



Md Faruque Hossain, executive chairman of National Skills Development Authority (NSDA); Pijush Kanti Nath, member for admin and finance, and Mamun Rashid, regional managing partner at PwC Bangladesh, attend a deal signing ceremony. PwC has been appointed for the formulation of a national action plan for skills development.

German industry raises pressure on Merkel to ditch policy of no new debt

REUTERS, Berlin

Germany should ditch its policy of not taking on new debt in light of zero borrowing costs and huge investment needs, the head of the powerful BDI industry association said on Wednesday, raising the pressure on Berlin to rethink its budget priorities.

Chancellor Angela Merkel's ruling coalition faces growing calls at home and from abroad to abandon its self-imposed "black zero" budget policy of no new borrowing and instead take on new debt within the limits of the more formal debt brake as a way to help a slowing economy teetering on the brink of recession.

BDI President Dieter Kempf said that the government should use the fiscal leeway of the constitutionally enshrined debt rules and ditch the balanced-budget policy.

"Under the rules of the debt brake, the government could raise between 10 and 12 billion euros a year, which Berlin could use for public investment," Kempf told members of the foreign press association in Berlin.

The business leader pointed out that the



BDI President Dieter Kempf

economic circumstances had changed as the economy was faltering.

At the same time, the country was facing massive pent-up investment needs and investors were willing to even pay Berlin a premium for issuing debt as German bond yields across the board turned negative, Kempf said.

Merkel's ruling coalition last week agreed a package of budget-neutral measures to protect the climate and restore its green credentials, but drew criticism from environmental groups that had hoped it would go further.

Bitcoin near three-month lows after tepid response to NYSE owner's futures

REUTERS, London/New York

Bitcoin struggled on Wednesday to recover from the three-month lows it reached a day earlier, moves that traders blamed on a lukewarm reception for a futures product from the owner of the New York Stock Exchange.

Bitcoin, the biggest cryptocurrency by market capitalization, fell 2 percent to \$8,364 in early trading. It plunged as much as 15 percent on Tuesday, briefly breaching \$8,000, in its biggest one-day drop since July 16, before recovering some of its losses.

The Intercontinental Exchange, the NYSE owner, listed its Bakkt bitcoin futures on Monday, which many crypto enthusiasts expected would lead to an influx of money from larger investors.

The opening of Bakkt, ICE's bitcoin futures platform, was regularly cited for bitcoin's steep gains earlier in the year. Bakkt said 166 contracts traded hands on Tuesday — unimpressive volume, analysts and traders said. Some interpreted the tepid take-up as evidence of continued hesitation toward cryptocurrencies from larger investors.

"It's one thing to give institutional money access to BTC (bitcoin)," said Jamie Farquhar, portfolio manager at crypto firm NKB Group in London. "It's another thing to make them comfortable enough to actually buy it."

Bitcoin futures offered by exchanges regulated in financial centers have boomed

this year, partly driven by investors seeking exposure to crypto but seeking protection from the heists, hacks and volatility that have plagued the emerging sector.

Some of the exchanges offering bitcoin futures are also planning to introduce more complex derivatives, offering traders another way to hedge their risk in the cryptocurrency.

CME Group, the world's largest futures



People walk past a board with the logo of Bitcoin in a street in Yerevan, Armenia.

exchange operator, is planning to launch options on its bitcoin futures contracts in the first quarter of 2020.

Some market players said bitcoin's fall on Tuesday was also partly caused by technical factors — often a big catalyst for price moves in an emerging asset plagued by poor price discovery and lacking in fundamentals.

Bitcoin has been on a downward trend in recent weeks, plunging about 35 percent since early August. A highly skeptical response by regulators and politicians to Libra, Facebook's planned cryptocurrency, was one reason for the decline.

Sanctions-hit Iran props up economy with bartering, secret deals

REUTERS, New York

Washington's policy of applying "maximum pressure" on Iran with wide-ranging sanctions has shredded the country's oil revenues, sent its economy into recession and devalued its national currency.

Yet Iran remains defiant in the face of US efforts to compel it to accept tougher restrictions on its nuclear program and scale back support for proxy wars across the Middle East.

Iranian officials, business people and analysts say the country is staying on its feet by stepping up exports of non-oil goods and increasing tax revenues, but most importantly resorting to bartering, smuggling and back-room deals.

To circumvent US banking and financial sanctions, Iran's rulers have built up a network of traders, companies, exchange offices, and money collectors in different countries, they say.

"America cannot isolate Iran," said one senior Iranian official, who like other officials asked not to be named. "If they succeed in ending our oil sales, which they cannot, we will export textiles, food, petrochemicals, vegetables, you just name it." Ali Vaez, Iran Project Director at the International Crisis Group, said although the Iranian economy was in dire straits, it was far from being overwhelmed.

"Iran is quite experienced in

living under economic duress ... In the past few years, its non-oil exports have grown significantly and so has their trade with neighboring countries like Iraq and Afghanistan," Vaez said. "Iran can also smuggle oil and generate some

of the most painful ever imposed by Washington, targeting nearly all sectors of Iran's economy including how it finances its international trade. The Opec member's crude exports have been slashed by more than 80 percent since last

year, against 2012 when exports plummeted to less than 1.3 million barrels per day (bpd) from about 2.5 million bpd.

Although food and medicine are exempt, lack of access to the global financial system has given rise to a humanitarian crisis with shortages of specialized medicine.

The International Monetary Fund has forecast that Iran's economy will contract in 2019 by 3.6 percent because of dwindling oil revenues. The World Bank anticipates inflation jumping to 31.2 percent in 2019-20 from 23.8 percent in 2018-19 and 9.6 percent the year before that. Some economists believe inflation has actually topped 40 percent.

Iranian officials repeatedly contend that the country can weather the storm, but the reality on the ground is harsh.

The sharp devaluation of Iran's national currency and difficulty paying for urgent import needs have led to spikes in the prices of bread, rice and other staples. "It is easy for officials to talk about resisting America's pressure. They don't have to be worried about the rent or increasing prices of goods," said Ali Kamali, a 63-year-old retired teacher in Tehran. "Prices are going up every day."

An end to sanctions is not in sight anytime soon, with Trump saying on Tuesday that pressure will intensify on Iran. Iranian President Hassan Rouhani will give a speech at a U.N. General Assembly on Wednesday that will likely determine whether Tehran will renege with the United States.

Tensions have been further raised by Sept. 14 attacks on US-ally Saudi Arabia's oil sites that Washington, Riyadh and the European Union blame on Iran. Tehran denies involvement in the attacks, which were claimed by Iran-aligned Houthi group in Yemen.



Iranian rial currency notes are seen at a market in the holy Shi'ite city of Najaf, Iraq.

revenue." Western companies raced back to Iran's market and its oil income surged a year after a 2015 nuclear pact agreed with six major powers ended the sanctions regime imposed in 2012 over its disputed nuclear program.

New sanctions brought in after President Donald Trump withdrew from that agreement last May are

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Md Mehmood Husain, CEO of NRB Bank, and Shafiqul Alam, managing director and CEO of Jamuna Bank, exchange documents after signing an agreement at the latter's head office in Dhaka on Monday for the distribution of foreign remittance.

Maruti trims prices after government cuts corporate taxes

REUTERS, Bengaluru

Top Indian automaker Maruti Suzuki said on Wednesday it lowered prices of some cars, making it one of the first major companies to respond to the government's move to cut corporate taxes in a bid to revive economic growth.

The company cut prices on 10 different models by 5,000 rupees (\$70) each, representing discounts of just about 1 percent or less on average car prices. The price cuts start on Wednesday.

This comes as the domestic automobile industry faces a crippling slowdown in demand that has led to production cuts and thousands of job losses.

Maruti said the move was aimed at reviving demand by sharing "the benefits of corporate tax reduction with its customers".

The price cuts will kick in just ahead of the festive season, and Maruti said it hoped the move would help ease entry-level customers.

On Friday, Finance Minister announced a cut in the headline corporate tax rate to 22 percent from 30 percent in a move widely cheered by local stock markets.

The cuts were the latest in a line of government measures



A man walks outside the Maruti Suzuki India Ltd's manufacturing plant in Haryana.

aimed at reviving growth in Asia's third-largest economy, which slumped to a six-year low in the April-June quarter. Maruti's shares were down 2.7 percent at 6,811.30 rupees by 0514 GMT on Wednesday amid a broader decline in Indian stocks.



Gazi Yar Mohammed, head of MFS and agent banking at One Bank, and Md Ziaur Rahman, managing director of Bay Emporium Ltd, sign the documents of an agreement at the latter's corporate headquarters in Dhaka on Monday. The bank's OK Wallet customers will be able to make purchases at Bay Emporium outlets.



Kazi Wahidul Alam, editor of The Bangladesh Monitor, and Tajbir Hasan, managing director of Haltrip, exchange documents after signing a deal in Dhaka recently. The online travel agency became the title sponsor of the English travel fortnightly's opinion poll of frequent flyers "Monitor Airline of the Year 2019".