

NEW PROJECT OF PKSF

1m people to be lifted out of extreme poverty

STAR BUSINESS REPORT

The Palli Karma Sahayak Foundation (PKSF) yesterday rolled out a Tk 673 crore project to lift 10 lakh people out of extreme poverty within six years.

The Pathways to Prosperity for Extremely Poor People (PPEPP) project was formally launched at a programme at the PKSF Bhaban in Dhaka.

The project will be implemented through 20 partner organisations of the state-run organisation in 150 unions under 13 districts, according to a statement from the PKSF.

Initially, the first phase of the project will be implemented from 2019 through 2025 with funding from the Department for International Development (DFID) of the UK and the European Union. The piloting will take place in the first year of the project.

The official website of the project, www.pksf.ppepp.org, was also launched on the occasion.

The project will work towards

creating pathways out of extreme poverty for the extremely poor households by addressing multidimensional aspects of poverty, according to the website.

It will aim to deliver results and higher level changes through six interrelated and multidimensional components: livelihoods (resilience building and value-chain development); nutrition and health; community mobilisation; market development; policy advocacy; and life-cycle grant pilot.

Speaking at the launch, Md Ashadul Islam, senior secretary to the financial institutions division under the finance ministry, said the government was determined to bring down the extreme poverty rate down to 8.9 percent by 2020.

According to the Household Income and Expenditure Survey 2016, about 21 million people live in extreme poverty in Bangladesh and around three quarters of them are in rural areas.

Islam expressed his hope that

the PPEPP project would play an important role in achieving the Sustainable Development Goal 1, which aims to end poverty in all its forms everywhere by 2030.

He said the Rohingya refugee crisis and the impacts of climate change were two major burdens for the economy of Bangladesh.

Judith Herbertson, head of the DFID Bangladesh, said economic growth does not always reflect the real picture of development.

Inequality, malnutrition, and climate change impacts are some of the acute problems Bangladesh is facing today. The UK will continue to support Bangladesh in these areas, she said.

Maurizio Cian, head of cooperation of the EU Delegation to Bangladesh, said discrimination was one of the biggest challenges facing economic development.

PKSF Managing Director Mohammad Moinuddin Abdullah said the PKSF has so far supported at least six crore people in the country, directly or indirectly.

Fed can keep rates on hold for now, says its Chicago chief

REUTERS, Frankfurt

The Federal Reserve has set monetary policy to where it can deliver on its 2 percent inflation goal and there is scope to raise rates slightly over the next few years if the economy continues to grow, Chicago Fed President Charles Evans said on Tuesday.

The Fed has cut rates twice this year as US businesses were hit by rising trade tensions with China, political risk including Britain's chaotic divorce from the European Union, and weakening economic growth in Germany and elsewhere.

Evans said this was setting inflation on course to accelerate to 2.2 percent by 2021 while the US economy would continue to grow according to its long-term trend, creating leeway to raise the Fed's key interest rate over the next few years.

"In that environment I have the Federal Funds Rate inching up a little bit through the end of our forecast period," Evans told reporters in Frankfurt.

This would leave the benchmark "just a little bit below what I think is the neutral (rate)"

Fed Chair Jerome Powell said recent rate cuts represented a "mid-cycle adjustment" to policy designed to sustain the expansion.

Though some Fed policymakers believe more rate cuts

will still be needed, Evans endorsed Powell's view on Tuesday.

"I concluded that the situation called for us to cut policy rates 50 to 75 basis points below the long-run neutral rate and then leave policy on hold for a time," Evans said in a speech at a regional office of Germany's central bank.

He, like many of his colleagues, had as recently as December thought that with unemployment near 50-year lows the Fed could raise rates to above 3 percent this year and still hit its 2 percent inflation goal.

The Fed's July and September rate cuts brought the Fed's target range for overnight borrowing costs to 1.75 percent-2.00 percent, below the 2.5 percent that most Fed policymakers view as "neutral" in a healthy economy.

Evans also suggested that letting inflation modestly overrun 2 percent for some time "would not be a policy error" in the face of falling inflation expectations by businesses and households.

Pushing back against President Donald Trump's calls for the US central bank to slash rates to zero or below, Evans emphasized the limits of Fed policy. Lowering rates, he said, cannot do much to boost the underlying growth potential of the economy amid "today's uncertain and hostile trade climate."



Charles Evans

Singer offers discounts on freezers

STAR BUSINESS DESK

Singer yesterday announced offering up to Tk 5,000 in discounts on purchase of freezers marking Durga Puja.

The offer will run till October 8, the consumer electronics and home appliances brand said in a statement.

Customers can also avail discounts of up to Tk 15,500 while purchasing side-by-side or no frost refrigerators in exchange of their old refrigerators of any brand, says the press release.



Mohammad Borhanuddin, president and managing director (current charge) of Bank Asia, inaugurates the bank's 52nd Foundation Training Course at the Bank Asia Institute for Training and Development in the capital's Lalmatia yesterday.

Accounting standard-setting confce ends

STAR BUSINESS DESK

A two-day World Standard-setters Conference ended yesterday in London where over 150 standard-setters from across the globe discussed collaboration in accounting standard-setting.

Md Salim Uddin, vice president of the Institute of Chartered Accountants of Bangladesh (ICAB), and Mahub Ahmed Siddique, a director (technical), participated at the event organised by International Accounting Standards Board (IASB).

Amendments to International Financial Reporting Standards (IFRS), recently issued by the IASB, the only global accounting standard-setting body, were highlighted in the conference, said an ICAB statement.

The conference elaborately discussed the activities of different committees, their functions, role and implementation of the IFRS globally.

IASB Chairman Hans Hoogervorst gave the opening remarks and the conference was followed by a meeting of the International Forum of Accounting Standard Setters.

German inflation slips again in September

AFP, Frankfurt

Inflation in Europe's largest economy Germany eroded further in September, official data showed Monday, weeks after the European Central Bank announced new measures to stoke price growth.

Consumer prices grew 1.2 percent year-on-year, down from 1.4 percent in August and 1.7 percent in July, federal statistics authority Destatis said in a statement.

Measured using the ECB's preferred yardstick -- the Harmonised Index of Consumer Prices -- inflation was even feeble, at 0.9 percent.

"The supertanker inflation is steadfastly holding course for the one-percent mark... in the longer run, inflation in Germany is expected to be even lower in the face of a weak

economy," commented economist Sebastian Wanke of KfW public investment bank.

Growth and inflation in the eurozone have been undermined by trade conflicts and other economic and geopolitical upsets like Brexit, despite years of support from the central bank.

Germany is believed by many observers to be in the midst of a technical recession -- or two successive quarters of negative growth -- with weak prospects for the rest of 2019 and into 2020.

At its September meeting, the ECB turned to familiar levers in its toolkit of "unconventional" measures, saying it would lower a key interest rate further into negative territory and restart "quantitative easing" (QE) government and corporate bond purchases.

Remittance soars 16.54pc in Q1

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Besides, the Bangladesh Financial Intelligence Unit and other law enforcing agencies have recently stepped up their drive to prevent money laundering, including hundi, Rahman said.

The initiative has also given a momentum to mobilise foreign currency from abroad.

The price of petroleum products in the global market is now on the rise, which has given room to Middle Eastern countries to go for economic expansion.

"This has also pushed up remittance as the majority of the inflows usually come from those nations," Rahman said.

Local banks' import payments are on the rise, so they too are putting in effort to bring remittance, he said.

He went on to express hope that remittance would increase more in the months ahead because of the latest initiative, which will help the government manage its balance of payments better.

The exchange rate of the taka against the US dollar is also favourable for remitters, which has encouraged them to send their hard-earned money through the banking channel, said an official of a commercial bank.

On September 30, the interbank exchange rate was Tk 84.50 per USD, up from Tk 83.75 a year earlier.

WTO slashes forecast for trade growth as conflicts mount

REUTERS, Brussels/Berlin

The World Trade Organization cut its forecast for growth in global trade this year by more than half on Tuesday and said further rounds of tariffs and retaliation, a slowing economy and a disorderly Brexit could squeeze it even more.

The WTO said it now expected global merchandise trade to increase by 1.2 percent this year, compared with its April estimate of 2.6 percent. That growth was 3.0 percent in 2018. For 2020, growth 2.7 percent is forecast, down from a previous estimate of 3.0 percent.

"The darkening outlook for trade is discouraging, but not unexpected," WTO Director-General Roberto Azevedo said in a statement, urging WTO members to resolve trade disagreements and cooperate to reform the WTO.

The Geneva-based body said its reduced forecasts reflected estimates for slower expansion of the global economy, partly due to trade tensions, but also because of cyclical and structural factors and, in Europe, Brexit-related uncertainty.

The WTO gave a forecast range for trade growth this year of 0.5 percent to 1.6 percent and for 2020 of 1.7 percent to 3.7 percent, with the upper end of the ranges reachable if trade tensions eased. "Risks to the forecast are heavily weighted to the downside and dominated by trade policy," the

WTO said.

The United States and China have been locked in a trade war for over a year. They have levied punitive duties on hundreds of billions of dollars of each other's goods, roiling financial markets and threatening global growth.

US President Donald Trump has also imposed tariffs on products from other countries, notably on steel and

aluminium, in a bid to cut the trade deficit of the world's largest economy. The WTO figures implied he had had limited success.

The WTO said on Tuesday that North America showed the fastest growth of exports of any region in the first half of the year, at 1.4 percent, although the rise of imports into North America were also greater than elsewhere, at 1.8 percent.



Delegates arrive for a special meeting of the General Council Preparatory Committee on Trade Facilitation at the World Trade Organization headquarters in Geneva.

Unusual swing unnerves stock investors

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Of the traded stocks, 183 gained, 113 dropped and 56 remained unchanged.

Among the major sectors, textiles exhibited the highest positive movement with a 1.1 percent gain, while non-life insurances showed negative movement, giving up 1.3 percent.

Miracle Industries topped the list of gainers advancing 9.94 percent. Mithun Knitting was the worst loser, losing 9.47 percent.

JMI Syringes became the top-traded stock with its shares worth Tk 12.16 crore changing hands, followed by Beacon Pharmaceuticals, Bangladesh Shipping Corporation, Stylecraft, and National Tubes.

Chattogram stocks also rose with the bourse's benchmark index, the CSCX, gaining 0.34 points to finish at 9,140.01. Losers beat gainers as 98 issues declined, 123 advanced and 29 finished unchanged on the port city bourse.

Brac Bank to get \$30m from British financier

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The CDC statement mentions of its previous investments in Bangladesh such as \$15 million for RFL Electronics in 2017, \$103 million for a 414 megawatt energy project in Sirajganj in 2016, \$25 million for Gramophone in 2013 and \$20 million for Frontier Bangladesh II in 2015.

The officials informed of Rehan Rashid being recently appointed as CDC country director for Bangladesh.



FR Khan, managing director at Building Technology and Ideas Ltd (bti); Md Mahmudul Kabir, executive director for marketing, and Kyser Hamid, head of retail business at IPDC Finance, attend a deal signing ceremony at bti Celebration Point in Dhaka on Sunday. The non-bank financial institution will provide home loans to bti customers at preferential rates.

Made in Bangladesh refrigerators dominate market

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Walton's manufacturing capacity has reached to 10,000 units per day, said its Director Augustin Sujan.

According to him, Walton manufactures more than 150 models of refrigerators in the price range of Tk 10,000 to Tk 70,000.

Transcom Electronics started to assemble refrigerators in 2014 and have a plan to go for full-fledged manufacturing from next year, said Saikat Azad, head of marketing of Transcom Digital.

Vision Electronics, a sister concern of Pran-RFL Group, has also been manufacturing 75 models of refrigerators at its factory in Palash upazila, Narsingdi, established in 2016.

Kamruzzaman Kamal, director for marketing at Pran-RFL Group, said they manufacture 1,000 units every day.

Another Korean electronics giant Samsung partnered with Fair Electronics to establish a manufacturing plant in Narsingdi in 2018. The plant has manufacturing capacity of 400,000 units per year.

The South Korean firm is providing technological help to manufacture the products.

"Premium segment refrigerators is still import dependent as the customers prefer foreign-manufactured ones," said Manzurul Karim, general manager of Esquire Electronics, the sole authorised distributor of Japanese brands General and Sharp.

Japanese brands are not yet interested in setting up manufacturing plants in Bangladesh as the market size is not big enough for them.