IBCCI

A 13-member business delegation of the Confederation of Indian Industry led by Bandhan Bank Managing Director Chandra Shekhar Ghosh meets members of the India-Bangladesh Chamber of Commerce and Industry (IBCCI) at Nitol Centre in Dhaka on December 15. IBCCI President Abdul Matlub Ahmad was present.

Goldman Sachs says it will support 'green' initiatives more forcefully

REUTERS, *New York*

Goldman Sachs Group Inc outlined plans on Monday to put money and advice toward projects that fight climate change or help financially disadvantaged people, with executives arguing it is not only the right thing to do but can generate income.

The Wall Street bank set a lofty-sounding target of $750 billion (585 billion pounds). The figure is a mix of loans, underwriting, advisory services and investments related to projects Goldman expects to be involved with by 2030.

It reflects the total size of loans, deals and other arrangements Goldman expects to perform as a bank or intermediary with companies and projects focused on renewable energy, sustainable transportation, affordable education and several other areas, the bank said.

Goldman also implemented a formal ban on financing certain drilling and coal activities.

The moves come as pressure from activists and some investors has ratcheted up globally on banks' activities financing fossil fuels or other sectors that have come into the political crosshairs, like gun makers.

Banks have also faced more scrutiny over their role in increasing economic inequality by catering to wealthy customers while shunning patrons who need access to financial services to better their lives.

Goldman catered almost exclusively to the elite until it was forced to rethink its business model in the aftermath of the 2007-2009 financial crisis. In recent years, management decided to launch a retail bank and has tried to spruce up Goldman's image among Main Street consumers.

BOJ's next move to dial back stimulus, most economists now say

REUTERS, *Tokyo*

The Bank of Japan's next move will be to dial back its massive stimulus, according to an increasing number of analysts polled by Reuters, reflecting receding market expectations of imminent monetary easing by the central bank.

But any such withdrawal of stimulus will begin from 2021 at the earliest, the survey showed, a sign that monetary policy in Japan could be in a holding pattern for the time being.

"There's a chance growth in overseas and Japanese economies could pick up next year," said Nobuyasu Atago, chief economist at Okasan Securities.

"The yen is stable and stock prices are firm," which could allow the BOJ to hold off on expanding stimulus, he added.

Twenty-five of 41 economists, or 61 percent of the total, expect the BOJ's next move to be a withdrawal of stimulus, the poll taken between Dec. 4-16 showed.

That was up from 44 percent in a survey in November.

Most of them say it could happen in 2021 or later. Sixteen of the economists, or 39 percent, think the BOJ will top up stimulus as its next step, down from 56 percent in last month's survey.

The BOJ is set to keep monetary policy steady this week as receding fears of a disorderly Brexit and signs of progress in US-China trade talks take some pressure off the central bank to use its dwindling ammunition to underpin growth.

Japan's core consumer price index, which includes oil products but not fresh foods, is forecast to rise 0.6 percent this fiscal year and next year - well short of the BOJ's 2 percent inflation target.

Japanese policymakers have been under pressure to do more to underpin a fragile economic recovery, hit by the global trade war, typhoons and a sales tax hike that rolled out in October.

The world's third-largest economy is forecast to have shrunk by an annualised 3.2 percent in the fourth quarter, which would be the biggest contraction since April-June 2014, the poll found.

"Consumer spending is expected to worsen sharply in the current quarter as the tax increase puts a burden on households," said Yoshiki Shinke, chief economist at Dai-ichi Life Research Institute.

"Capital spending also likely weakened after having boosted before the tax hike. The economy will pick up next year but the pace of recovery is expected to be moderate."

Growth will rebound by 0.9 percent and 1.2 percent in the first and second quarters of 2020, according to median forecasts. The economy will expand 0.9 percent in the current fiscal year ending in March 2020 before slowing to 0.5 percent the following year, the poll predicted.

Some economists responded to the poll before the government announced its plan to compile a 13.2 trillion yen ($122 billion) fiscal package to support growth.

Based on information on media reports of the spending plan, most analysts expect the stimulus package to lift growth by less than one percentage point.

"Labor shortage will be a bottleneck" and dent the effect of the stimulus package as the government could face difficulty executing public works projects smoothly, said Shuji Tonouchi, senior market economist at Mitsubishi UFJ Morgan Stanley Securities.

REUTERS/FILE

A Japanese flag flutters atop the Bank of Japan building in Tokyo.

Canada predicts slower growth, deficit to climb in 2020

AFP, *Ottawa*

Canada's finance minister predicted on Monday that growth will come in at 1.6 percent in 2020, the best of any G7 country besides the United States, but the deficit will also increase.

Growth in 2019 also reached 1.7 percent, Bill Morneau said in his first update on the economy since Prime Minister Justin Trudeau's Liberals lost their majority in the House of Commons following October elections.

"In 2020, we expect that we're likely to be the second-strongest economy in terms of growth among G7 countries," he told a press conference where he welcomed a "strong and growing" Canadian economy.

However, he said the Trudeau administration didn't foresee a balanced budget in the near future. For the 2019-2020 fiscal year, the deficit will amount to Can$26.6 billion ($20.2 billion), up from the Can$19.8 billion predicted in the March 2019 budget.

The government projects the deficit dropping to Can$11.6 billion in 2024-2025.

Morneau added that Canada's debt-to-GDP ratio of 31 percent is the lowest of the G7 countries, and that the country is not at risk of a recession.

"We're proposing to increase our deficit with additional investments, because we know that this continuing investment has a positive impact on our economy and on Canadians," the minister said. Keeping an election promise, Trudeau's government also announced last week a series of tax cuts for the middle class.

Qatar budget surplus to shrink in 2020

AFP, *Doha*

Qatar, the world's largest exporter of liquified natural gas, will see its budget surplus shrink in 2020 due to projected higher wage bills, a government statement said Monday.

The Gulf monarchy ran a provisional surplus of 4.4 billion riyals ($1.21 billion) -- its first surplus in three years -- in 2019 due to higher energy prices. That is now expected to shrink to 500 million riyals in 2020.

"Expenditure is estimated at 210.5 billion riyals, up by 1.9 percent compared with 206.6 billion in 2019," the finance ministry wrote in a statement.

"Budgeted expenditure is the highest in the past five fiscal years, reflecting the country's commitment to the completion of multiple development projects" ahead of the 2022 World Cup.

A 3.3 percent hike in the government wage bill was down to a hiring spree for newly completed education, health and railway projects, the statement said.

Qatar has been under an economic and diplomatic boycott by neighbouring countries led by Saudi Arabia for the past two and a half years although signs of reconciliation efforts have recently emerged.

Saudi Arabia, the United Arab Emirates, Bahrain and Egypt severed ties with Qatar in June 2017, accusing it of links to extremist groups and being too close to Iran, Riyadh's regional arch-rival.

Doha has denied the charges and increased business with existing trade partners outside the region, announced plans to produce more gas and sought new markets.

Qatar, the third largest economy in the Gulf, has also sought to secure new revenues to boost income streams that shrank due to the slump in oil prices after mid-2014.

In January 2018, the government announced legislation allowing 100 percent ownership for foreign investors in most economic sectors in a bid to boost non-energy revenues.

Previously, foreign investors could own up to 49 percent of companies listed on Qatar's stock exchange.

SBAC BANK

Md Golam Faruque, managing director of SBAC Bank, opens the bank's 80th branch at Bhandaria in Pirojpur yesterday.

PUBALI BANK

Mohammad Hasan Imam Khan, a lawmaker, opens the 476th branch of Pubali Bank at Kalihati in Tangail. Abu Habib Khairul Kabir, a general manager of the bank, was present.

Indian budget likely to cut tax rates for individual taxpayers

REUTERS, *New Delhi*

The government is likely to trim personal income tax rates and cut the tax on long-term capital gains from equity investments in its next budget, in a bid to spur economic growth, four government officials.

Government officials are also debating whether to offer more help to troubled financial services and whether to increase import duties boost private investments and domestic manufacturing.

"We are discussing tinkering with ... income tax rates so that more money is put in the people's hands," a senior government official directly involved in budget discussions told Reuters.

Many groups have been urging the government to cut personal income tax rates to spur demand and lift economic growth, which sank to a six-year low of 4.5 percent in the July-September quarter from 7 percent a year ago.

Prime Minister Narendra Modi earlier this year cut corporate tax rates to 15 percent for new manufacturers and to 22 percent for existing companies, from about 30 percent.

Finance Minister Nirmala Sitharaman is expected to present the budget for 2020/21 fiscal year on February 1. He has promised a budget that will do more to boost growth.

Another government official said a proposal to relax long- term capital gains on stock investments was under consideration, to attract investors.

"There are various suggestions, including completely removing it," the official said, adding the issue was discussed at the level of the Prime Minister's office. He said a final decision was still to be taken.

The government might also change import duties on select items to promote domestic manufacturing, a trade ministry official said.

Industry groups have urged the government to withdraw the long-term capital gains tax to encourage retail investment in mutual funds and shares, instead of other assets like gold or real estate.

China's CCCC, Philippines' Macroasia win $10b airport project

REUTERS, *Manila*

China Communications Construction Co Ltd (CCCC) and Philippine partner Macroasia Corp have won an auction for a $10 billion airport outside Manila, the latest in a multi-billion dollar push by the Philippines to modernize and decongest its overstretched infrastructure.

CCCC joined airline service company Macroasia in a consortium with the Cavite provincial government to carry out the expansion of the Sangley Point International Airport, one of two big projects that aim to take pressure off the four terminals of Manila's notoriously packed international airport.

The size of CCCC's stake in the Sangley project was not immediately clear.

It follows similar attempts by China's state-run telecoms and energy firms to enter the Philippines, a country with a history of close ties with the United States, and fragile relations with China.

The CCCC-Macroasia consortium was the only bid submitted and was deemed complete, Jesse Grepo, legal officer of the selection committee, told reporters on Tuesday. Macroasia is owned by the chairman of flag carrier Philippine Airlines.

The Sangley project involves land reclamation and expansion of a small airport, part of a major infrastructure overhaul that critics say President Rodrigo Duterte has been too slow to begin.

The project will be a big boost to an archipelago nation that has failed to attract the level of investment and tourism seen in Thailand, Vietnam and Malaysia, partly due to its traffic problems and inadequate roads, ports and airports.

DHAKA BANK

Emranul Huq, managing director (current charge) of Dhaka Bank, and Mohammad Sameer Uddin, chief financial officer at Rancon British Motors, the sole distributor of MG vehicles in Bangladesh, exchange the signed documents of a deal at the former's corporate office in Dhaka on December 15. Preferential loan facilities will be provided on the purchase of vehicles.