

India and Nepal open South Asia's first cross-border oil pipeline

REUTERS, Kathmandu

India and Nepal officially opened South Asia's first cross-border oil pipeline on Tuesday, a project seen as part of New Delhi's efforts to increase its influence in the Himalayan nation where China is also making deep inroads.

Indian Prime Minister Narendra Modi and his Nepal counterpart K.P. Sharma Oli joined the inauguration ceremony by video link from their respective capitals.

India funded the 3.24 billion rupee (\$45 million) pipeline project, which has an annual capacity of 2 million metric tonnes and will enable Nepal to import fuel from India at a lower cost. India is Nepal's sole supplier of oil which is currently carried on tankers via road to the land-locked country.

The 69-km (43 miles) pipeline, built by state-owned Indian Oil Corporation (IOC) in cooperation with Nepal Oil Corporation, was completed 15 months ahead of schedule,

officials said.

"This is a matter of satisfaction that South Asia's first cross-border petroleum pipeline has been completed in record time. This has been completed in about half of the expected time," Modi said.

The pipeline will supply oil from Motihari in the eastern Indian state of Bihar to Amlekhgunj in Nepal.

Traditionally India has been slow to implement projects despite ambitious plans, and has often faced criticism from politicians in Nepal for what they see as meddling by their much bigger neighbour.

However, the implementation of India-funded projects in Nepal gained momentum following talks between Modi and Oli last year, officials said.

The Himalayan republic is a natural buffer between India and China, which is also pouring aid and investment into Nepal hospitals, roads and hydroelectric plants.

India and Nepal, which share a 1,751-km (1,094 miles) border, have close religious and cultural bonds and tens of thousands of Nepalis work in India.

The pipeline is the "best example of connectivity in the field of trade and transit ... between Nepal and India," Oli, flanked by his cabinet ministers, said in a televised video address.

Oli said Nepal's government had cut the cost of petrol by about two US cents a litre from Tuesday to benefit consumers as the pipeline would cut oil transport costs.

Nepal consumes about 2.66 million tonnes of oil and about 480,000 tonnes of cooking gas, currently carried in trucks from half a dozen Indian depots to different points in Nepal.

The pipeline will save Nepal about \$8.7 million a year in transport costs for fuel, Birendra Goit, a spokesman for Nepal Oil Corporation, said.



REGENT AIRWAYS

Hanif Zakaria, chief commercial officer of Regent Airways, receives a "Bangladesh Master Brand Award 2019" from CMO Asia and World Marketing Congress at Pan Pacific Sonargaon Dhaka on Sunday.



HSBC

Ahmed Saiful Islam, head of retail banking and wealth management at HSBC Bangladesh, opens an "HSBC Corporate Employee Privilege Scheme Centre" at Chattogram Export Processing Zone (CEPZ) recently.

New top brass for Bangladesh Cotton Association

STAR BUSINESS DESK

Sultan Reaz Chowdhury and Md Pavel Hossain have recently been elected president and general secretary respectively of Bangladesh Cotton Association.

The association also elected Nuruzzaman, Zinat Halim, Abdullah-Al-Mahmood and Maqbul Hossain as vice presidents.

Nani Gopal Saha, Kazi Azmal Haque, Idris Ali Molla and Mostafa Amranul Haque became joint secretaries, the association said in a statement yesterday.

Muhammad Ayub was elected treasurer while Sk Samiul Islam, Akhtaruzzaman and Jobayer Ahmed members.



Sultan Reaz Chowdhury

Md Pavel Hossain

GM recalls 3.5m vehicles

AFP, New York

General Motors is recalling nearly 3.5 million vehicles because of a brake problem that increases the risk of a crash, according to documents published by a US safety agency.

The issue is with the vacuum pump, which can diminish vacuum over time, affecting braking and "extending the distance required to stop the vehicle, thereby increasing the risk of a crash," according to a letter to GM from the National Highway Traffic Safety Administration.

Gig economy challenged as California lawmakers approve landmark bill

AFP, San Francisco

Uber and Lyft would be required to treat contract workers in California as employees under landmark legislation approved by the US state's lawmakers Tuesday that could reshape the gig economy.

Those in favor of the gig economy -- where workers are employed on short-term contracts without benefits like healthcare or minimum wage -- say it allows flexibility, but opponents say it deprives workers of stability and security.

Under Assembly Bill 5, workers in California must be designated employees, not contractors, if their work or performance is controlled by the company, and part of that company's regular business.

Bitterly fought by the tech giants, the landmark bill -- which passed 29-11 in the state legislature's upper house -- sets a precedent that may be copied in states like New York where labour groups are pushing for similar rights for workers.

The lower house -- the Assembly -- which

has already passed the bill, will now vote on amendments introduced by the Senate, before sending it to California Governor Gavin Newsom.

Newsom is expected to sign it into law, having indicated his support for the measure last week in an op-ed.

Once a darling of both progressives and hard-nosed economists, start-up apps relying on the gig economy are weathering increasing political pressure, as well as plateauing or decreasing stock values as investors worry about potential legislation.

Both Uber and Lyft warned about the impact of such laws in a co-bylined op-ed in the San Francisco Chronicle ahead of the bill's hearing.

It said: "It's also no secret that a change to the employment classification of ride-share drivers would pose a risk to our businesses." But Lorena Gonzalez, the Democrat who authored the bill, told news agency Bloomberg the law meant a business "cannot game the system by misclassifying its workers."

BB to give banks euro loans from reserves

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This will not have been a concern were there excess foreign exchange reserves, Hussain said.

As of September 4, foreign exchange reserves stood at \$32.80 billion, enough to cover about five-and-a-half months' import bill, according to data from the central bank.

Given that the BB intervenes in the foreign exchange market to keep the exchange rate relatively stable against the US dollar, assessment by the International Monetary Fund suggests an adequacy ranging from 3 to 8.8 months of imports

given the country-specific characteristics of Bangladesh.

"Fact is we don't," Hussain said, adding that import growth is outstripping export growth.

Liquidating foreign exchange reserves on grounds of marginally negative return when its level is barely adequate undermines a key rationale for holding reserves: to enable the economy to absorb unforeseen external or domestic shocks.

He instead suggested switching to alternative foreign assets to offset the negative returns on euro liquid assets.

Apple's new, lower priced iPhone draws tepid response in Asia

REUTERS, Hangzhou, China/Seoul

Apple Inc's new, lower priced iPhone that comes with a faster processor but lacks 5G technology disappointed Asia, where cheaper and feature-packed handsets from rivals are already available. The iPhone 11, launched on Tuesday for \$50 less than last year's base XR model, was met with a limp response from social media users in Asian markets that are dominated by Huawei Technologies and Samsung Electronics.

Lowering the entry price point, a rare move from Apple, was likely an effort to attract buyers in China, where Apple has ceded ground to Huawei due to a surge in support from patriotic Chinese consumers after the Chinese brand was caught in the US-China trade standoff, said analysts.

Despite the reduction, the iPhone 11, and even the higher-end models with more camera lenses, are set to come up short in Asia.

"Apple's new phones were no surprise at all. Only tangible change is having an additional camera on their premium model," said Park Sung-soon, an analyst at Seoul-based Cape Investment & Securities.

"However, it is noticeable that Apple has made a price cut for the newest iPhone for about \$50, which is a very rare move for the company. The move might be aiming to manage and reduce potential risks drawn by the US-China trade war."

The iPhone 11 will have two back cameras and is priced starting at \$699,

down from \$749 for the XR last year. On Tuesday, Apple also dropped the price of the XR by \$150.

The more expensive iPhone 11 Pro will have three cameras on the back and starts at \$999. The bigger screen iPhone 11 Pro Max starts at \$1,099.

"Since we still have to wait a year for 5G, why not just buy Huawei on Monday," said one user on China's Twitter-like service Weibo. Huawei and smaller rival Vivo have already released 5G models in China, and Samsung in South Korea.

A meme doing the rounds on

Chinese social media featured Apple Chief Executive Tim Cook bragging about the new features and Richard Yu, CEO of Huawei's consumer business group, shutting him down by pointing out that Huawei has had those features for years.

"(Apple) just added one more camera lens and called it a new feature, meanwhile it is still too pricey," said a user on South Korea's Naver.com web portal. One of the main draws of the new launch for US buyers - a \$5 per month Netflix-like streaming service - will not be available in China.



REUTERS

Apple CEO Tim Cook presents the new iPhone 11 at an Apple event at their headquarters in Cupertino, California on September 10.

PM opens Community Bank

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The bank will focus on setting up a good number of digital banking booths in rural areas in order to provide banking services to clients, an official of the bank said.

The booths will help the bank reduce cost and provide micro-lending and deposit products to underprivileged people, he said.

Since the inception, the bank has been following the central bank's rules and regulations in order ensure corporate governance, according to a press release issued by the bank. It has appointed independent directors as well.

The bank got its approval from the central bank in November last year to roll out the operations with a paid-up capital of Tk 400 crore.

With Community Bank Bangladesh Ltd, the number of the country's total scheduled banks reaches 59.

AHM Mustafa Kamal, finance minister; Asaduzzaman Khan, home minister, and Mohammad Javed Patwary, inspector general of Police and also the chairman of the bank, were present at the ceremony at the Gono Bhaban.

Md Moinur Rahman Chowdhury, additional IGP, officials of the central bank and a good number of businesspeople were present at the Rajarbagh Police Line auditorium.

Masihul Huq Chowdhury, managing director of Community Bank, and other officials attended the inaugural session at the Gulshan branch.

Stocks hit 33-month low

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With the index sliding, general investors are also selling off shares fearing further decline, said a trading official of IDLC Securities requesting not to be named.

"Investors incurred huge losses in the stock market in the last few weeks, so they have no room to invest more."

Moreover, they prefer to keep liquid money in hand by selling shares to buy stocks when they become cheaper in future, he added.

Fuel and power sector took the biggest hit, with a 3.2 percent decrease, followed by general insurance and textile, both of which dropped 2.3 percent, said UCB Capital Management in its daily market analysis.

Banks and non-bank financial institutions are suffering from liquidity pressure, so their participation has remained low, said another merchant banker.

"Foreign investors are selling off their shares due to the lack of confidence and depreciation of local currency against the US dollar."

These, along with the announcement of liquidation of People's Leasing and

Financial Services, have drained general stock investors' confidence, he added.

Although the stock market regulator took some steps to boost investors' confidence, they turned out to be stop-gap measures.

"Such steps could save the index from falling for just a few days," he added.

Turnover rose 23.43 percent to Tk 502.42 crore yesterday.

Of the traded issues, 37 advanced, 288 declined, with 28 securities closing unchanged. National Tubes dominated the turnover chart with transaction of Tk 26.88 crore shares, followed by JMI Syringes, Beacon Pharmaceuticals, Monno Ceramic and Stylecraft.

National Tubes was the day's best performer with a 9.93 percent gain, while ML Dyeing was the worst loser, shedding 9.56 percent.

Chattogram stocks also fell with the bourse's benchmark index, CSCX, declining 132.59 points, or 1.43 percent, to finish the day at 9,114.83.

Losers beat gainers as 210 declined and 36 advanced, while 15 finished unchanged on the Chittagong Stock Exchange.



EBL

Ziaul Karim, head of communications and external affairs of Eastern Bank Ltd (EBL), receives a "Bangladesh Best Employer Brand Award 2019" of Employer Branding Institute at the 14th Employer Branding Awards at Pan Pacific Sonargaon Dhaka on September 8.

PLFS's stock trading suspension continues

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Yesterday, the premier bourse informed investors about its latest decision.

In July, the government directed the central bank to liquidate the non-bank financial institution due to deterioration of its financial health in the last couple of years.

In mid-July, the DSE suspended the trading in line with a Bangladesh Bank's liquidation decision.

As of May 31, retail investors held 68 percent of the NBF's stock.

The non-bank's problems came to the surface in 2013-14, when some of its directors made off with more than Tk 1,000 crore by way of submitting fake documents, according to a central bank inspection report.

In 2015, the central bank removed five directors for their involvement in the financial scandal.

But it was not enough. Since then the non-bank has been on a downward spiral. For instance, in the first nine months of last year the PLFS's operating expenses stood at Tk 22.48 crore against operating income of Tk 2.05 crore.

The PLFS sometimes failed to pay wages of its employees because of the severe liquidity crunch.