

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.25%	▲ 0.35%	\$1,493.80	\$60.75	▼ 1.59%	▲ 0.05%	▲ 0.17%	▲ 0.11%	BUY TK 83.50	91.58	100.40	.77
5,236.85	9,734.06	(per ounce)	(per barrel)	3,472.93	20,628.01	3,127.17	2,883.44	SELL TK 84.50	95.38	104.20	.81



এসআইবিএল
সুপার ডিপিএস
বিশেষ সঞ্চয় কিম

প্রাক্কলিত মুদাফা:

৩ বছর	৫ বছর	১০ বছর
৯.২৫%	৯.৫০%	১০%

ইসলামী শরীয়া'র এক মূল্যবোধ
নীতির ভিত্তিতে পরিচালিত।



Social Islami Bank Limited

starBUSINESS

DHAKA FRIDAY AUGUST 23, 2019, BHADRA 8, 1426 BS starbusiness@thedailystar.net

Tanners to pay rawhide traders in three phases



COLLECTED
FBCCI President Sheikh Fazle Fahim, second from right, attends a press conference at his office in Dhaka yesterday.

STAR BUSINESS REPORT

Tanners have finally agreed to pay arrears to the rawhide merchants but in three phases with the view to resolving the crisis in the leather industry.

The information was shared in a tripartite meeting brokered by the Federation of Bangladesh Chambers of Commerce and Industry yesterday.

Leaders from different trade bodies, business chambers, rawhide merchants, tanners and government higher ups from the ministries of industries and commerce

attended the meeting at the FBCCI office in Dhaka.

In an emergency meeting at the commerce ministry earlier on Sunday, Industries Minister Nurul Majid Mahmud Humayun tasked the FBCCI to mediate the dispute of non-payment of more than Tk 400 crore to the rawhide merchants by tanners.

Both the tanners and merchants will hold two more separate meetings before holding another tripartite meeting with the FBCCI on August 31.

The government took the hurried initiative to resolve the non-payment issue when reports were surfacing in media that nearly 35 percent of more than 1 crore units of rawhides were being thrown away by the seasonal small traders and farmers in the absence of buyers.

READ MORE ON B3

*T&C APPLY
*SELECTED ITEMS ONLY

SALE

20% OFF*

153/E, Road-11, Banani, Dhaka



Smart shopping in Bangladesh lowest among peers

Only 6pc smartphone users buy products online: study

MUHAMMAD ZAHIDUL ISLAM

Only 6 percent of smartphone users in Bangladesh are regularly making purchases from online shops, trailing far behind those in neighbouring India and Pakistan, found a study of research platform GSMA Intelligence.

Some 28 percent of smartphone users in India and 12 percent in Pakistan are shopping online regularly.

Currently, there are about 2.5 crore smartphones in Bangladesh, meaning only 15 lakh people are doing online shopping every month.

The GSMA study -- The Mobile Economy Asia Pacific, 2019 -- found another 5 percent of smartphone users making purchases products albeit less frequently.

About 89 percent have never tried online shopping, which is the same as in neighbouring Myanmar, found the report published recently.

"The number seems okay," said AKM Fahim Mashroor, chief executive officer of AjkerDeal.com, one of the leading e-commerce shops in Bangladesh.

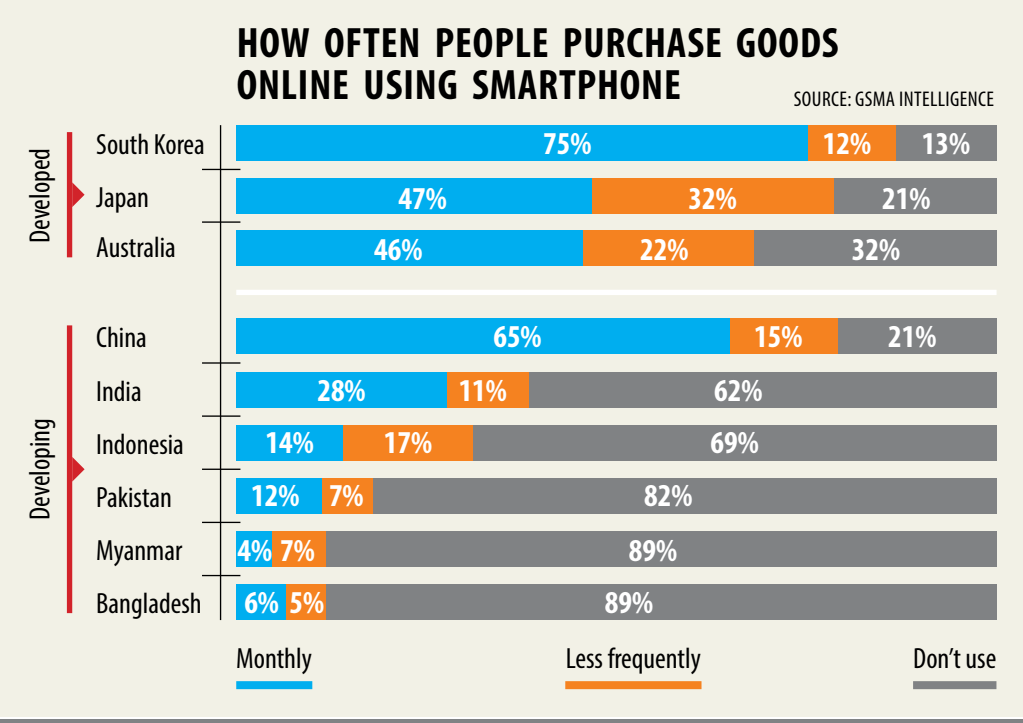
As many as 15 to 20 lakh shop online in Bangladesh.

There are about three crore active internet users in Bangladesh but government data shows it to be about 10 crore, said Mashroor, also the former president of Bangladesh Association of Software and Information Services (BASIS).

"Without increasing the number of internet users it is not possible for online shopping to thrive here."

Besides, problems in the delivery channel and the steep price of internet are also holding back the e-commerce sector.

In Bangladesh, it takes 4-5 days or even more to deliver a product to rural areas whereas in India and Indonesia, both way bigger countries than Bangladesh, it takes two days.



"Internet connectivity is the other challenge as major parts of the country still do not have access to fast data connection. And the price of data is also very high," he added.

However, leaders of the e-Commerce Association of Bangladesh (e-CAB) said the numbers are higher.

"Our estimation says Bangladesh's online shoppers' number is about 50 lakh and we are not sure what is the base of the GSMA's study," said Abdul Wahed Tomal, general secretary of the e-CAB.

Currently, the industry is getting 40,000 to 50,000 orders a day, so if the shopper number did not reach 50 lakh it would not have been possible to reach the high volume

of orders.

"Bangladesh has started a little later than India and Indonesia, which is why this market is lagging behind."

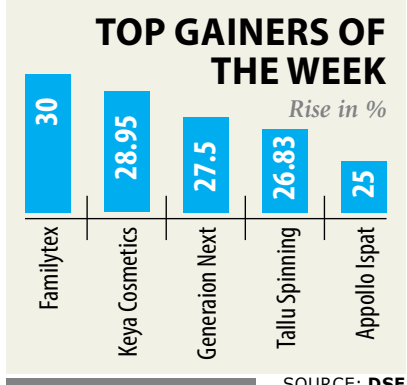
Currently, the market size is about Tk 1,000 crore and it is growing at 30 to 40 percent.

The government is also trying to enhance the industry and has taken up a plan to train about 5,000 e-commerce entrepreneurs.

The initial plan is to select 2,000 trainees from Dhaka, 1,200 from Chattogram and 300 each from all of the other divisional cities. After completing the training, the country will better adopt the digital commerce culture and Bangladesh's figures will be much better, Tomal added.

Stocks end week on positive note

Ceramic, engineering, textiles and cement create buying pressure



STAR BUSINESS REPORT

Dhaka stocks had seen some gains past week as the major indicators of the premier bourse had been turning somewhat positive.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), gained 35.43 points or 0.7 percent week-on-week.

At the week's end, the index closed in the green at 5,236.85, much higher from a two-and-a-half-year low of 4,966.44 just three weeks ago.

The index went slightly bullish

STOCKS WITH HIGHEST TURNOVER		
COMPANIES	TURNOVER (in crore taka)	PRICE RISE
United Power	163.4	0.97%
Orion Infusion	69.7	3.76%
Fortune Shoes	58.7	0.69%
Beacon Pharma	44.8	0.22%
Silco Pharma	41.8	1.94%

last week following pressure from purchases mainly of ceramic, engineering and cement stocks, said stock broker Royal Capital in its weekly analysis.

The significant margin of the banking channel's liquidity shortfall has been making the financial markets unstable to some extent, it added.

The time for banks to adjust their advance-deposit ratio has been extended till September 2019, making investors cautious about the market, it said.

Moreover, general investors have

been uneasy over the liquidation of the People's Leasing and Financial Services along with the finance minister's recent comment that the condition of some financial institutions have turned bad.

The DSE data shows the weekly average turnover reduced to Tk 461 crore from Tk 474 crore.

Among the large cap sectors, textile posted the highest positive change of 2.58 percent, LankaBangla Securities said in its weekly analysis.

Investors had a positive mindset towards the garment sector as it showcased a higher export growth than of last year.

The Export Promotion Bureau data shows that garment shipments brought home \$3.31 billion in July, up 9.60 percent year-on-year and \$97.48 million more than the month's target.

United Power Generation and Distribution Company topped the weekly turnover list followed by Khulna Power Company, JMI Syringes and Medical Devices, Orion Infusion, and Fortune Shoes.

Of them, United Power attracted a turnover of Tk 163.4 crore.

75pc ADP projects miss deadlines

IMED secretary says

STAR BUSINESS REPORT

Around 75 percent of the projects under the annual development programme (ADP) are not finished within the stipulated time and get revised several times, causing cost overruns and depriving people of reaping expected benefits, said a secretary yesterday.

Abul Mansur Mohammad Faizullah, secretary to the Implementation Monitoring and Evaluation Division (IMED) under the planning ministry, said 70 to 75 percent of projects could not be finished within the deadline and this causes most worries.

Because of the revision and the implementation delay, the cost of a project goes up, he said.

"These issues need to be sorted out," he said while addressing the 13th meeting of Public-Private Stakeholders Committee organised by Central Procurement Technical Unit (CPTU) at National Economic Council in Sher-e-Bangla Nagar of Dhaka.

He said while preparing development project proposals, various challenges such as floods, water-logging and rains were taken into account. Still these challenges are used as an excuse while seeking revision, but these pretexts are not acceptable, the secretary said.

READ MORE ON B3

NEWSINbrief

Shasha Denims to acquire majority of EOS Textile shares

Shasha Denims is going to acquire 80 percent of shares of EOS Textile Mills worth Tk 110.68 crore.

Bangladesh Bank has given approval to the selling price and the go-ahead to repatriation of sales proceeds to non-resident shareholders (transferor) of the EOS.

Alhaj Textile puts layoffs on hold again


Alhaj Textile Mills for the third time has put layoffs on hold for 15 days.

The layoff was first announced on June 25 amid a severe fall in yarn sales and attempts to decrease production for space scarcity in the company's warehouses.

LR Global extends tenure of six mutual funds

LR Global Bangladesh Asset Management Company has decided to extend the tenure of its six closed-end mutual funds for another 10 years. The six are LR Global Bangladesh Mutual Fund One, NCCBL Mutual Fund-1, AIBL 1st Islamic Mutual Fund, MBL 1st Mutual Fund, Green Delta Mutual Fund and DBH First Mutual Fund.

সঠিক সময়ে সঠিক চিকিৎসায়
জন্মান্ন শিশু চোখের আলো ফিরে পায়



সমাজের সুবিধাবঞ্চিত পরিবারের জন্মান্ন শিশুর (০-৮ বছর)
চোখের আলো ফিরিয়ে দেয়ার লক্ষ্যে কাজ করছে ব্যাংক এশিয়া

জন্মান্ন শিশুর চিকিৎসা সহায়তা সংক্রান্ত যাবতীয় তথ্য জানতে
যোগাযোগ করুন ব্যাংক এশিয়ার যে কোন শাখা ও এজেন্ট পয়েন্টে

ডায়াল করুন: ০১৫৩৬ ৯৮৭২৬৬, ০১৭৮৭ ৬৬৮৬৮২
ভিজিট করুন: www.bankasia-bd.com

ব্যাংক এশিয়া



Parveen Haque Sikder, a director of National Bank, hands over one of four buses to the authority of National Bank Public School and College yesterday as a donation from the bank's foundation. Choudhury Moshtaq Ahmed, managing director of the bank, was present.

Indonesia announces surprise rate to offset tepid global growth

AFP, Jakarta

Indonesia's central bank announced a surprise interest rate cut Thursday as it looks to offset tepid global growth, after Southeast Asia's biggest economy posted its slowest quarterly expansion in two years.

Bank Indonesia (BI) trimmed its key lending rate by 25 basis points to 5.5 percent -- the second rate reduction in as many months -- and signalled more cuts could be in store.

"This is a pre-emptive measure to boost momentum," said bank governor Perry Warjiyo.

"Indonesia is fortunate that its economy continues to expand, but we must anticipate the risks of a slowdown in the global economy." Indonesia has been grappling with

weaker prices for key commodities like coal and palm oil, as the world economy falters on the back of the US-China trade war.

Some analysts had expected the bank to hold off cutting borrowing costs again over concerns about weakening in the rupiah currency.

"Today's rate cut came as a surprise," Franziska Palmas of research house Capital Economics said in a report.

"The slowing economy and subdued inflation mean BI would certainly like to cut rates again in the coming months." But "further loosening is likely to be gradual", Palmas added. The central bank also lowered its deposit and lending facilities by 25 basis points to 4.75 percent and 6.25 percent respectively. Economic growth weakened to

5.05 percent in the April-June period as exports and investment slipped -- the slowest quarterly expansion in two years.

That has thrown up a challenge for Indonesian President Joko Widodo, who was re-elected this year largely on his bid to energise the economy with a roads-to-airports infrastructure blitz.

Last week, Widodo said his second term would focus on cutting red tape and luring foreign investment.

The government also ticked up its economic growth forecast for next year to 5.3 percent, from an earlier 5.2 percent. Indonesia's economy has been expanding around five percent annually, but that is well short of the seven percent Widodo had pledged in his first term.

Indians pawning the family gold amid credit crunch

REUTERS, Aurangabad/Mumbai, India

Refused a loan by a state-run lender and desperate for funds to buy cotton seeds before the summer sowing season window closed, Indian farmer Babasaheb Mandlik ran out of choices - he pawned his wife's gold jewelry.

Mandlik, who owns an 8-acre cotton farm in western India, pledged 70 grams of gold, almost all of his wife's precious trinkets, in June in return for 150,000 rupees (\$2,105).

"Pawning the jewelry was a difficult decision as my wife likes to wear it at festivals and weddings," 50-year-old Mandlik told Reuters. "I convinced her that we didn't have any other option."

Mandlik is not alone. While pawning gold has long been an option for quick funds in a country that is the world's second-biggest consumer of the yellow metal, several lenders told Reuters of unprecedented demand as people struggle to secure loans from banks grappling with bad debt and a shadow lending industry stung by a liquidity crunch.

The trend, which has prompted some lenders to impose restrictions as risks and borrowing costs rise, has been accelerated by record gold prices. Indians' penchant for gold spans centuries and is rooted in the Hindu religion. Households own an estimated collective 25,000 tonnes of gold, which passes from one generation to the next.

Domestic gold prices have risen



REUTERS/FILE

An employee weighs gold ornaments inside a Muthoot Fincorp branch in Mumbai.

more than a fifth this calendar year, hitting a record high of 38,666 rupees per 10 grams earlier this month amid a global rise.

"As a lot of NBFCs (non-bank financial companies) have become cautious of giving unsecured or even secured loans, we are seeing more customers opting for gold loans instead," said Sumit Bali, chief executive officer of IIFL Finance. "One can obtain a gold loan and walk out of the branch in just thirty minutes."

IIFL's gold loan portfolio stood at 65.83 billion rupees (\$922 million) at the end of the June quarter, up 46 percent compared to a year earlier.

Those pawning their precious possessions are most often independent workers, including farmers and small shop owners.

Muthoot Fincorp, a leading gold financing shadow bank with 2.98 million customers, said its gold loans rose 6.6 percent between April 1 and July 24 this year to 358 billion rupees.

"Pledging gold is becoming more lucrative with rising prices. We have seen healthy demand for gold loans in the last few months," said George Muthoot, director at Muthoot Fincorp.

Ashutosh Khajuria, the chief financial officer of Federal Bank Ltd, a private lender headquartered

in south India, said its gold loan portfolio was at an all-time high of around 80 billion rupees and is expected to grow further.

Indian shadow banks began to face a liquidity crunch following the collapse late last year of Infrastructure Leasing & Financial Services, a major player in the non-banking financial companies space. That led to a surge in borrowing costs, forcing NBFCs to freeze, or tighten lending practices.

Some gold lenders who are also NBFCs have not been immune, despite their increased popularity with borrowers and the solid commodity backing their loans.

Manappuram Finance, which has 2.5 million gold loan accounts, last week revealed its cost of funds in the April-June quarter rose to 9.34 percent from 8.77 percent a year earlier.

Muthoot has independently decided to trim the maximum loan amount of 75 percent of gold value imposed by India's central bank to 70 percent, citing higher borrowing costs and the need to shield itself from any future volatility in gold prices.

"We are still expecting growth of 15 percent to 20 percent in gold loans in 2019/20," said George Muthoot.

Mandlik, meanwhile, is hoping to be able to buy back his pawned gold, which includes pieces gifted to his wife by her parents, after the cotton harvest in October. But the success of his crop - and the future of his wife's jewels - is at the mercy of India's monsoon rainfall.

China hopes US would stop wrong tariff action

REUTERS, Beijing

China said on Thursday it hopes the United States will stop its wrong tariff action, adding that any new tariffs would lead to escalation.

The United States said early this month it would slap duties on \$300 billion of Chinese goods from Sept. 1, which would effectively extend its tariffs to all of China's exports to the United States.

But President Donald Trump later backed off part of the plan, delaying duties on some items such as cellphones, laptops and other consumer goods to mid-December, in the hopes of blunting their impact on US holiday sales.

"Despite the US decision to delay tariffs on some Chinese goods if the United States rides roughshod over China's opposition and impose any new tariffs, China will be forced to adopt retaliatory actions", Ministry of Commerce spokesman Gao Feng told a news briefing.

Gao said trade teams from both sides have been keeping in touch, when asked whether the Chinese vice Premier Liu He would travel to Washington for the next round of face-to-face talks. When asked if Washington has raised the Hong Kong issue with China during the trade negotiations, Gao referred to Trump's previous remarks that Hong Kong is part of China and it is not necessary for the US to intervene.



BASHUNDHARA GROUP

Bashundhara Group Chairman Ahmed Akbar Sobhan receives a "Business Leader of the Year in Real Estate, Bangladesh" award in international category presented by Re/Max India, Franchise India and Zee Business in New Delhi on Wednesday.

Yuan falls to fresh 11-year lows on trade war worries

REUTERS, Shanghai

China's yuan fell to fresh 11-year lows on Thursday amid worries about the deepening Sino-U.S. trade war, despite support from major state-owned banks in both the spot and forwards markets.

Spot yuan ended the domestic session down 0.34 percent at 7.0875 per dollar, its weakest such close since March 14, 2008.

Traders said sentiment was fragile, with recent news headlines offering little hope of a US-China trade deal anytime soon and new

said a trader at a Chinese bank in Shanghai.

Prior to the market opening, the People's Bank of China (PBOC) set the midpoint rate CNY=PBOC at 7.049 per dollar prior to market open, weaker than the previous fix of 7.0433.

State-run banks seen were receiving dollar liquidity in the forwards market before selling the greenback in the onshore spot market, two traders with knowledge of the matter said.

One of them said state banks were seen selling dollars at around 7.07 yuan in the

Macron says tech giants enjoy 'permanent tax haven status'

AFP, Paris

French President Emmanuel Macron, who will defend a global tax on tech giants at this weekend's G7 meeting, on Wednesday criticised a "crazy" system that gives firms a "permanent tax haven status".

"The global tech players do not contribute financially to the funding of the common good, it is not sustainable," the president told reporters.

He said he had on Monday discussed the issue with US President Donald Trump, who has strongly opposed a law passed in France last month on taxing digital companies even if their headquarters are elsewhere.

The law will affect US-based global giants like Google, Apple, Facebook and Amazon, among others. Macron said there had been "very strong lobbying" by the tech giants.

"We must stop having people who have a permanent tax haven status," he said.

The French law aims to plug a taxation gap that has seen some internet heavyweights paying next to nothing in European countries where they make huge profits, because their legal base is in smaller EU states.

France has said it would withdraw the tax if an international agreement is reached, and Paris hopes to include all OECD countries by the end of 2020.

Trump attacks Ford Motor for not backing fuel economy rollback

REUTERS, Washington

US President Donald Trump stepped up a series of attacks on automakers on Wednesday for not backing his administration's plan to roll back Obama-era fuel efficiency rules, singling out Ford Motor Co in particular for backing a deal with California for stricter fuel economy standards.

Ford is one of four automakers, along with Honda Motor Co, BMW AG and Volkswagen AG, that reached a voluntary agreement with California on fuel efficiency rules, defying Trump and his administration's effort to strip the state of the right to fight climate change by setting its own standards.

The rules under the California plan are looser than the Obama-era regulations but stricter than what the Trump has proposed.

Trump said company founder Henry Ford would be "very disappointed if he saw his modern-day descendants wanting to build a much more expensive car, that is far less safe and doesn't work as well, because execs don't want to fight California regulators."

Ford said in a statement that it is focused on acting to protect the environment while also protecting the affordability of vehicles. "This agreement with California provides regulatory stability while reducing CO2 more than complying with two different standards," it said.

There is no evidence that existing fuel economy rules would degrade vehicle performance. And environmentalists and many states challenge Trump's assertion that his administration's proposed rule would boost vehicle safety or dramatically reduce the price of vehicles -- and argue that consumers will save more in reduced fuel costs under the Obama rules.

California Attorney General Xavier Becerra responded to Trump's attacks on automakers saying it would result in an additional 540 million metric

tons of greenhouse gases and other harms. "This doesn't look like a better alternative to us," he said.

The White House has urged other automakers not to back the California agreement, while Democrats have been calling and writing automakers urging them to sign on with California.

The Environmental Protection Agency on Tuesday ridiculed the voluntary framework, which it said "so far has been nothing more than a press release."

"My proposal to the politically correct Automobile Companies would lower the average price of a car

priorities, including affordability so more Americans can buy a new car, plus preserving jobs and safety at the same time."

GM has not backed the voluntary agreement, arguing that it does not properly credit the company's electric vehicles. Even so, Trump tweeted that the founders of Ford and GM "are rolling over" at the weakness of current car company executives' over the fuel rules, adding: "Crazy!"

GM said late Wednesday that the company is "continuously improving fuel economy" and is focused on "working with all parties



US President Donald Trump

to consumers by more than \$3000, while at the same time making the cars substantially safer. Engines would run smoother. Very little impact on the environment! Foolish executives!" Trump tweeted earlier.

Gloria Bergquist, a spokeswoman for the Alliance of Automobile Manufacturers, representing General Motors Co, Toyota Motor Corp, Ford, Volkswagen and others, said the companies "look forward to seeing a final rule soon. We support increases to standards that optimize all the

on a solution that would involve a 50-state solution and a national electric vehicle program." Sierra Club Executive Director Michael Brune said Trump's tweet was completely untrue. "Trump's rollback is unraveling from every corner," he said.

All major automakers are on record saying they oppose the administration's "preferred option" announced in August 2018, which would freeze fuel economy requirements at 2020 levels through 2026.



A woman looks at an instructional sticker on a bank door, showing how to distinguish genuine yuan banknotes from counterfeits, in Beijing on August 16.

US levies on Chinese goods set to go into effect on Sept. 1.

China hopes the United States will stop its wrong tariff action, the commerce ministry said on Thursday, adding that the imposition of any new tariffs would lead to retaliatory actions.

US President Donald Trump said on Wednesday he was "the chosen one" to address trade imbalances with China, even as congressional researchers warned that his tariffs would hurt the American economy.

"The market pays very close attention to the China-US trade dispute, and its impact on the yuan is much heavier than other factors, such as economic fundamentals,"

spot market to prevent sharper losses in the local unit.

The moves injected a note of caution into the market, fueling speculation that authorities may be trying to put a floor under the yuan, the trader added.

But selling picked up again in the afternoon, prompting investors to place stop-loss orders in their short dollar positions, according to a trader at a Chinese bank.

State-owned banks are widely believed by many investors to act on behalf of the central bank in the country's foreign exchange market, although they can trade on their own behalf as well.

Banglalink launches healthcare platform ‘Daktarbhai’

STAR BUSINESS DESK

Telecom operator Banglalink on Wednesday launched a digital healthcare service platform called “Daktarbhai” to provide comprehensive solutions to customers.

Coming in collaboration with Banglalink’s service and technology partner Healthcare Information System Ltd, the facilities include electronic personal health records, health directory, medicine and sleep reminders and health tips free of charge.

The platform’s premium section includes health insurance coverage for diagnostic tests and hospitalisation, complementary life insurance, discounts at hospitals, diagnostic centres, pharmacies and lifestyle outlets; and appointment booking and consultations with doctors.

Customers can avail all the facilities by installing and subscribing to “Daktarbhai” from Play Store or by dialling USSD code *16643#, according to a statement.



Erik Aas, CEO of Banglalink, launches digital health service platform “Daktarbhai” at its head office in the capital’s Gulshan on Wednesday.

The services will be available in daily, monthly and yearly packs.

Launching the platform at Banglalink’s head office in the capital’s Gulshan, Erik Aas, CEO of Banglalink, said, “(It) will help the users maintain a healthy lifestyle...in a convenient way.”

“This initiative will surely

take us one step closer to the fulfillment of our vision of adding more values to customers’ lives through quality digital services,” he added.

“The users...will be able to avail necessary health facilities with just a few taps on their devices. I am hopeful that it

will receive good responses,” said Raihan Shamsi, managing director of Healthcare Information System.

Pierre Boutros Obeid, chief technology officer of Banglalink, and M Harunur Rashid, chairman and founder of Healthcare Information System, were present.

Auto companies in India cut more jobs

REUTERS, New Delhi

With India’s auto sales declining for the ninth straight month in July, more automotive manufacturers are laying off workers and temporarily halting production to keep costs in check, according to sources and documents seen by Reuters.

Japanese carmaker Toyota Motor and South Korea’s Hyundai Motor are the latest in a string of companies to halt production at plants to combat slumping sales, according to company memos to employees, reviewed by Reuters.

Passenger vehicle sales in July fell at the fastest pace in nearly two decades. The sales declines have triggered major job cuts in India’s auto sector, with many companies forced to shut down factories for days and axe shifts.

Sources have told Reuters that even more companies have now begun to lay off temporary workers as the slowdown worsens.

Denso Corp’s India unit, which makes powertrain and air-conditioning systems for cars, has laid off about 350 temporary workers at its Manesar plant in north India, a source familiar with the matter told Reuters.

Bellsonica, which is part-owned by India’s biggest carmaker Maruti Suzuki

and makes fuel tanks and brake pads, has also let more than 350 workers go in Manesar, two sources said. Denso did not immediately respond to a request for comment. Bellsonica could not immediately be reached.

Reuters earlier this month reported automakers, component manufacturers and dealers had already cut 350,000 jobs.

In a meeting with India’s finance ministry on Aug. 7, industry executives asked for tax cuts, and easier access to finance for dealers and buyers, in an effort to revive sales.

Toyota, in a notice dated Aug. 13, told its workers the company would halt production at its plants in Bengaluru in southern India on Aug. 16 and 17 “due to low market demand of vehicles” and high stock of about 7,000 vehicles.

N. Raja, deputy managing director, at Toyota’s India unit, told Reuters that while the company had a flexible production system it had to resort to five no-production days in August to prevent the build up of stock.

“The industry is deeply concerned with the reality of poor customer sentiment faced by the sector,” said Raja, adding he hoped the government would step in to support the industry.

Hyundai, in a memo on Aug. 9, also said it would halt production for several days in August across various departments.

US, Mexico reach deal to end tomato tariffs

AFP, Mexico City

The United States and Mexico said Wednesday they have reached a deal to end US tariffs on Mexican tomatoes, imposed amid a surge in trade tension between the neighbors.

The US imposed the 17.5-percent tariffs in May, after the countries failed to renew an agreement that suspended a US anti-dumping investigation first opened 23 years ago.

“After intensive discussions with all parties, we initiated a new draft suspension agreement with the Mexican growers late last night (Tuesday). This draft agreement meets the needs of both sides and avoids the need for antidumping duties,” US Secretary of Commerce Wilbur Ross said in a statement.

The Mexican economy ministry meanwhile expressed its “satisfaction” over the deal, which it said included the full reimbursement of tariffs paid by Mexican tomato growers.

The US Commerce Department said the draft deal would now be put to a 30-day review period, and signed on September 19 if both sides still agree.

Mexico, which supplies half the fresh tomatoes consumed in the United States, had estimated the tariffs would cost its exporters more than \$350 million a year.

President Andres Manuel Lopez Obrador had warned that could fuel migration to the United States by hurting an industry responsible for 1.4 million jobs in Mexico.

The leftist leader said he “welcomes this deal.” Mexico exported around \$2 billion of tomatoes to the United States last year -- its third-largest agricultural export to its northern neighbor, after beer and avocados.

President Donald Trump’s repeated threats to impose tariffs on Mexican goods and close the border have created tension between the two countries.

Mexico, which sends nearly 80 percent of its exports to the United States, has nevertheless supplanted China as the biggest US trading partner this year, amid the ongoing trade war between Washington and Beijing.

Fed was divided on rate cut, wanted to avoid appearing on path for more cuts

REUTERS, Washington

Federal Reserve policymakers were deeply divided over whether to cut interest rates last month but were united in wanting to signal they were not on a preset path to more cuts, a message not likely to sit well with US President Donald Trump.

Minutes from the two-day meeting released on Wednesday showed policymakers’ ultimate decision to lower the central bank’s benchmark interest rate by a quarter percentage point drew more opposition than was reflected in the rate-setting panel’s 8-2 vote, announced after the meeting adjourned on July 31.

While a “couple” of participants favored a deeper cut of half a percentage point to help lift inflation toward the Fed’s target and thwart fallout from global trade tensions, a larger number - characterized in the minutes as “several” - favored no change at all.

The depth of the debate raises the stakes for the signal that Chairman Jerome Powell is set to deliver on Friday at the Fed’s annual policy retreat in Jackson Hole, Wyoming. It also shows a Federal Reserve not eager to give Trump the larger rate reductions he is demanding.

“I think the thing that surprised me was how divided they were,”

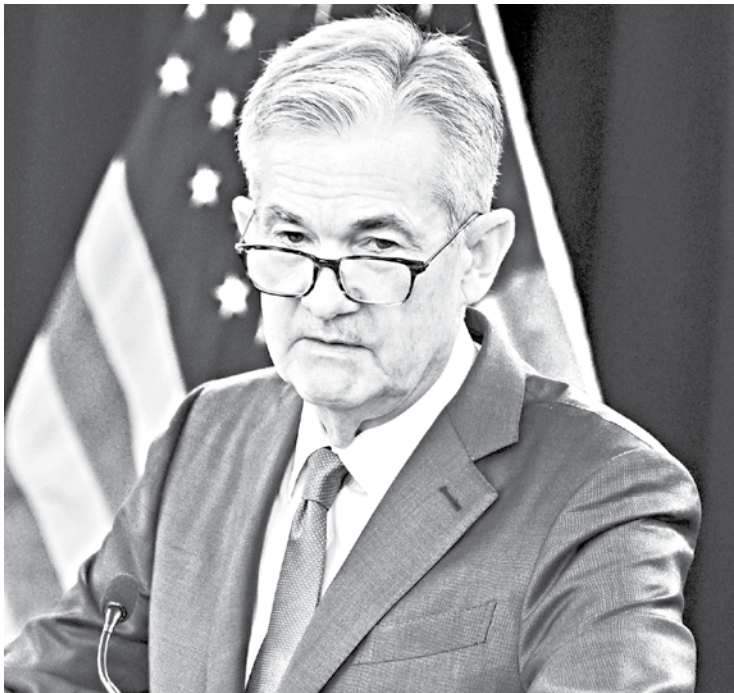
said Mary Ann Hurley, vice president for fixed income trading at D.A. Davidson in Seattle. “We’re really in uncharted territory. They are really concerned about doing or not doing the right thing.”

The divisions revealed in the minutes indicate there might have been more dissents if all participants had a vote. While Fed

board governors are permanent voters, only five of the 12 regional reserve bank presidents have a vote at each meeting.

At the same time, the minutes also showed broad concern among policymakers over a global economic slowdown, trade tensions and sluggish inflation.

Since that meeting, the Fed has



US Federal Reserve Chairman Jerome Powell speaks during a press conference in Washington.

come under increasing pressure to cut borrowing costs more, including a call by Trump on Wednesday for the Fed to slash its benchmark rate.

However, Fed policymakers agreed at their July 30-31 meeting that they did not want to give the impression they were planning more rate cuts.

“Participants generally favored an approach in which policy would be guided by incoming information ... and that avoided any appearance of following a preset course,” according to the minutes.

US stocks held on to session gains after the minutes were released, with the benchmark S&P 500 Index .SPX up about 0.77% on the day.

“The Fed clearly wants to be flexible. They are clearly worried about some of the global tensions that are out there, whether it is trade or Brexit or some of those international developments,” said Willie Delwiche, investment strategist at Baird in Milwaukee.

Yields on longer-dated US Treasury securities rose after the minutes were published. The 10-year note US10YT=RR yield climbed to 1.58%, while the 30-year bond US30YT=RR rose further above the key 2% level, last trading at 2.06%. It fell below 2% for the first time ever last week as diminishing expectations

for US economic growth fueled demand for safe assets.

The dollar strengthened against the safe-have yen and Swiss franc.

The comments on Wednesday by Trump, who has repeatedly criticized the Federal Reserve’s policies, come as he seeks to downplay worries that a trade war between the United States and China could weigh on the US economy and trigger a possible recession before the November 2020 presidential election.

Minneapolis Federal Reserve Bank President Neel Kashkari, who does not have a vote on the Fed’s monetary policy committee this year but participates in policy discussions, urged the Fed on Wednesday to use pledges about future policy, known in central banking as “forward guidance,” to boost the economy.

The July 30-31 policy meeting also included discussion of the Fed’s research into potential changes to its approach to setting policy. A number of policymakers said the Fed could have been more aggressive in using bond purchases to fight the 2007-09 recession.

However, policymakers also said tools like bond purchases and forward guidance might not be enough to eliminate the risk of policy being hampered in the future when the Fed’s benchmark rate gets close to zero.

Tanners to pay rawhide traders in three phases

FROM PAGE B1

A huge number of rawhides worth nearly Tk 100 crore were thrown away as the merchants did not have the capital to purchase them from seasonal small traders because the tanners did not pay the previous dues before Eid.

FBCCI President Sheikh Fazle Fahim said the payment of arrears will take place in three tranches: from 1990 to 2010, 2010 and 2015, and 2015 to 2019.

The tanners and rawhide merchants have been calculating the exact amount of arrears now. However, both the rawhide merchants and tanners said that the amount is nearly Tk 400 crore so far.

Asked whether Delwar Hossain, president of the Bangladesh Hide and Skin Merchants’ Association, was satisfied with the FBCCI brokered meeting or not, he answered in the affirmative.

However, he urged the tanners to pay the arrears of 2015 to 2019 first.

“We are still working on the final calculation of arrears between 1990 and 2010.”

Regarding the last spell of rawhide crisis, Hosain said: “Even on the last banking hour before the Eid, the tanners assured us that they will pay the arrears. But they did not and the damage has been done.”

He went on to oppose rawhide exports for the sake of domestic leather industries.

At the press conference, Md Shaheen Ahmed, president of the Bangladesh Tanners Association, demanded fresh loans from banks to pay arrears.

“At the first meeting, we have also discussed about the leather policy by the industries ministry and the commerce ministry. The government is scheduled to take the draft leather policy to the next cabinet meeting,” Fahim said.

Although the tanners have purchased the land at the newly established Savar Tannery Industrial Estate, they cannot use the land deeds as the collateral for receiving loan from banks due to some problems.

The industries ministry needs to formulate a guideline for the tannery industry’s land registration, Fahim said.

“I hope we will get a permanent solution in the proposed leather policy.”

Factory woes grip swing states that flipped for Trump in 2016

REUTERS, Washington

A slowdown in US manufacturing is hitting jobs in states that flipped to Donald Trump in the 2016 election and that will be key to the Republican president’s re-election prospects in 2020.

Trump is telling voters across the country that the economy is booming and jobs are growing. But the blow to factory employment is more pronounced in places like Pennsylvania, Ohio and Wisconsin than in the rest of the country.

While the overall US economy is still growing at a healthy clip thanks to robust consumer spending, the weakness in the manufacturing-dependent areas that helped propel Trump to the White House could complicate his prospects in the November 2020 election.

Following is a look at how the manufacturing downturn is playing out in a number of states that could decide whether Trump gets a second term as president.

Payrolls at US factories grew strongly in 2018, helped by a strong domestic US economy. But more recently, job growth at factories has slowed across the country, rising 0.3 percent in the six months through July compared with a 0.9 percent gain in the prior six months.

Factories have been hit by weaker overseas markets, a US-China trade war and an investment slowdown economists attribute in part to worries about trade tensions.

The blow is falling more heavily on big manufacturing states in the US Midwest and Northeast, regions

that have shed factory jobs in droves since the 1980s even as manufacturing expanded in Southern states where wages are often lower.

In Pennsylvania and Wisconsin, factory employment is falling, while hiring is weaker in Ohio and Iowa than in the rest of the country.

Payroll growth in Michigan’s factories has been similar to that of the rest of the rest of the country, although it showed signs of weakening this week when United States Steel Corp said it would lay off hundreds of workers in the state.

Together, those states account for five of the six states that voted for former Democratic President Barack Obama in both 2008 and 2012 and for Trump in 2016. Trump won the states after pitching himself as a business-savvy pragmatist who would put American

jobs first. All are considered swing states in 2020. Trump only narrowly won Pennsylvania, Wisconsin and Michigan in 2016.

Florida is the sixth state that Trump flipped. But like several other Southern US states with large manufacturing workforces, its factory payrolls are expanding more quickly than the national average.

In Pennsylvania, manufacturing employment fell 1.5 percent in the six months through July to 561,400, the biggest decline among any state with at least 200,000 manufacturing workers, according to Labor Department data.

Wisconsin’s factory payrolls shrank 0.9 percent over the same period, the third steepest fall among big factory states behind New York, which declined 1.2 percent.



A production line employee works at the AMES Companies shovel manufacturing factory in Pennsylvania, US.

75pc ADP projects miss deadline

FROM PAGE B1

Planning Minister MA Mannan announced that from now on projects would not be revised more than twice.

If a project is revised more than twice, a special memo will be required and discussions will be held on the reasons for the revision. The implementing agencies will have to explain the reasons in details, he said.

He blamed bad contractors for delays in project implementation, saying they killed time instead of completing a task as per schedule.

The minister said the government would prepare a comprehensive policy to make a blacklist of contractors.

He directed the CPTU to take necessary initiatives to formulate the policy.

The IMED secretary said a provision to blacklist contractors already existed but it was not used effectively. Now, the division will take an initiative to make the provision effective.

The CPTU is engaging citizens under a Digitising Implementation Monitoring and Public Procurement Project, which is supported by World Bank.

In a statement, the CPTU said citizen engagement in public procurement in the form of monitoring contract implementation has produced better results.

At the meeting, Mirza Hassan, fellow of the Brac Institute of Governance and Development (BIGD), gave a presentation on the problems faced by the implementing agencies during execution of projects.

The BIGD has engaged Brac Community Empowerment Programme to facilitate citizen monitoring.

Citizens lodged 32 grievances about the quality of works in construction of roads and schools in 16 upazilas with the related supervising engineers of Local Government Engineering Department.

Of the grievances, 30 have been settled and two remained unresolved, the statement said.

The statement said the citizens were enthusiastic in monitoring contracts, particularly the retired ones. Due to household chores, women find it difficult to make time for monitoring.

The planning minister said the government was very sincere about citizen engagement in public procurement and wants to stop the wastage of public money.

CPTU Director General Md Ali Noor also spoke.