



Swapan Bhattacharjee, state minister for local government, rural development & cooperatives; M Badiuzzaman, chairman of NRB Bank's executive committee, and Md Mehmood Husain, CEO of NRB Bank, open the bank's 46th branch on RN Road in Jashore on November 28.

## Hong Kong Airlines delays salaries as protests hit tourism

AFP, Hong Kong

Low-cost carrier Hong Kong Airlines said Friday it will delay salary payments to some staff, warning its business has been "severely affected" by the political unrest in the city.

Nearly six months of protests in the international finance hub have dealt its tourism sector a massive blow, and airlines serving the city have struggled.

"Hong Kong Airlines' business is severely affected by the social unrest in Hong Kong and a sustained weak travel demand," the carrier said in a statement.

"With November being a low travel season, our revenue has dipped significantly, impacting our payroll for the month." It said November salaries for all staff except cabin crew and overseas employees would now be delayed until December 6, but insisted the "one-off salary arrangement does not impact our daily operation".

Hong Kong Airlines is owned by struggling Chinese conglomerate HNA

Group, which has been looking to lower its debt burden.

Earlier this year it unloaded another low-cost carrier -- HK Express -- to rival Cathay Pacific and it also cut some operations.

In early November, Hong Kong Transport and Housing Bureau ordered the airline to take further steps to improve its financial situation.

The tourism industry in Hong Kong has been battered by nearly six months of pro-democracy protests that have become increasingly violent, with arrivals falling by half. The crisis comes as the economy was already feeling pressure from the China-US trade war, plunging into recession during the third quarter.

Cathay has also had a torrid year, hit by the collapse in arrivals and punished by Chinese regulators because some of its staff voiced support for the pro-democracy protests.

Singapore Airlines, China Eastern and Virgin Australia have all cut flights to Hong Kong this year.

## Japan mulls over \$92b stimulus to spur growth

REUTERS, Tokyo

Japan's government is considering putting together a large-scale economic stimulus package with fiscal spending exceeding \$92 billion, the Nikkei newspaper said, as soft global demand and the US-China trade war dampen the country's fragile recovery.

Adding strain to Japan's tattered finances, the government will issue more bonds to fund public works spending of up to 4 trillion yen (\$36.82 billion) and make up for tax revenue shortfalls as firms feel the pinch from the trade tensions, the newspaper said on Saturday.

Kuroda said on Friday the central bank's ultra-loose policy is aimed at hitting its price target, not at funding government spending, warning against complacency in getting Japan's fiscal house in order.

Fiscal spending under the package will likely exceed 10 trillion yen, which will be funded by a supplementary budget for the current fiscal year ending in March 2020 and next year's annual budget, the newspaper said.

That will roughly match a 13.5-trillion-yen spending package put together in 2016, when Britain's vote to exit the European Union jolted markets and heightened uncertainty

## India's wettest monsoon in 25yrs to lift wheat yield to record

REUTERS, Mumbai

India's wheat production could jump to a second consecutive annual record in 2020 as the wettest monsoon in 25 years is set to help farmers in expanding the area under the winter-sown crop while also boosting yields, industry officials told Reuters.

But that higher production would add to India's already swelling inventories, potentially forcing the world's second-biggest wheat producer to ramp up procurement of the grain from farmers and provide incentives for overseas sales to support local prices.

"The area under wheat and yields would rise due to good rainfall. We can certainly produce more than last year's record production," said Gyanendra Singh, director at the state-run Indian Institute of Wheat and Barley Research.

India grew 102.19 million tonnes of wheat in 2019.

The country received monsoon rains during the June-September season that were 10 percent above average and the rainfall continued during October and November, increasing soil moisture levels required for crop sowing.

Rainfall also lifted the water level in India's key reservoirs to 86 percent of capacity compared to 61 percent a year ago and a 10-year average of 64 percent, according to government data.

Only one wheat crop is grown in India each year, with planting starting in late October and harvesting in March.

Farmers are inclined to expand the area under wheat as its prices are more stable than any other



REUTERS/FILE

A farmer works in a wheat field on the outskirts of Ahmedabad, India.

crop due to government buying, said Harish Galipelli, head of commodities and currencies at Inditrade Derivatives & Commodities in Mumbai.

New Delhi sets minimum support prices (MSP) for nearly two dozen crops to set a benchmark, but state agencies mainly buy rice and wheat at those prices. For 2020, India has lifted the price at which it buys locally produced new-season wheat by 4.6 percent to 19,250 rupees (\$268.22) a tonne.

"After the hike in MSP, wheat planting has become even more

attractive for farmers," Galipelli said.

For the time being, dealers say wheat exports from India next year would be difficult because of their comparatively high cost.

With the new MSP setting, export prices would be above \$300 a tonne on a free-on-board basis, while supplies from the competing countries are available below \$250 a tonne, said one Mumbai-based dealer with a global trading firm.

"India could easily produce more than 100 million tonnes but could not export even 1 million tonnes unless government

provides subsidy for exports," the dealer said.

India exported 226,225 tonnes wheat in the 2018/19 fiscal year that ended on March 31, compared to a record 6.5 million tonnes in 2012/13, according to government data.

Higher production and negligible exports could force the government to increase procurement from farmers to ensure prices stay at or above the MSP, said Galipelli at Inditrade.

Government wheat stocks stood at a record 37.4 million tonnes as of Nov. 1, up 13 percent from a year ago.



REUTERS/FILE

People cross a street in a shopping district of Tokyo.

Prime Minister Shinzo Abe's administration will finalize the package early next week after consultations with the ruling coalition, the Nikkei said, without citing sources.

Japan's finance ministry officials were not immediately available for comment.

Ruling party lawmakers have been pressuring the government to compile a big spending package, increasing the chance fiscal policy will play a bigger role in supporting growth despite the risk of more debt issuance.

Bank of Japan Governor Haruhiko

over Japan's export-reliant economy. The package under work will include spending for disaster relief, infrastructure building and measures to help companies boost productivity, the newspaper said.

The government will also issue more deficit-covering bonds, as tax revenues for the current fiscal year will undershoot its initial estimate by around 2 trillion yen, the Nikkei said. Aside from the fiscal spending, Japan will also provide financing to companies for overseas investment to help them diversify production, Reuters reported on Thursday.

## China factory activity breaks losing streak

Economist says 'the blip' barely signifies recovery

AFP, Beijing

China's November factory activity rebounded for the first time in seven months, data showed Saturday, despite the looming threat of fresh US tariffs within weeks if Beijing and Washington fail to sign a partial trade deal.

The closely watched Purchasing Managers' Index (PMI), a key gauge of activity in the country's factories, rose to 50.2 in November, up from 49.3 last month, the National Bureau of Statistics said.

The reading is slightly above the 50-point mark that separates growth and contraction every month.

A sub-index of new export orders climbed to a 7-month high at 48.8, but was still in contraction as demand wanes for China's exports abroad.

Ting Lu, chief China economist at investment bank Nomura, says "the blip" of a rise in the official manufacturing PMI doesn't signify a recovery in the economy.

"The jump of manufacturing PMI from 49.2 in Feb to 50.5 in March this year made the whole market very excited about a strong recovery, but it turned out to be an illusion," said Lu.

"This time is no different." The reading comes as Beijing and Washington edge towards a partial deal to a trade war that has dragged

on for nearly 20 months.

Top US and Chinese negotiators held phone talks on Tuesday and agreed to keep in touch over "remaining issues" for a "phase one" trade deal between the two countries, Chinese state media said.

The two sides have slapped tariffs on nearly half a trillion dollars worth of goods in two way trade, and US President Donald Trump is threatening fresh tariffs

in mid-December if there was no mini-deal.

Beijing has also implemented a number of measures to stimulate the economy, which expanded at its slowest pace in nearly three decades in the third quarter.

People's Bank of China trimmed the interest rate it charges on funding to commercial lenders last week, to boost lending to credit-starved parts of the economy.



AFP

An employee works on an assembly line at the third auto plant of Dongfeng Honda in Wuhan in China on November 27.



UTTARA BANK

Azharul Islam, chairman of Uttara Bank, and Mohammed Rabiul Hossain, CEO, attend its "Branch Manager's conference-2019" on its Dhaka premises yesterday.



OFFICECLICK.COM

Hosne Ara Begum, managing director of Bangladesh Hi-Tech Park Authority, and AHA Al Rahman, managing director of Orogenic Resources, attend the launch of the company's business e-commerce site Officeclick.com at the Lakeshore hotel in Dhaka last week.