



New country manager for Habib Bank

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Habib Bank Ltd (HBL) has recently appointed Selim Barkat as the Bangladesh country manager. Barkat has already taken charge as the successor of Erslaan Ahmed, according to a statement. He had previously been working at Citigroup in New York as a director and senior credit officer. Faisal Lalani, head of international banking, said, "I am pleased that Selim has joined HBL. His strong knowledge and experience of Bangladesh's market will support the continued growth of our business as we continue to focus on our clients, our people and good corporate governance." "I am excited about joining HBL and being part of this great team. The bank enjoys a strong presence in Bangladesh since 1976, the year we established our first branch in Dhaka," said Barkat.

Solid US retail sales calm some worries about economy

REUTERS, Washington
US retail sales increased more than expected in August, pointing to solid consumer spending that should continue to support a moderate pace of economic growth. The report from the Commerce Department on Friday could further allay financial market concerns of a recession, which have been fueled by a year-long trade war between the United States and China as well as slowing global growth. Still, the Federal Reserve is expected to cut interest rates again next Wednesday to blunt some of the hit from the trade tensions on the longest economic expansion in history. Fed Chair Jerome Powell said last week he was not forecasting or expecting a recession, but reiterated the US central bank would continue to

act "as appropriate" to keep the expansion, now in its 11th year, on track. The Fed lowered borrowing costs in July for the first time since 2008. "The winds of recession aren't coming closer to shore if the consumer continues to buy their hearts out," said Chris Rupkey, chief economist at MUFJ. "Fed officials are unlikely to cut rates too much deeper as they seek to get out in front of the risks the economy faces acting early instead of being too late." Retail sales rose 0.4 percent last month, lifted by spending on motor vehicles, building materials, healthcare and hobbies. Data for August was revised slightly up to show retail sales increasing 0.8 percent instead of 0.7 percent as previously reported. Economists polled by Reuters had forecast retail sales would gain 0.2 percent in August.

Compared to August last year, retail sales advanced 4.1 percent. Retail sales have increased for six straight months, the longest such stretch since June 2017. But with the Trump administration this month slapping a 15 percent tariff on Chinese consumer goods such as televisions, apparel, bed linens, smart watches and footwear, there are concerns retail sales could pull back. Economists and retail groups expect businesses will pass on the duties to consumers, thereby raising prices for the targeted goods. "It is too early to assess the impact of the new tariffs that took effect at the beginning of this month, but they do present downside risks to household spending," said Jack Kleinhenz, chief economist for the National Retail Federation in Washington. Households' worries about the new round of tariffs were also underscored by a small rise in consumer sentiment early this month. The University of Michigan said its survey of consumers found that concerns about the impact of tariffs on the economy rose in early September. Excluding automobiles, gasoline, building materials and food services, retail sales climbed 0.3 percent last month after increasing by a slightly downwardly revised 0.9 percent in July. These so-called core retail sales correspond most closely with the consumer spending component of gross domestic product. They were previously reported to have jumped 1.0 percent in July. Consumer spending, which accounts for more than two-thirds of the economy, increased at a 4.7 percent annualized rate in the second quarter, the most in 4-1/2 years. Economists expect consumer spending will slow to just below a 4.0 percent rate in the third quarter, which would be more than enough to keep the economy growing at a steady pace, rather than tipping into recession as signaled by financial markets. The dollar was little changed against a basket of currencies, while US Treasury prices fell. Major US stock indexes were largely unchanged.



Shoppers ascend and descend an escalator at the King of Prussia Mall, United States' largest retail shopping space, in King of Prussia, Pennsylvania.

NCC Bank re-elects chairman

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Md Nurun Newaz Salim has recently been re-elected chairman of NCC Bank while Sohela Hossain vice chairman. Salim is the chairman of Electro Mart Ltd and Trade International Industries Ltd and a director of the Federation of Bangladesh Chambers of Commerce and Industry, the bank said in a statement yesterday. He is also a former senior vice president of the Chittagong Chamber of Commerce and Industry and former chairman of Central Insurance Co Ltd. Sohela is the chairman of Mir Akter Hossain Ltd and president of the Mir Group of Companies.



India sets up fund to complete stalled housing projects

REUTERS, New Delhi
India on Saturday announced a series of measures to revive the housing sector and boost exports as the government tries to kick-start an economy hit by a lending crisis and a slowdown in demand. A fund worth 100 billion rupees (\$1.41 billion) will be available to complete unfinished affordable and middle-income housing projects, India's Finance Minister Nirmala Sitharaman said. An equal amount of funding will come from the private sector or from a government insurance company, she added. "The objective is to focus on construction of unfinished units," Sitharaman told reporters in New Delhi. The government will make offshore borrowing easier for affordable housing schemes, she said. This was the third time in two months that India's finance minister announced a raft of fiscal measures to boost demand at a time when economic growth has dropped to a six-year low. However, some housing industry consultants said the fund, which excludes projects that are deemed non-performing assets or in bankruptcy proceedings, was too narrow in its scope.

ECB hawks rally against Draghi's farewell stimulus

REUTERS, Amsterdam
Conservative policymakers slammed the European Central Bank's lavish stimulus measures on Friday, voicing doubts about the need and effectiveness of a package that could consume most of the bank's remaining firepower. Facing a protracted growth slowdown, the ECB cut rates deeper into negative territory on Thursday and relaunched fresh bond purchases with no scheduled end-date, a move that divided the normally collegial Governing Council. Although no vote was taken, sources with direct knowledge of the discussion said that over a third of policymakers opposed the fresh asset buys, pushed by outgoing ECB chief Mario Draghi, an unusually high number for a body that normally strives for consensus. "This broad package of measures, in particular restarting the asset purchase programme, is disproportionate to the present economic conditions, and there are sound reasons to doubt its effectiveness," Dutch central bank chief Klaas Knot, a frequent critic of the bank's ultra-easy monetary policy, said. While disagreements are frequent, ECB policymakers usually line up behind decisions and refrain from openly criticising its policy. Bundesbank President Jens Weidmann, another key critic, also said the stimulus was excessive, and Thursday's decisions indicated that rates will stay low for a long time. Germans have been especially irked by negative ECB rates and mass-selling newspaper Bild portrayed Draghi as "Count Dracula", a blood-sucking vampire, who is sucking dry the bank accounts of German savers. Other dissenters on Thursday included French central bank governor Francois Villeroy de Galhau,



European Central Bank President Mario Draghi arrives at a news conference on the outcome of the meeting of the Governing Council, at Frankfurt in Germany on September 12.

ECB board member Benoit Coeure, also a Frenchman, German board member Sabine Lautenschlaeger and Estonian central bank chief Madis Muller, sources told Reuters. While each policymaker gets one vote, the dissenters represented countries that account for more than half of the euro zone's gross domestic product (GDP). Knot said the euro zone economy is running at full capacity, wages are increasing and that financing conditions are so easy that they do not impede the flow of credit. "There are increasing signs of scarcity of low-risk assets, distorted pricing in financial markets and excessive risk-seeking behaviour in the housing markets," added Knot, a member of the ECB's policy-setting Governing Council. Austrian central bank chief Robert Holzmann, meanwhile, said he was worried the ECB had made a mistake and that such a broad package should not have come before the bank's planned policy review, which could even see the inflation target of just below 2 percent lowered. "This (review) is something I had hoped the bank should have been doing before making this decision," Holzmann told Bloomberg TV. "It may be that 2 percent (inflation) at the moment is out of reach and 1.5 percent also signifies stable prices, almost stable prices. So there is no need to ... use all the power you have in order to move up to 2 percent if the cost is too high," he added.

Port signature forgers let off bypassing law

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However, Fakhru Alam, commissioner of the Chattogram Customs House, said there was no legal way for the agents to get redemption by paying a fine. "In the case of signature and seal forgery, the law states that criminal cases have to be filed against the forgers or their licences have to be revoked." Some licensing officials might have dishonest intentions. "We will look into how the agents went unpunished or got away with nominal punishment." A two-member inquiry committee has been formed to identify such frauds and the officials involved, and actions will be taken on the basis of the report, Alam added. Signature forgery also took place mostly for tax evasion and clearance of banned and undeclared goods.



Tanvir Haider Chaudhury, CEO of Kazi Food Industries Ltd, opens Kazi Farms Kitchen's 150th franchised outlet at Banasree in Dhaka recently.

Kamal to sit with stakeholders

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The meeting will be held at the commission building where top officials of the DSE, Chittagong Stock Exchange and the Investment Corporation of Bangladesh, merchant bankers, stock brokers and asset managers will be present. This is the minister's second visit. The first was on April 21 after the index fell by over 600 points within three months. After the meeting, the BSEC brought about at least 21 amendments to rules.

Truck sales down 26pc

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"Liquidity crisis in the banking sector emerged in January this year after the general elections which slowed the sales of trucks," said Taskeen Ahmed, managing director of Ifad Motors Ltd, Bangladesh's second largest player in the commercial vehicle segment. Ifad Motors, the sole agent of Indian automaker Ashok Leyland, has 41 percent market share in Bangladesh's automobile sector. Ahmed said the sale of commercial vehicles depends on the existing market condition of the cement and steel sectors as well as the export and import volumes. According to Ahmed, the sales in other major sectors have also slowed since January, affecting the sales of trucks. "We had thought that the sale would accelerate after the election, but it has not happened," he noted. Some corporate clients failed to take delivery of trucks despite making the minimum payment in advance as they could not secure loans from banks, Ahmed said. Hafizur Rahman Khan, chairman of Runner Group, distributor of Eicher branded trucks, said the company's prediction on the sales of truck mismatched with the final figure as the sales declined.

"We, the commercial vehicle retailers, can't find the accurate reason for the decline although export, import and agriculture production were on the rise." The industry went through a market correction, Khan said. Existing trucks have the ability to provide services to the businesses as traffic congestion has lessened on the highways and the travel time has also come down due to widening of the highways. "It is temporary and part of business and the sales may increase from next month." Abdul Matlub Ahmad, chairman of Nitul Niloy Group, the sole agent of Indian automobile giant Tata Motors, said the pre- and post-election moods have an impact on the market, which caused the fall of the sales of commercial vehicles, particularly trucks. Nitul Motors is the market leader in the commercial vehicle segment with 45 percent share. Ahmad said the government was cautious in spending money for development activities, so big clients did not buy trucks. The businessman is, however, bullish that the sales may go up in the fourth quarter as the government will disburse funds and the clients will buy trucks when money flow increases.

ICT expo in Oct to promote homegrown technology

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"There will be a separate zone for local organisations who are manufacturing technological products," Zunaed Ahmed Palak, state minister for ICT, told a press conference at the Janata Tower Software Technology Park on Friday. The Bangladesh Hi-Tech Park Authority, the Innovation Design and Entrepreneurship Academy (IDEA) Project, the a2i and the Bangladesh Computer Samity will also be part of the event, he added. "Digital Bangladesh is not a dream now -- it is a reality. We all are enjoying the facilities of Digital Bangladesh. We are also advancing towards the road of development," Palak said. Entry is free to the event, which is open from 10:00am to 8:00pm. Attendees need to register online or can avail spot registration. Hosne Ara Begum, managing director of the Bangladesh Hi-Tech Park Authority, Syed Mojibul Haque, project director of the IDEA, and Md Shahid-Ul-Munir, president of the Bangladesh Computer Samity, also spoke.



Md Ehsanul Haque Patwary, managing director of the Jalalabad Gas Transmission and Distribution System Ltd; SM Asadul Haque, company secretary, and Adil Raihan, deputy managing director of Mercantile Bank, attend a deal signing ceremony in Dhaka recently. The gas company's customers can pay their bills through the bank's online platform "MyCash".

Sanofi to leave Bangladesh

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Sanofi has been marketing global brands like Lantus, Apidra, Taxotere, Eloxatin, Clexane, Amaryl, Insuman, Epilim along with other growth-driving brands, including Sefrad, Sefurox, Kuracef, Curazith, Fimoxyl, Flagyl, Profenid, Xerosec and Sandom in Bangladesh, according to the Metropolitan Chamber of Commerce and Industry. In July last year, GlaxoSmithKline (GSK), another multinational research-based pharmaceutical and healthcare companies, closed its medicine manufacturing unit in Bangladesh after over six decades of operation.