



New MD for Sheltech Group

STAR BUSINESS DESK

Tanvir Ahmed has recently been appointed as the new managing director of Sheltech Group. Ahmed has been with Sheltech since 2008. He is also a director of Envoy Group, according to a statement.

A CIP since 2014, he is also a member of the executive committee of Bangladesh Employers' Federation and a director of the India-Bangladesh Chamber of Commerce and Industry. Ahmed attained his BBA and MBA degrees from the UK.

Fed rejects call to deny Trump rate cuts; Trump keeps up pressure

REUTERS, San Francisco/New York

The US central bank on Tuesday rejected a call from a former Federal Reserve policymaker to counter President Donald Trump's trade agenda by refusing to "play along" and denying the president the interest rate cuts he has demanded.

"The Federal Reserve's policy decisions are guided solely by its congressional mandate to maintain price stability and maximum employment," a Fed spokeswoman said. "Political considerations play absolutely no role."

Earlier on Tuesday, in an opinion piece for Bloomberg News, former New York Fed President William Dudley called for the central bank to say that it will not "bail out" the administration for its "bad choices" on trade policy.

Trump has ratcheted up tariffs on China to force the world's second-largest economy to cut a better trade deal with the United States. Some US businesses have cut spending, citing the trade war, and Fed Chair Jerome Powell has said that the resulting uncertainty poses an unprecedented challenge for the Fed.

"Central bank officials face a choice: enable the Trump administration to continue down a disastrous path of trade war escalation, or send a clear signal that if



US President Donald Trump walks with Jerome Powell, Federal Reserve chairman, at the White House in Washington.

the administration does so, the president, not the Fed, will bear the risks — including the risk of losing the next election," Dudley wrote here. "If the goal of monetary policy is to achieve the best long-term economic outcome, then Fed officials should consider how their decisions will affect the political outcome in 2020."

As head of the New York Fed from 2009 to 2018, Dudley was vice-chairman of the committee that sets US interest rates during critical years in the aftermath of the global financial crisis and also ran the regional bank that implements that policy through trading in the market.

Economists criticized Dudley's op-ed, warning that the Fed ought not to decide rate policy on the basis of politics, or to use it to help or hurt a presidential candidate.

That is exactly what Trump accused the Fed of doing under Barack Obama, saying without evidence that the central bank kept rates low at the former president's behest to prevent an economic bubble from bursting.

Trump has tweeted critically about the Fed and its leadership at least 11 times in just the last week, including on Tuesday. The Fed, Trump wrote, "has been calling it wrong for too long!"

Contacted by Reuters about the piece, Dudley said he would let the op-ed "speak for itself."



Janata Bank gets new chairman

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Jamaluddin Ahmed has recently been appointed chairman of Janata Bank.

He was previously a director of Bangladesh Bank and has also served Janata Bank as a director, according to a statement.

Ahmed is the chairman of Emerging Credit Rating Ltd and general secretary of Bangladesh Economic Association.

He is a chartered accountant, a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB) since 1990 and has served as its president. Ahmed attained his PhD from Cardiff Business School, University of Wales.

New DMDs for AB Bank

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Mahmudul Alam and Abdur Rahman have recently joined AB Bank as deputy managing directors.

Alam will act as the head of credit while Rahman as head of retail banking division.

Alam was previously the managing director and CEO of Union Capital Ltd while Rahman head of branches of Meghna Bank, according to a statement. Alam started his career at IDLC Ltd in 1990 and also worked at Shahjalal Islami Bank and GSP Finance Company (Bangladesh). He attained his MBA degree from the Institute of Business Administration under the University of Dhaka.

Rahman started his career at ANZ Grindlays Bank in 1994 and also worked at Standard Chartered Bank, Brac Bank and City Bank in different capacities. He holds a postgraduate degree in social welfare from the University of Dhaka.



Mahmudul Alam Abdur Rahman

Australia home building craters, prices promise some relief

REUTERS, Sydney

Australian construction spending slid to its lowest in almost three years last quarter as a deepening downturn in home building spread to other sectors and posed a downside risk to growth across the economy.

The weakness in housing is also unlikely to turn anytime soon as the industry wrestles with an overabundance of new apartment blocks begun when the market was red-hot.

Wednesday's figures from the Australian Bureau of Statistics showed inflation-adjusted construction spending fell 3.8 percent in the June quarter, from the previous quarter, to stand at A\$48.8 billion (\$32.96 billion). That was the lowest amount since late 2016 and off 11.1 percent from a year earlier.

The quarterly drop was far steeper than the 1 percent fall forecast by analysts and suggested

gross domestic product (GDP) might also miss estimates, perhaps badly. The data is due on Sept. 4.

"With construction representing around 13 percent of the economy this result will dent GDP, potentially in the order of 0.4 percentage points," said Westpac senior economist Andrew Hanlan. "The housing downturn still has further to go and will weigh on conditions throughout 2019 and into 2020."

Analysts had thought the economy grew around 0.6 percent in the quarter, which would be a pick up from a poor first quarter. Yet annual growth would still slow to its lowest in a decade at 1.5 percent, dragged mainly by dismal consumer spending. While the country's resource exporters have been buoyed by strong Chinese demand, consumers have laboured with miserly growth in wages and incomes.

The Reserve Bank of Australia (RBA) has

already reacted by cutting interest rates to a record low of 1 percent, and markets are wagering it will have to go all the way to 0.5 percent.

RBA Deputy Governor Guy Debelle this week confirmed unconventional policies such as buying bonds would be considered if yet further stimulus was then needed.

The ongoing slump in home building suggested some sort of action might be necessary. Residential work sank 5.1 percent in the June quarter to the lowest since 2015, and it's playing havoc with firms in the sector.

Just this week, shares in Australia's largest building materials maker Boral Ltd suffered their sharpest one-day loss after issuing a stark warning on profits as a drop off in new homes swamped strength in infrastructure.

"Housing moves a lot faster than infrastructure does," was how chief executive Mike Kane explained the downturn.

New era begins in livestock insurance

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"A number of educated people is coming to the profession of rearing livestock nowadays, so our livestock sector is expanding day by day," said Md Ashraf Ali Khan Khasru, state minister for fisheries and livestock.

In fiscal 2017-18, the total number of livestock was 5.51 crore, up from 5.47 crore a year earlier, according to data from the fisheries and livestock ministry.

The sector needs insurance support to grow more because when a cow or goat dies the farmer gets into financial problems, Khan said.

With the insurance policy many educated young people will be encouraged to go for cattle rearing as risks would be mitigated.

The minister went on to invite other insurers to come up with such a policy and urged banks to lower the interest rate of loans to farmers. Selim RF Hussain, managing director of Brac Bank, said risks of both farmers and banks will come down due to the insurance.

"The scheme will also encourage new entrepreneurs," he added. Afsana Islam, deputy team leader of growth and private sector development of DFID Bangladesh, the British government's arm for international development, and Shykh Seraj, founder director and head of news of Channel i, also spoke at the event.

Big push for renewable energy

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The NWPGCL is implementing a 7.6 MWp grid-connected PV solar power plant project on a pilot scheme, which will begin producing power in 2020. MWp is a solar power measure in PV industry to describe a unit's nominal power.

The NWPGCL has already formed a joint venture, Bangladesh-China Power Company Ltd, with the CMC to implement a Payra 1,320MW thermal power plant project, the country's first ultra-super critical power plant. The plant is set to commence commercial operation by December this year.



Md Abul Hossain, managing director of the Investment Corporation of Bangladesh, and Adil Raihan, deputy managing director of Mercantile Bank, attend a deal signing ceremony at the former's head office in Dhaka recently for creating entrepreneurs to boost up investment.

Govt seeks to jack up trade with Latin America

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Currently, Bangladesh faces 30 percent duty on exports to the countries in the region and, after state tax and others, the tariff finally amounts to nearly 60 percent.

So, it is difficult for Bangladesh to increase exports to this region. Moreover, Bangladesh has no consulate in Sao Paulo, the main business hub of Brazil where over 8,000 Bangladeshis reside, the minister said.

The government is working to set up a consulate in Sao Paulo so that Bangladeshis can easily do business there and also for easing shipments.

Munshi said Bangladesh would hold an exhibition in Sao Paulo in November this year to showcase products, such as textiles, garment,

pharmaceuticals, leather and leather goods, ceramics, and tableware.

The Federation of Bangladesh Chambers of Commerce and Industry will supervise the exhibition in collaboration with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

He also said the leaders of the South American countries would review the tariff structures of this region in December.

During the review, Bangladesh will try to place its demand seeking lowering of tariffs or signing of an FTA, the minister said.

Munshi said the Brazilian government assured of withdrawing an anti-dumping duty it imposed on Bangladeshi jute and jute goods in 1992.

The South American governments also want to do good business with Bangladesh.

For instance, both Brazil and Argentina want to export beef to Bangladesh as they claim that theirs are better than that of other countries, he said.

Moreover, Brazil wants to open a warehouse in Bangladesh to stockpile cotton as Bangladesh is its second biggest buyer worldwide after China, the minister added.

Rubana Huq, the BGMEA president, said if the tariff in the South American countries could be reduced, Bangladesh would be able to avail a very big market in the continent.

Bangladesh's garment export to Brazil amounted to \$160.51 million last fiscal year and \$158.38 million in fiscal 2017-18, according to data from the BGMEA.



Eshita Sharmin, head of marketing, advertisement sales and jobs at Bikroy.com; Naz Hussain, head of marketplace, sales and service centre, and KMG Kibria, head of brand and communication at Minister Hi-Tech Park Ltd, pose at the Daily Star Centre in Dhaka yesterday with winners of a "Bikroy Birat Haat Powered by Minister" campaign centring trade of sacrificial animals for Qurbani on the online marketplace.



Md Shafiqur Rahman Patwari, chairman of the Insurance Development and Regulatory Authority, and Tapan Chowdhury and Nihad Kabir, directors of Guardian Life Insurance, open the insurer's relocated corporate head office at Police Plaza Concord (tower 2) in Gulshan of Dhaka on Tuesday.