.

Banks can also disburse a small range of SME loans to an e-KYC account holder.

The service will be completely automated and the e-KYC data will be furnished in real-time, without any manual intervention. Digitally signed e-KYC data will be

machine readable, meaning the service provider can directly store it as customer record in their database for purpose of service and audit and so on.

The regular KYC required filling up forms with 12-28 pages along with signature, photo and supporting documents.

Under e-KYC, a customer can open an account by filling up a one-page-long digital form. The photograph will be taken on the spot and the customer's identification data will be authenticated instantly. The thumb print would serve as the digital signature.

Clients now have to spend 3-7 days to open a bank account, but with e-KYC only 5-10 minutes will be required.

An inter-agency working consisting of the central bank, Bangladesh Financial Intelligence Group, Commission, Election Bangladesh Telecommunication Regulatory Commission, Access to Finance (A2i), ICT ministry and some other financial institutions -- is working on formulating

the final guidelines for the e-KYC. The central bank had earlier planned to introduce e-KYC from June but it failed to get the approval from the EC for the use of NID database on time.

The EC though gave its approval to the 15 commercial banks and the two MFS providers in May, it was too late for the June launch.

# during Eid vacation

Ctg port users fear

DWAIPAYAN BARUA, Ctg

Businesses fear vessel congestion in Chattogram port will get worse in the days to come as the delivery of cargoes would slow down during Eid vacation starting

The country's premier sea port managed to get rid of years-long container and vessel congestion in November last year by installing some equipment and taking some supervisory steps. The situation prevailed till April this year.

Container vessels had to wait only a day or two for getting berth during those five months. However, the congestion returned in May-June due to nonoperation of the port for a few days amid cyclone Fani and Eid-ul-Fitr vacation.

The port's operational activities were a bit slow during incessant rain and foul weather in early July again, intensifying the

The number of container vessels waiting at the outer anchorage and their waiting time before getting berths have been gradually increasing for the last couple of months.

Currently it is taking on average 6 to 8 days for a container vessel to get permission of berthing in a port jetty after arriving at the outer anchorage.

It takes at least 4 to 5 days more for unloading the imports from the vessel and completing other formalities to get the cargoes delivered from the port.

Thus, an importer has to wait 10 to 13 days for receiving their goods from the port. Till yesterday afternoon a total of 20 container vessels remained waiting at the outer anchorage. Three vessels -- Kota Azam, Thorswind and MCC Cebu -- arrived at the port on August 1 and those were scheduled to berth in 3 port jetties by

yesterday evening, according to sources. Garment is the most affected sector of such congestion as delays in receiving imports like garment accessories have been hampering production in many factories.

"It seems the problem is never-ending," said Nasir Uddin Chowdhury, chairman of Bangladesh Garment Manufacturers and Exporters Association's standing committee on port and shipping.

READ MORE ON B3

# Vessel congestion to worsen Eid bonus, wages to be cleared by Saturday

STAR BUSINESS REPORT

Over 60 percent of garment factories have paid wages for July and over 75 percent paid festival bonus till yesterday, Abdus Salam, director general of Industrial Police, said yesterday.

"We are hoping that the rest of the factories will complete the payment of both wage and bonus within the next two days (Friday and Saturday)," Salam told The Daily Star over the

"Although primarily some 325 factories were on our vulnerable list, most of those units have already paid the monthly salary and bonus," he

"We do not foresee any untoward incident in the garment sector before Eid as almost all the factories will finally pay their workers."

Meanwhile, Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said, "To the best of our knowledge, more than 98 percent factories have cleared bonus."

"Till day before yesterday, we had only 5 factories out of 130 on our watch list and they have also cleared bonus."

Till now, nearly 80 percent of the factories have cleared wages, rest 10 percent will do it by tomorrow and last 10 percent by Saturday, she said.

"Please note that as per government's request we have declared holidays in a split fashion. So, workers are leaving zone-wise," Huq said.

BGMEA-affiliated garment factories have completed paying Eid bonus until yesterday. It of salaries and bonus to the workers before Eid.

The statement said 92 percent of the 1,083

The labour and employment ministry in a active Bangladesh Knitwear Manufacturers and statement said 95 percent of the 3,400 active Exporters Association-affiliated factories have completed paying festival bonus until yesterday.

These factories will also compete the payment said all the factories would complete the payment of wage and bonus before the Eid festival, it added. The banks in the industrial areas will remain open until August 10 to facilitate the payments.



Garment makers plan to clear Eid bonus, salaries before the Eid vacation.

Abu Hena Mohd Razee Hassan, head of Bangladesh Financial Intelligence Unit; Syed Mahbubur Rahman, chairman of the Association of Bankers, Bangladesh Ltd; Shah Alam Sarwar, managing director of IFIC Bank, and Chowdhury MAQ Sarwar, chairman of the Association of Anti-Money Laundering Compliance Officers of Banks in Bangladesh (AACOBB), attend a daylong training on anti-bribery, sanctions compliance and vessels tracking conducted by the Dow Jones Risk and Compliance and organised by the association in Dhaka recently.

## Japan OKs key exports to S Korea for first time under new rules

Japan has approved the export to South Korea of some key products for the first time since introducing stricter trading rules amid an ongoing row between the two US allies.

Economy, Trade and Industry Minister Hiroshige Seko said Thursday that Tokyo had given the green light to export to South Korea chemicals used in chipmaking and smartphone manufacturing.

"We don't usually announce individual cases of export permits but I'm making this public exceptionally

has made the unfair criticism that our move is something like an export embargo," he told reporters.

On July 4, Japan tightened the rules on awarding official permits, meaning that screening applications could take up to 90 days.

The move was widely seen as hitting out at South Korea amid a long-running dispute between the two countries -- both democracies and market economies -- over the use of forced labour during World War II.

But Seko said some applications made after July 4 had already cleared

ruled out "security concerns".

"We want South Korea to understand this is not an export embargo but an export management measure," said Seko. Japan has argued the measure was necessary on national security grounds.

Last week, Japan announced it would remove South Korea from a list of favoured export partners from August 28. South Korea quickly fired back, rescinding Japan's favoured export partner status and saying it would also review a military information agreement.

# Trump says China is 'killing us with unfair trade deals'

REUTERS, Washington

US President Donald Trump on Wednesday said his tough stance on China's economic and trade policies would ultimately benefit the American economy, even as Beijing signaled it could strike back by curbing sales of chemicals known as rare earths that are used in everything from iPhones to military equipment.

The US-China trade war escalated sharply in recent days after Washington on Monday branded Beijing a currency manipulator for the first time since 1994, and said it would impose 10pc tariffs on the remaining \$300 billion in Chinese imports, starting on Sept. 1.

The moves have jolted financial markets and fueled concerns about a global recession.

US Treasury yields slumped on Wednesday, with 30-year yields nearing record lows, on growing fears of a global downturn and bets the Federal Reserve would have to cut interest rates further to counter growing recession risks.

House that the market reaction had been anticipated, but he remained confident in the strength of the US

"Ultimately, it's going to go much higher than it ever would

have gone, because China was like United States and China to reach prices," he said. "And increased an anchor on us. China was killing us with unfair trade deals," he said.

White House officials say they still expect Chinese negotiators to come to Washington in September for talks, and that the latest tariffs could still be averted if the world's

agreement before the November 2020 presidential election given the "harder line" being pursued by both sides.

Gary Locke, who served as US ambassador to China from 2011 to 2014, said it was in Washington's



US President Donald Trump and China's President Xi Jinping pose for a photo ahead of their bilateral meeting during the G20 leaders summit in Osaka, Japan.

progress on a trade agreement.

But hopes for a deal are dimming modest deal with Beijing. and domestic pressure is growing for Trump to cut a deal with Beijing.

Goldman Sachs on Tuesday said it no longer expects the

Trump told reporters at the White two largest economies make own interest to dial back tensions and work toward some kind of

> "The Federal Reserve and others have estimated the tariffs already in place will cost the average American household a \$1,000 increase in

prices will make U.S. companies less competitive here and abroad." Fred Bergsten, a former senior U.S. Treasury official, said bearish financial markets and weakening US economic indicators could prompt Trump to delay the Sept. 1

"The economy is a big part of his reelection strategy, so he has to hesitate before he does things that could weaken it," Bergsten, now a senior fellow at the Peterson Institute for International Economics, told Reuters.

"If even he is acknowledging that it's only 'ultimately' that we gain, then I think there's a chance that he'll dial it back." US businesses and consumers paid \$6 billion in tariffs in June, a 74 percent rise from the same period a year ago, a coalition of U.S. trade groups said Wednesday, warning a new round of tariffs would exacerbate job losses and dent demand.

Jo-Ann Stores, an Ohio-based arts and craft retailer, said tariffs introduced in September 2018 were already cutting into profit margins and raising the risk of layoffs.

"It's an enormous financial burden," said Wade Miquelon, CEO of Jo-Ann Stores, who previously served as chief financial officer of Walgreens.



Md Ainul Haque Sardar, head for human resources and admin at Bangladesh Edible Oil Ltd, hands over a cheque to KM Ali Azam, secretary to the labour and employment ministry, in Dhaka on Wednesday. The company paid dividend to Bangladesh Labour Welfare Foundation.

# Adidas fears 'everybody will lose' in US-China currency war

German sportswear maker Adidas warned Thursday that "everybody will lose" if a currency war ignites between China, the United States and other countries, while reporting continued strong earnings in its second quarter.

American tariffs on Chinese goods -- with another \$300 billion in imports targeted by President Donald Trump last week -- are less harmful to the brand with the three stripes than a potential exchange rate battle, chief

What is much more severe is that we start to have a currency war between China, the US and the rest of the world, that's going to be a situation where everybody will lose," he told journalists in a telephone conference.

Since the tariffs announcement, Beijing has allowed the yuan to sink below a sevento-the-dollar lower bound its central bank had previously defended, prompting the US Treasury Department to cry currency



Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services (BASIS), and Mominul Islam, CEO of IPDC Finance, pose at a deal signing ceremony in Dhaka yesterday. The non-bank financial institution will sponsor the third edition of BASIS National ICT Awards 2019.

# China's exports unexpectedly rise in July

AFP, Beijing

China's exports beat expectations to rise in July while its purchases continued to shrink, official data showed Thursday, despite simmering US trade tensions.

and weakening global demand had weighed on China's manufacturing sector during the first six months of the year, with its global exports roughly flat from a year earlier.

But in July China's exports rose 3.3 percent on-year, the customs administration's figures showed, ahead of the one percent drop forecast by a Bloomberg News poll.

China's economy slowed to 6.2

percent growth in the second quarter, the slowest quarterly pace in nearly 30

But it does not look to be out of the woods yet, with shrinking imports pointing to weak demand at home.

Imports fell 5.6 percent on-year The trade war with the United States in July, contracting for the third consecutive month -- though by less than the forecast 9 percent drop.

China's trade surplus fell to \$45.1 billion for the month, from \$51.0 billion in June.

The trade war with the US has escalated in recent weeks, with President Donald Trump vowing to add 10 percent tariffs on another \$300 billion worth of Chinese imports starting on September 1, extending

punitive tariffs to nearly every product. Beijing fired back by allowing its currency, the yuan or renminbi, to weaken and by suspending purchases of American farm goods.

Exports to the US in July fell 6.5 percent on-year while imports dropped 19.1 percent, bringing China's surplus with the US down slightly from June to \$28 billion in July. "Exports still look set to remain

subdued in the coming quarters as any prop from a weaker renminbi should be overshadowed by further US tariffs and broader external weakness," said Julian Evans-Pritchard of Capital Economics.

"August exports may benefit from some front-loading before the new tariffs go into effect on September 1st, this bump will probably be smaller than it was ahead of earlier rounds of tariffs as US port storage facilities have little spare capacity," he said in a note.

China's retaliatory tariffs on soybeans and other US agricultural goods have bruised American farmers, who have been bailed out with subsidies from the Trump administration. China's customs data showed the value of its soybean imports down 17.1 percent in the first

"As they have learned in the last two years, our great American Farmers know that China will not be able to hurt them in that their President has stood with them and done what no other president would do - And I'll do it again next year if necessary!" Trump

# More Hong Kong companies say business impacted by mass protests

Conglomerate Swire Pacific became the latest major Hong Kong company to voice concern about the impact of protests in the city on business activity, saying they are having direct and indirect impact on demand on a number of its businesses.

The comments by Swire, whose business spans retail to property to airlines, come after similar concerns raised by Cathay Pacific Airways Ltd and Hongkong and Shanghai Hotels's on Wednesday. Swire owns 45 percent of Cathay Pacific, Refinitiv data shows.

The protests in Hong Kong have had some effect on retail sales at our malls, particularly at Pacific Place. If the protests continue, sales are likely to continue to be affected," Michelle Low, Swire Pacific finance director said in the interim results statement on Thursday, referring to its highend shopping mall in Admiralty, a financial district where many of the

mass protests took place. "Trading conditions for our hotels are expected to be stable in the second half of 2019, except that occupancy in Hong Kong has been affected somewhat by the protests and this is likely to continue if the situation persists." Swire said the global trade tensions were also causing uncertainty.



#### Lawyers and workers in Hong Kong's legal sector walk during a silent protest march to the Department of Justice in Hong Kong, China.

streets in anti-government protests that have intensified since mid-June, at times forcing banks, stores, shopping malls, restaurants and even government buildings to close as the demonstrations degenerated into violent clashes between police and activists.

Hong Kong's Secretary for Commerce and Economic Development Edward Yau said on Thursday the drop in inbound tourists accelerated in the past few weeks, with the first week of

Millions have taken to Hong Kong August declining 31 percent from a year ago, compared to just single digit percentage drop in mid-July.

He said the logistics and retail sectors together employ over 1 million people in Hong Kong, and it could hurt the city's employment if the sectors continue to be under pressure.

Travel Industry Council chairman Jason Wong told Reuters the number of tours from mainland China has fallen 40 percent to about 140 tours per day in the first week of August, from about 230 tours a day in the same period last year.



REUTERS/FILE

A truck transports a container at a port in Qingdao, Shandong province, China.

seven months of the year. tweeted on Tuesday.



Mehidy Hasan Miraz, national cricketer and brand ambassador of Walton, hands over a cheque worth Tk 10 lakh to a customer, who had bought a refrigerator and gone on to become a winner of the company's ongoing digital campaign centring Eid-ul-Azha, in Khulna on Wednesday.

# Investors seek safety in bonds on fears over economic outlook

Plunging bond yields jolted global markets Wednesday as interest rate cuts by three central banks and grim German economic data underscored worries about a weakening global economy amid the protracted US-China trade war.

Wall Street opened the day in sell-off mode, a familiar theme in August as the US and China have announced new measures targeting each

But after a bruising start, US stocks gradually pushed higher throughout the day while Treasury yields recovered from their lows. Two of the three major Wall Street indices finished in positive

Decisions by more central banks to cut interest rates and weak German industrial data "reminded investors that economic growth in several other regions of the world remain at risk as the US and China trade dispute drags on," said CFRA strategist Lindsey Bell in a note.

"While uncertainty is driving upside in defensive asset classes, we don't think stocks should be abandoned at this time. A nearterm recession is unlikely." Still, most banks were under pressure, with Italy's UniCredit and Germany's Comemrzbank both sharply lower following warnings on the hit from lower interest rates. Large US banks such as JPMorgan Chase and Wells Fargo also lost more than two percent.

Bond prices rise as more investors seek safe investments, and that pushes their yield or return lower. The benchmark US government 10-year note dropped to multi-year lows, while French

and German bond yields, already in negative territory, set new record lows.

"Nobody wants to be vulnerable, everybody is in risk aversion mode, and all ingredients are in place to push yields lower," Aurelien Buffault, bond manager at Meeschaert, told AFP.

Markets now believe that the world's key central banks will cut interest rates further to stave off, or at least alleviate, any coming recession, analysts said.

"Rates falling everywhere," analysts at Moneycorp said.

"They may not exactly be competing but the world's central banks all seem to be pointing in the same direction towards lower rates. In every case there is concern, to a greater or lesser degree, about the global economy." Commodity markets also followed the logic of economic worry, with safe-haven investment gold surging and oil, the fuel of economic growth, falling.

Gold went above \$1,500 per ounce for the first time since 2013.

Oil extended already steep weakness after the US Department of Energy reported a surprise increase in inventories -- a sign of flagging

European stocks had a rollercoaster session which started on an upbeat note but then turned sour when US stocks fell sharply at the New York opening bell as "escalated US-China trade concerns continuing to weigh on sentiment," Charles Schwab analysts said.

But as Wall Street came off its morning lows, European equities regained their poise to close mostly higher.

### Lotto offers 600 plus designs

STAR BUSINESS DESK

Sports and lifestyle brand Lotto has assembled over 600 new designs at its 150 outlets across the country marking Eid-ul-Azha.

Customer can buy imported lifestyle, leather and moccasin shoes, sleepers, leather sandals, polo and t-shirts, four-way flex jeans and gabardine at attractive prices, the company said in a statement.

Backpacks, luggage, travel bags and accessories and a variety of products will also

### Galaxy Note 10+ offered on pre-orders

Samsung Mobile Bangladesh yesterday started accepting pre-orders for its latest flagship device Galaxy Note 10+.

The device comes with a 12GB RAM, a 256GB ROM and a 4300 mAh battery which can be fully charged within an hour, the South Korean mobile maker said in a statement

The smartphone will be available in Aura Black and Aura Glow. Pre-order customers will get the device at Tk 1,34,500 after a discount of Tk 10,000. The pre-order period ends on

Muyeedur Rahman, head of mobile at Samsung Bangladesh, said, "The Note 10+ is for the generation which seeks work-fun balance in their life.

"It's also for the generation which looks for meaning and purpose in everything they do. For those who demand the best, we present our best smartphone," he added.



SM Moniruzzaman, deputy governor of Bangladesh Bank; Md Abdul Mannan, a general manager, and Md Sazzad Hossain, deputy managing director of Bank Asia, attend an agreement signing ceremony recently. Bank Asia will finance completion of compliance initiatives of RMG exporters at a concessional interest rate under the central bank's "Program to Support Safety Retrofits and Environmental Upgrades in the Bangladeshi Ready-Made Garments Sector Project".

# Prolonged uncertainty weighs on euro zone growth outlook: ECB

REUTERS, Frankfurt

Prolonged uncertainty is dampening the euro zone's growth outlook, particularly for manufactured goods, the European Central Bank said in a regular Economic Bulletin on Thursday.

Trade tensions are high and the risk of a no-deal Brexit remains, pointing to weaker euro zone growth in the second and third quarters, the ECB said, which is largely consistent with its policy statement after the July interest rate

Last month the ECB all but promised more stimulus in the coming months, putting a rate cut and more bond buys firmly on the table as the growth outlook deteriorates amid spreading uncertainty and a manufacturing recession.

Still, recent data and survey indicators continue to point to positive employment growth, which is likely to support household income and consumer spending, cushioning the blow to the bloc from weak trade, the ECB added.



Rubaiyat A Tanzeen, enterprise business director at Banglalink, and Md Adil Islam, managing director at Meghna Bank, attend a deal signing ceremony at the latter's head office in Dhaka recently. The bank's officials will use the mobile operator's SIMs, bundle offers, internet packs and other digital services.

# PNG backtracks on China debt refinancing statement

AFP, Sydne

Papua New Guinea Prime Minister James Marape has backtracked on an announcement saying he had asked China to refinance the country's \$8 billion debt, insisting the statement was released without his knowledge.

A statement from his office on Tuesday said the recently appointed PNG leader had asked China's ambassador for help in refinancing the country's 27-billion-kina public debt during a meeting in Port Moresby.

But on Wednesday afternoon, Marape's office released a new

statement saying it was "false" that Cash-strapped PNG's public debt he was "going one way to China" to tackle the country's debt.

He said PNG was primarily discussing trade with China while examining debt options with undisclosed "nontraditional partners".

"We are in discussion with many of our bilateral partners to access very low cost concession finance to give us some breathing space," Marape said in the statement.

"This includes our discussions with (the) World Bank, ADB (Asian Development Bank) and some other possible non-traditional partners."

stands at about 33 percent of GDP, with interest repayments at 15 percent of the government's annual

Marape, who took office less than three months ago, said he intended "to refinance bad and expensive loans secured by the previous government' but would not add any "reckless" burden to the country's economy.

"I have put (a) stop to more borrowings and loans until we are satisfied that the project cost-benefit analysis establishes (a) return on the loans we might secure," he said.

# Chinese firms 'abuse of state power'

Beijing on Thursday said US rules banning technology giant Huawei and other Chinese firms from government contracts amounted to "abuse of state power" amid an escalating China-US trade war.

The interim rule, which will preclude any US federal agency from purchasing telecom or technology equipment from the firms, is part of a sweeping effort by Washington to restrict Huawei, which officials claim is linked to Chinese intelligence.

"The abuse of state power by the United States to unscrupulously and deliberately throw mud at and suppress specific Chinese enterprises seriously undermines the image of the United States and its own interests," said Chinese foreign ministry spokeswoman Hua Chunying.

### Bangladesh second in export growth: WTO

With the high achievement of export receipts last fiscal year, the government on Wednesday set a new export target for the current fiscal year at \$54 billion, of which \$45.50 billion is expected from merchandise export and \$8.50 billion from services export.

The overall export growth has been fixed 15.20 percent higher than the achievements last fiscal year

In merchandise export, the growth rate has been fixed at 12.25 percent higher than that attained last fiscal year while in services 34.10 percent.

Md Mofizul Islam, senior secretary to the commerce ministry, announced the targets after a meeting with businesspeople and leaders of trade bodies and business chambers at his secretariat office in Dhaka.

The target for the new fiscal year has been fixed on the achievements of the immediate past fiscal year.

World economic outlooks, government policy supports, changes in the dollar exchange rate, market and product diversification, supply side capacity, improvement of safety standards in garment factories and effects of the US-China trade war have been taken into consideration during fixing of the target, Islam said. Last fiscal year receipts from merchandise shipment amounted to \$40.53 billion and services sector \$6.33 billion.

Overall exports had registered a 14.30 percent growth, 10.55 percent in goods shipments and 46.06 percent in services sector. As usual, the highest export target has been fixed for the garment sector in the current fiscal year at \$38.20 billion, which is 11.91 percent higher than the achievement of last fiscal year.

Of the amount, \$18.85 billion has been targeted from knitwear and \$19.35 billion from the woven sector. Last year Bangladesh exported garment items worth \$34.13 billion, registering a 11.49 percent year-on-year growth.

# Beijing calls US ban on UAE pulls WTO trade complaint against Qatar

The United Arab Emirates withdrew on Thursday a complaint it made to the World Trade Organization accusing Qatar of imposing discriminatory trade restrictions on its goods.

"Qatar withdrew the measures in question, in order to address the claims" which led Abu Dhabi to discontinue its action against Doha, the UAE foreign ministry said in a statement.

May, has enforced a complete economic added the Emirati statement.

embargo of Qatar along with Saudi Arabia and other regional allies since June 2017.

The Saudi-led bloc, which also includes Bahrain and Egypt, accuses Doha of supporting Islamist movements and backing Iran, a claim Qatar rejects.

The UAE previously said the measures it challenged "appear to be inconsistent" with WTO agreements.

"Qatar's discriminatory against goods... originating from the United Arab Emirates, imposed in May and to a WTO dispute resolution panel in commitments as a member of the WTO,

## US FDA tells four firms to stop selling flavoured e-cigarette, hookah products

The US Food and Drug Administration has told four companies to remove 44 of their flavored e-liquid and hookah tobacco products that do not have the required approval for sale in the US, the agency said on Thursday.

The move comes against the backdrop of the FDA's efforts to curb the usage of the addictive substances among young

The agency said it has issued warning letters to Mighty Vapors LLC, Liquid Labs

USA LLC, V8P Juice International LLC and Hookah Imports Inc and has sought their response within 15 days.

The FDA said the products had been introduced into the market after the effective date of a rule that extended FDA's authority to all tobacco products, thereby making them adulterated or misbranded.

E-cigarettes have existed in a regulatory gray area for years and a US federal judge in July ordered the FDA to implement a 10-month deadline for submitting a formal application by e-cigarette makers to keep their products on the market.

### Mohammad Sayduzzaman **DMD** of Phoenix **Finance**



STAR BUSINESS DESK

Mohammad Sayduzzaman has recently been promoted to deputy managing director of Phoenix Finance and Investments Ltd.

Prior to the promotion, he was the senior executive vice president of the company, according to a statement.

Sayduzzaman joined the company as assistant vice president in 2005. He obtained a master's degree in accounting from Jagannath University and is a fellow member of the Institute of Chartered Accountants of Bangladesh and the Institute of Chartered Secretaries of Bangladesh.

### Vessel congestion to worsen during Eid vacation

At least 8 to 10 days out of the total time required for production are being wasted due to delays in receiving accessories from the port, Chowdhury said.

Chowdhury, also the managing director of Chattogrambased Eastern Apparels, himself suffered a lot recently after failing to timely ship an export consignment of 1 lakh pieces of trousers to a New York-based buyer.

Production at his factory was partly halted for 12 days due to the delay in receiving accessories he imported from Hong Kong, he said. He said he incurred a loss of around Tk 2 lakh as

operating cost for each day during the halt. However, Chowdhury somehow managed to convince the buyer and sent the export cargo on August 7 -- 12 days

after the scheduled date. Vessel operators are counting an additional maintenance cost of around \$10,000 for each day of idle stay of a ship and they may also miss a trip in a month due to this delay.

Abdullah Jahir, general manager of a vessel operating firm PIL (Bangladesh) Ltd, said currently 10 out of total 18 jetties of the port can be allocated for container vessels. He underscored the need for building more jetties in near future to avert such congestion.

In a meeting on August 6, port users urged Chattogram Port Authority (CPA) Director (traffic) Enamul Karim to request the government not to stop cargo carrying vehicles on Dhaka-Chattogram highway during Eid vacation.

CPA Secretary Md Omar Faruq said they decided to keep vessel operation and loading unloading activities normal since the afternoon on Eid day.

He said they would extend all-out support in transport of import and export cargoes to and from the private inland container depots during the vacation.

"But we alone cannot ease the congestion. All the stakeholders should come forward to prevent the congestion from getting worse."



MHM Fairoz, managing director and CEO of Singer Bangladesh, opens Singer Pro dealer outlet "Rean Trade International" at Razmoni Ishakha Shopping Complex in the capital's Kakrail.