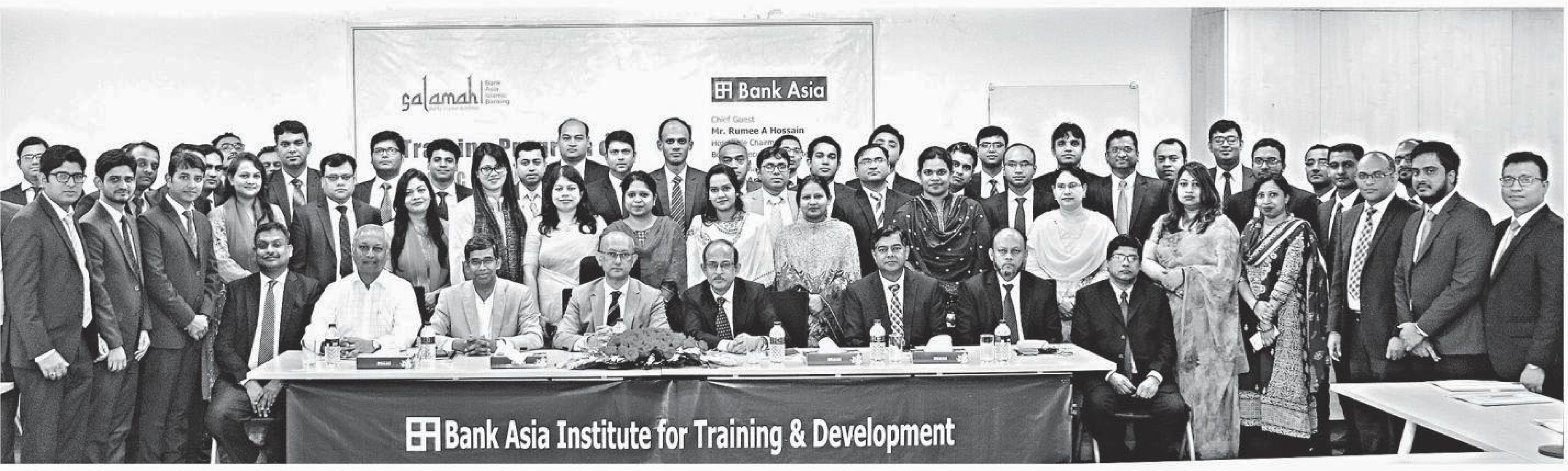


BANK ASIA

Rumee A Hossain, chairman of the executive committee of Bank Asia, poses after inaugurating a daylong training on "Islamic Banking and Finance" for 51 officials of the bank at the Bank Asia Institute for Training and Development in Dhaka yesterday. Md Arfan Ali, president and managing director, was present.

EU finance ministers eye simpler fiscal rules

REUTERS, *Helsinki*

European Union finance ministers were holding a first discussion on Saturday about how to simplify the EU's complex fiscal rules to help make public finances more sustainable and stabilise economies throughout business cycles.

Originally designed in 1997, the EU rules, called the Stability and Growth Pact, put limits on borrowing in the economic union of countries that share the euro currency, but left members sovereign over government debt and deficits.

After modifications in 2005, 2011 and 2013, the rules have become so complex that the European Commission, which is the guardian of EU laws, each year publishes an almost 100-page handbook to explain how they work, along with many exemptions and exceptions.

The two key elements of the rules are a limit on the nominal budget deficit of 3 percent of GDP and a ceiling on public debt of 60 percent.

"When we talk about simplification, it does not mean revising the key fiscal targets, just how they are measured and what parameters we use," European Commission vice president Valdis Dombrovskis told reporters on entering the talks.

"We now heavily use directly unobservable parameters like the output gap, or structural balance, so the discussion is if we should use more directly observable parameters like nominal debt and expenditure increases," he said.

Officials said, however, that changing the rules could take more than a year of discussions and legal process that would be driven by the new European Commission starting on Nov 1. Dombrovskis will retain his post in the new EU executive.

The ministerial discussion at the informal talks in Helsinki will be based on a report by the independent European Fiscal Board (EFB), requested by the Commission, which argues the elaborate rules should be boiled down to a medium-term cap on public debt.

Countries that have debt above 60 percent would have to keep net government primary spending, which is expenditure less interest payments on public debt, at or below the rate of the economy's potential GDP growth, which is the rate of growth that does not trigger higher inflation.

To avoid reliance on fluctuating annual data, the ceiling for net expenditure growth would be set for three years, after which it would be recalculated.

The ceiling could be abandoned based on a general escape clause triggered by the opinion of independent fiscal institutions and a more autonomous European Commission economic department.

The EFB argues that using the net primary expenditure rule would automatically stabilise economies. During downturns, when growth is below potential, spending would be higher than growth, while during good times, when actual growth exceeds potential, spending anchored at potential would be lower than growth.

REUTERS/FILE

German Bundesbank President Jens Weidmann (C) arrives for the family picture during the G20 Finance Ministers and Central Bank Governors Meeting in Germany.

The existing rules cap the headline budget deficit at 3 percent of GDP and oblige governments every year to cut their structural deficit, the budget shortfall excluding one-off revenues and spending and the effects of the business cycle, until they reach balance or surplus.

For countries with debt above 60 percent of GDP, the existing rules set a path for debt reduction that is 1/20 of the excess above 60 percent every year, measured as an average over three years. They also employ the expenditure benchmark that limits government spending at or below the rate of potential growth.

The EFB also proposed that instead of sanctions for not meeting EU fiscal rules - a measure that has so far never been applied to any country despite ample grounds - it would be better to use an incentive.

Countries that play by the new rules would as a reward get access to the euro zone's about-to-be-created budget that would finance investment and perhaps later also perform a stabilising function during economic downturns.

Germany feels eurozone pressure to boost spending

AFP, *Helsinki*

Germany faced renewed pressure on Friday to boost public spending and help revive a sputtering European economy, a day after the European Central Bank warned it had reached the limit of its powers to avert recession.

The economy in Europe is in slowdown, tripped up by the US-China trade war and rising fears of a chaotic Brexit that have especially harmed export-powerhouse Germany.

To stave off a downturn, the ECB on Thursday cut its already negative interest rates and relaunched a round of bond-buying stimulus, but bank head Mario Draghi urged governments to do more to spark the economy.

The message was especially intended for fiscally-cautious Germany, and in a rare singling out of the eurozone's most powerful member, the head of the Eurogroup of eurozone finance ministers also took Berlin to task.

"My message is quite clear: countries with fiscal space should use it to counter the slow down of the economy," said Mario Centeno, who is also Portuguese finance minister, in response to a question on Germany.

"And this must be done, not for reason of solidarity with the others but first and foremost for their own sake," added Centeno who is usually very cautious in his treatment of Berlin. Centeno spoke just days after the German government yet again unveiled a zero-deficit budget that flew in the face of the wide-ranging calls for more spending, including by the IMF, top economists and the European Commission.

France has voiced the loudest calls that Berlin abandon low spending, a point finance minister Bruno Le Maire repeated on Friday. "We should not be satisfied with the level of growth within the eurozone," Le Maire said as he arrived for talks with his EU counterparts in Helsinki.

"It is now the time to decide and have more investments, more growth, more prosperity and more jobs within the eurozone," he added.

His Luxembourg counterpart, Pierre Gramegna, also urged more from Germany.

"Countries that have worked well to balance their budgets and have room for manoeuvre, should use it," he said. Germany is led by a fragile coalition, headed by centre-right Chancellor Angela Merkel, in which the centre-left has not dared snap five straight years of balanced budgets, a policy known as "black zero".

But European sources told AFP that behind the scenes, Berlin was giving ground on the hot-button issue, with quiet pledges to deliver a spending package if the European economy turned starkly worse.

German Finance Minister Olaf Scholz was not drawn on the issue on Wednesday, insisting only that the ECB was an independent institution.

But earlier this week Scholz, who is centre-left, told German lawmakers the country was "in a position, with the financial fundamentals we have, to respond with many, many billions, if indeed an economic crisis erupts in Germany and Europe." - 'Count Draghila' - A German pivot to deficit spending would be historic and sure to face opposition of Scholz's governing partner, Merkel's centre-right CDU, which is already furious at the ECB's loose monetary policy.

EBL

Khorshed Anowar, head of retail and SME banking at Eastern Bank Ltd (EBL); Nirmal Chandra Bairagi, chairman of 9GO Ltd, an online travel agency, and Mohammed Jalaluddin Tipu, managing director, attend a deal signing ceremony at the bank's head office in Dhaka recently. Customers of 9GO Ltd can pay for air tickets through EBL Skypay.

Indian's top trader body seeks ban on Amazon, Flipkart's festive season sale

REUTERS, *Mumbai*

A leading Indian trader body asked the government on Friday to ban upcoming festive sales on Amazon's local unit and its rival Flipkart, saying their deep discounts violate the country's foreign investment rules for online retail.

The two e-commerce firms typically hold annual festive season sales ahead of key Hindu festivals Dussehra and Diwali, which are due this year in October, when Indians make big ticket purchases such as cars and gold jewelry.

Walmart-owned Flipkart's six-day sale begins Sept. 29, while Amazon is yet to announce dates. Both e-retailers promise big discounts on everything from fashion to smartphones to home appliances and have previously said discounts and deals are offered by sellers on their platforms.

"By offering deep discounts ranging from 10 percent to 80 percent on their e-commerce portals, these companies are clearly influencing the prices and create an uneven level playing field which is in direct contravention of the policy," the Confederation of All India Traders (CAIT) said in a letter to the federal trade minister.

CAIT, which represents 500,000 merchants and traders in India, also demanded a "blanket ban" on such sales and asked the government to probe the potential violation of FDI norms.

Its demand is unlikely to see government action before this year's sales kick off but it could help frame government policy on deep discounts. India does not allow foreign direct investment (FDI) in inventory-driven models of e-commerce, used by Walmart and Amazon in the United States, where goods and services are owned by an e-commerce firm that sells directly to retail customers.

It modified e-commerce rules late last year to protect the country's vast unorganized retail sector that does not have the clout to purchase at scale and offer big discounts. Those rules forced Amazon and Flipkart to reconfigure ownership structures and re-jig some key vendor relationships and agreements.

Asked for comment, Flipkart said more than 100,000 sellers on its platform awaited its 'Big Billion Days' sale event.

"We empower our sellers with business insights that allow them to decide the best value for their own products, so they can deliver benefits and savings to consumers and scale their businesses at the same time," said Rajneesh Kumar, chief corporate affairs officer at Flipkart Group.

Amazon said more than 500,000 sellers - a bulk of which are small businesses, women entrepreneurs, startups, weavers and artisans - use the festive sale to reach customers. "Sellers decide the pricing for their products on our marketplace," a spokeswoman for Amazon said. "They offer their choice of selection to their customers across the country at prices that they deem fit."

Amazon last month said at an open panel discussion, organized by India's competition watchdog, that it abides by all Indian rules and does not influence pricing of products on its website.

Crisis-hit Boeing readies huge effort to return 737 MAX to the skies

REUTERS, *Seattle/Chicago/Paris*

As Boeing Co sets its sights on winning approval to fly its 737 MAX within weeks, following a six-month safety ban, engineers around the world are rolling out plans for one of the biggest logistical operations in civil aviation history.

Inside Boeing's 737 factory at Renton, Washington, south of Seattle, workers have pre-assembled dedicated tool kits for technicians tasked with installing software updates and readying over 500 jets that have sat idle for months, insiders said.

Across the globe, Boeing teams are hammering out delivery schedules - and financial terms - with airline customers who have been forced to cancel flights, cut routes and fly aging jetliners while they await the MAX's return.

Although regulators must still approve the jets for flight, Boeing and airline staff and executives say the world's largest planemaker is weeks into an elaborate blueprint for production, maintenance and delivery that one source said involves 1,500 engineers - as many as it takes to design a small new jet.

Another likened the logistics to a nation "going to war."

Boeing Commercial Airplanes Chief Engineer John Hamilton called the previously unreported mobilization more like an elaborate "ballet," which includes synchronizing 680 suppliers of everything from carbon brakes to pilot seatbelts.

Boeing will have to juggle the delivery of two different MAX categories: some 250 produced since the ban, parked at various facilities in tail-to-nose configurations that conjure the puzzle game Tetris; and those that will roll off the production line post-approval.

Airlines will mostly handle a third category involving the return to service of 387 aircraft flown before the grounding, though Boeing has already deployed teams around the world to help companies get ready for that process.

Boeing's fastest-selling jet was grounded in March after flight-control software was found to have played a role in two separate crashes that killed 346 people within five months.

The ban sent shockwaves through aviation, cutting Boeing's profit and margins, with a cost to Boeing so far estimated at $8 billion.

Redeploying hundreds of idle 737 MAX aircraft, which bring in an estimated 40 percent of Boeing's pre-tax profit, smoothly is crucial for the health of America's top corporate exporter and the country's wider manufacturing sector, whose recent loss of momentum has taken a further knock from the crisis.

Boeing receives much of its cash upon delivery and Fitch Ratings and Moody's have warned its "stable" outlook may be at risk, as its plane deliveries fall 72 percent this year.

Preparations for a return to service are finely tuned to the company's present assumption that the 737 MAX will resume commercial flights in the October-December timeframe, Chief Executive Dennis Muilenburg told Reuters in August.

But the timeline is in the hands of divided regulators around the world who must approve Boeing's proposed software fix for 737 MAX flight controls and new training materials. European regulators plan their own test flights on the changes.

"We don't control that timeline," Muilenburg said. "We are going to work with the regulators and we are making progress towards that timeline. But if that return to service date changes, it affects everything else."

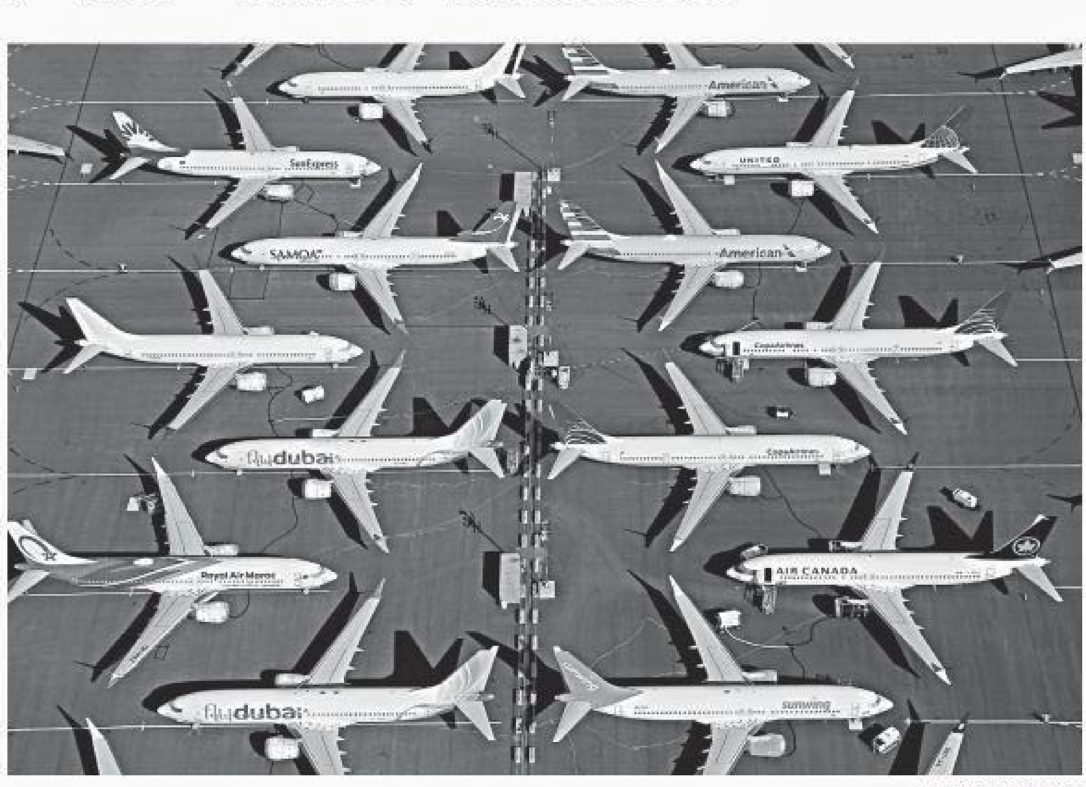
Boeing has told suppliers that it expects the plane to be flying in early November, a senior industry source said.

Once regulators certify the MAX for flight, Boeing will have to mobilize hundreds of mechanics and pilots to bring the roughly 250 stored aircraft out of hibernation.

Airlines estimate the process - which includes installing new software, changing fluids and cycling the engines - will take 100 to 150 hours per jet, and months in total for Boeing.

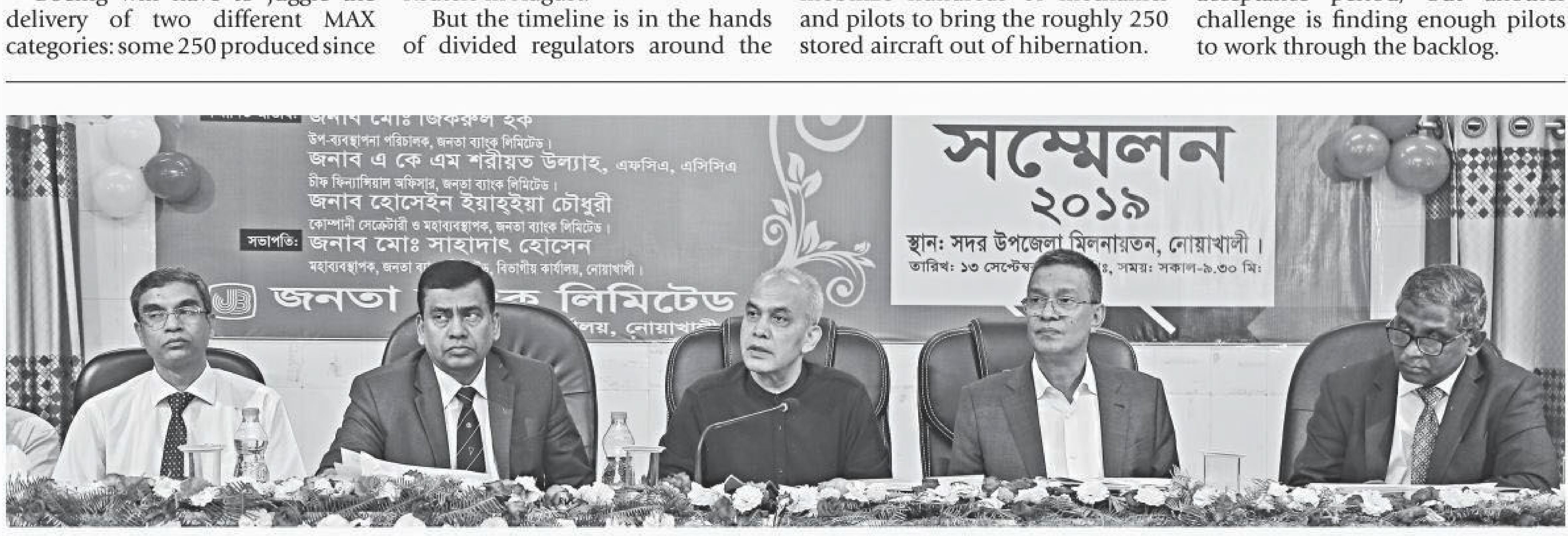
In one example highlighting the minute risks that could upend months of planning, a team of employees is analyzing years of data on December snowfall at an airport in rural Moses Lake, Washington - where Boeing has parked some 100 jets - to predict demand for aircraft anti-freeze and runway performance.

The maintenance process will be followed several days of test flights as part of a standard customer acceptance period, but another challenge is finding enough pilots to work through the backlog.



REUTERS/FILE

Grounded Boeing 737 MAX aircraft are seen parked at Boeing Field in Seattle, Washington.



JANATA BANK

Jamaluddin Ahmed, chairman of Janata Bank, and Md Abdus Salam Azad, CEO, attend its "Branch Managers' Conference" for Noakhali division in the district on Friday.