

# Beef up bank-fintech relations: analysts

**STAR BUSINESS REPORT**

Banks will have to strengthen collaborations with fintech companies to provide more, wide-ranging services which will decrease operating costs to remarkable extents and bring more convenience for customers, speakers told a bankers' dialogue yesterday.

Good relations should be established in the interest of the country's financial sector, said one speaker, Shibli Rubayat Ul Islam, dean of the Faculty of Business Studies of the University of Dhaka.

Virtual banking will replace physical branches in the coming days, he said at the event titled "Bank-fintech collaboration: a win-win situation" organised by the Bangladesh Journalists' Foundation for Consumers and Investors in the capital's National Press Club.

Virtual banking has already gained immense popularity in the developed

world and the country's banking sector has embraced it as well, Islam said.

However, the banks have to have adequate measures to thwart cyberattacks and secure their services, he added.

The government with its Digital Bangladesh vision has created an enabling regulatory environment that encourages banks and fintech entities to work together, said Industries Minister Nurul Majid Mahmud Humayun.

Thanks to the government's initiative, the number of fintech companies is growing in Bangladesh, he said. "Against this backdrop a collaboration between banks and fintech firms is imperative to drive growth," Humayun said.

Faruq Mainuddin Ahmed, managing director of Trust Bank, Mohammed Haider Ali Miah, managing director of Exim Bank, and Kamal Quadir, chief executive officer of bKash, spoke among others.

# UAE regulator not optimistic on Boeing 737 MAX return this year

**REUTERS, Dubai**

The head of the United Arab Emirates' General Civil Aviation Authority said on Sunday he was not optimistic that the Boeing 737 MAX would return to operations this year and that the first quarter of 2020 was more likely.

The 737 MAX has been grounded since March while Boeing updates flight control software at the center of two fatal crashes in

Indonesia and Ethiopia that together killed 346 people within a span of five months.

Boeing Co is targeting regulator approval for the fixes in October, though the US Federal Aviation Administration has said it does not have a firm time for the aircraft to be flying again. The GCAA will conduct its own assessment to allow the MAX to return to UAE airspace, rather than follow the FAA, Director General Said Mohammed al-Suwaidi told reporters in Dubai.

# Fed to cut rates again as optimism is tested

**AFP, Washington**

Facing a dauntingly uncertain economic horizon and ceaselessly pelted with insults and demands for stimulus from the US president, the Federal Reserve is set to cut interest rates in the coming week.

Though Chairman Jerome Powell has at times struggled to send markets a clear message, since announcing the first rate cut in a decade over the summer he has sent signals that lower rates are coming. In speeches and public appearances, Powell promised the Fed will "act as appropriate" to preserve the current expansion.

While the world's largest economy is in a "good place," he has warned of "significant risks" to a deteriorating outlook, persistently low inflation and a trade war that looks set to drag on -- views echoed by influential New York Fed President John Williams.

Translation: the Fed is cutting.

Futures markets as of Friday overwhelmingly forecast the Fed will lower rates on Wednesday at the conclusion of the two-day meeting of the policy committee. And another cut before the end of the year is more likely than not.

Indeed, Kathy Bostjancic, chief US financial economist at Oxford Economics, told AFP her firm expects three more cuts this year, meaning the central bank will cut at every policy meeting left in 2019. "It's good that the economy is not crumbling right now," she said, "and that's a good time to take out some stimulus." Which of course raises the question: why cut rates again? The sky is not falling. The jobless rate has been at or near historic lows for a year and a half. Consumer spending is resilient. Inflation is firming. Wages are up. Job creation is healthy. GDP growth seems to be holding up. Business and consumer confidence are softening but still high.

So why the pit-of-the-stomach feeling among so many? - 'Boneheads' - For starters, the only thing sustaining the US economy at the moment is consumer spending, which accounts for two-thirds of GDP. But by the time that starts to



The office of the US Federal Reserve is seen in Washington, DC.

weaken, it will be too late -- the recession will have begun already. Hiring, while strong, has slowed. Business investment is moribund. Exports are weakening. And manufacturing -- always a vital economic weather vane -- is in recession.

Meanwhile, the global economy is slowing.

To top it off, Trump may not know how to end the trade fight he picked 18 months ago with China, the world's second-largest economy.

Higher tariffs and uncertainty have moved from posing a risk to actually hurting the economy, including job losses -- about 11,000 in August alone, according to one estimate.

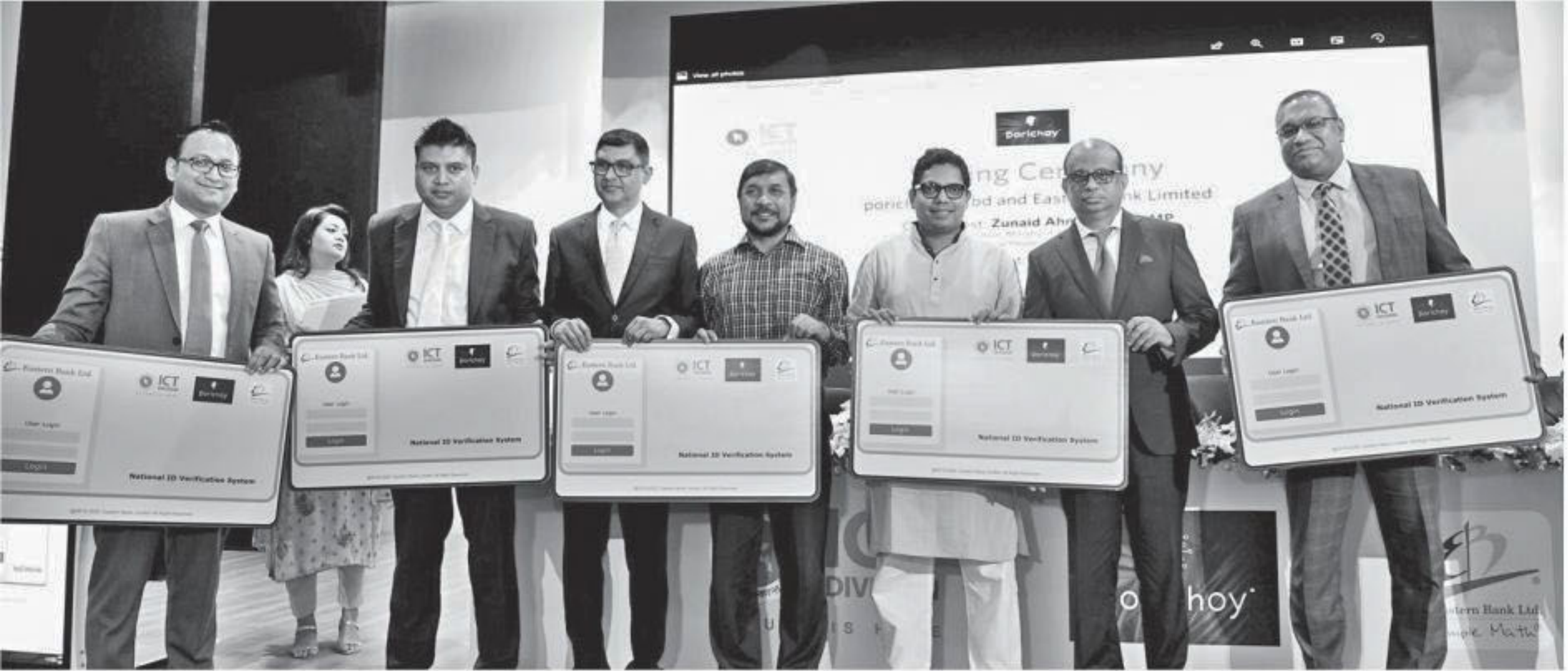
Beijing and Washington in recent days have made olive-branch gestures, lifting market hopes of a resolution, or at the very least a truce in a conflict that deteriorated badly following the

Fed's rate cut in July. But there is a risk the good feelings may not endure. After all, truces reached in December and June did not last long.

"We've been let down before," Bostjancic said.

Policymakers face the added burden of trying to be heard over the din of Trump's unprecedented public assaults on the central bank, she said.

Before addressing solemn commemorative ceremonies at the Pentagon on the morning of September 11, Trump took to Twitter to lambast policymakers as "boneheads." Since the central bank's last policy meeting at the end of July, he has tweeted out complaints and attacks on Fed once every 22 hours on average, descending ever further into name calling and personal denigration, according to an AFP analysis of Trump's tweets.



**Zunaid Ahmed Palak, state minister for ICT, attends a celebration at ICT Division in Dhaka yesterday on Eastern Bank Ltd (EBL) becoming the first entity to use porichoy.gov.bd, a government portal for real-time verification of national identity card numbers. Ali Reza Iftekhhar, managing director of EBL; M Khorshed Anowar, head of retail and SME banking, and Ziaul Karim, head of communications and external affairs, were present.**

## All buildings must be insured: Kamal

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The entrepreneurs in the insurance sector agreed to get listed within the timeframe, according to a statement from the finance ministry.

Meanwhile, some insurance companies will be allowed to merge with others, Kamal said.

Currently, a total of 78 public and private entities offer life and non-life insurance.

Of them, 47 companies are listed, the minister said.

## New entrepreneurs needed to boost economic growth

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"Once a business gets a shape, financing will not be a problem." The minister said if a student chooses a job as a career which is risk-free, he or she will never be able to break the so-called mindset and use their merit.

Nihad Kabir, president of the Metropolitan Chamber of Commerce and Industry, said there is a need to overhaul the education system in order to change the so-called mindset. "We want to encourage the talented and good students to come to entrepreneurship so that they can use their merit and contribute to the nation."

She said new generation entrepreneurs are highly required to create jobs for the 20 lakh people who are joining the labour force every year.

Osama Taseer, president of the Dhaka Chamber of Commerce and Industry, suggested building up a strong mindset

among students to take risks instead of running after risk-free jobs.

He stressed the need for a collaboration between different stakeholders to create an effective entrepreneurial environment.

Shah Ali Farhad, special assistant to the prime minister, said the government would frame a policy to create young entrepreneurs.

A cultural paradigm shift should take place to create the proper ecosystem for the new entrepreneurs, he said.

Muhammad Abdul Moyeen, a professor of organisation strategy and leadership department at Dhaka University; Zeba Islam Seraj, chairperson of the biochemistry and molecular biology department; Khondkar Siddique-e-Rabbani, honorary professor of biomedical physics and technology, and Rashedur Rahman, executive director of the ICE Center, also spoke.

## Iran to adopt maximum crude output policy if US lifts sanctions

**REUTERS, Dubai**

Iran will adopt a policy of maximum crude production if the United States lifts sanctions on the country's oil industry, Iranian Oil Minister Bijan Zanganeh said on Saturday.

"Maximum production would be the Iranian Ministry of Petroleum's policy in case (US) sanctions are eased on Iran's oil industry," the ministry's official news website SHANA quoted Zanganeh as saying.

Since exiting from Iran's 2015 nuclear deal with world powers last year, US President Donald Trump has reimposed sanctions on Iran. He has also introduced other limitations, including threats of sanctions against any country importing oil from Iran, causing a more than 80 percent drop in the OPEC member's oil exports.

"Our oil industry is alive, it is active. The US sanctions cannot stop Iran's oil exports," Zanganeh said.

Trump has pursued a policy of "maximum pressure" on Iran to try to force it into broader talks to restrict its ballistic missile program and end its support for proxy forces around the Middle East.

But Iran has ruled out talks until all sanctions imposed on it are lifted. European parties to the deal have struggled to calm the deepening confrontation between Iran and the United States.

# Apple has sour reaction to Goldman Sachs' analyst note

**REUTERS, New York**

Apple Inc struck out at a Goldman Sachs Group Inc analyst on Friday in a relatively rare public dust-up between a blue chip Wall Street firm and its client.

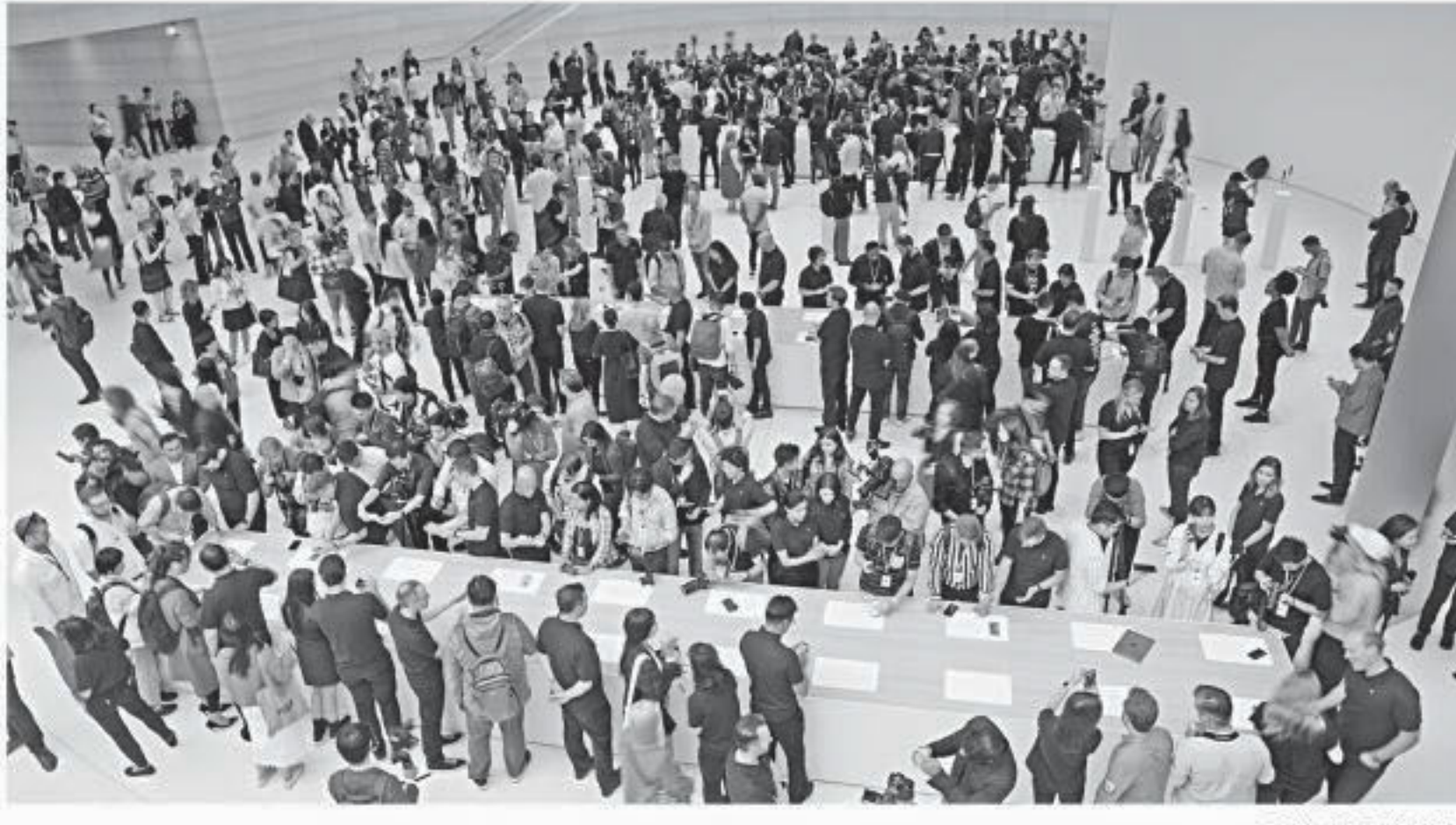
The disagreement came after Goldman Sachs analyst Rod Hall criticized Apple's accounting methods for the tech giant's new TV+ product, saying in a research note that it may result in lower gross margins and profits.

In response, Apple said it does "not expect the introduction of Apple TV+, including the accounting treatment for the service, to have a material impact on our financial results."

A Goldman spokeswoman declined to comment or to make the analyst available for interview. Apple also declined to comment on the Goldman relationship beyond its comment on the note.

While research departments at large Wall Street banks have Chinese walls separating them from other functions, the rare public dispute is an awkward moment between the two companies.

Goldman Sachs has underwritten more bond issuances for Apple in the last decade than any other investment



People are seen in the demonstration room during an Apple event at their headquarters in Cupertino, California.

bank, worth some \$44 billion, according to financial data provider Refinitiv. Goldman Sachs also advised Apple on mergers and acquisitions as recently as two months ago, guiding it through its \$1 billion deal to acquire the majority of Intel's smartphone modem business, according to Refinitiv.

And just last month, the two worked

together to launch both companies' first credit card -- the Apple Card.

Every bank formally separates its equity research and investment bank divisions because of laws passed in the early 2000s that aimed to protect the independence of the equity analysts from investment bankers, who are often covering the same companies with different agendas.

## Onion to be sold in open market soon

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Yesterday, 52 trucks, each carrying about 21 tonnes of onions, entered Bangladesh through the Bhomra port from India, said Ashadul Islam, manager of Sakib Enterprise, an onion importer at Bhomra, a major land port for onion import.

Onion was traded at Tk 50-55 a kg at Bhomra yesterday, up from Tk 45-Tk 48 on Saturday, he said.

Traders who had stock of previously imported onions made a bounty after India fixed the MEP to discourage exports.

It appears that those onions sold at Tk 45-Tk 48 a kg on Saturday even though they were imported at Tk 30-Tk 34, he said.

"It is true that all who had onion profited a lot in the last two days. However, traders suffer huge losses when the price plunge," he said.

Commerce ministry holds meeting

Meanwhile, the commerce ministry yesterday took some decisions to cool down the skyrocketing prices of onion.

The margin for letters of credit will be lowered, onion importers will be given loans at lower bank interest rate and the consignments of onions waiting for release at the ports for long will be released on an urgent basis, said Islam. Commerce Minister Tipu Munshi is scheduled to hold a meeting with the business community tomorrow in this regard.



Nilufer Zafarullah, chairman of Midland Bank, presides over the bank's 6th annual general meeting at its head office in Dhaka on Saturday. The bank approved 8 percent stock dividend for 2018. Md Ahsan-uz Zaman, CEO, was present.

## Unfair competition makes goods 70pc costlier: analysts

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"A competition commission is needed for a vibrant economy in the country as it can ensure fair competition among companies and service providers," said Md Abdur Rouf, chairperson of the Bangladesh Competition Commission.

In fact, the competition commission helps companies to grow fairly, he said. "So, people should not be afraid of the activities of the competition commission."

Md Shafiqul Islam, acting commerce secretary, said the competition commission plays a vital role in creating a level playing field.

As a result, no company can play monopoly and keep consumers in a tight spot.

He said if Grameenphone and Robi want to merge, the government's approval is needed. Here, the commission will carry out the job.

Amir Abdullah Md Monjurul Karim, a director of the commission, said his office has already resolved some disputes through hearings.

For example, a few months ago, a plaintiff complained to the commission of a monopoly that had been going on in the process to supply food to the RAOWA Club in Dhaka.

The commission held several hearings and gave a verdict, which compelled the club to make a list of 10 catering companies to take foods from.

It was possible, as the commission broke the monopoly, he added.

Md Khaled Abu Naser, a director of the commission; Md Manzur Ahmed, a former adviser to the Federation of Bangladesh Chambers of Commerce and Industry; Saiful Islam Dilal, president of ERF; and SM Rashidul Islam, general secretary, also spoke.

## UAE investors want to develop five economic zones

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More than 300 government officials, business leaders, investors and entrepreneurs participated in the daylong event.

Muhammad Imran, Bangladesh's ambassador to the UAE, said, "These investments will strengthen the bilateral relationship between Bangladesh and the UAE and will deepen our economic relations to a strategic partnership level."

Shaikh Abdul Karim, an investment adviser and member of the Forum, said the Forum is ready to bridge the gap between Bangladesh's project owners and UAE investors as well as the gap between the public sector investment promotion agencies and the investor community.