STOCKS

DSEX	CSCX
▼ 0.08%	▼ 0.09%
4,390.67	8,105.88

COMMODITIES

Gold ▲	Oil ▲
$1,496.00	$67.10
(per ounce)	(per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.44%	▲ 0.04%	▲ 0.24%	▲ 0.67%
41,461.26	23,830.58	3,221.67	2,982.68

CURRENCIES STANDARD CHARTERED BANK

	$USD	€EUR	£GBP	¥JPY
BUY TK	83.95	92.26	108.02	0.75
SELL TK	84.95	96.06	111.82	0.79

Star BUSINESS

DHAKA WEDNESDAY DECEMBER 25, 2019, *POUSH 10, 1426 BS* starbusiness@thedailystar.net

Single-digit interest for industrial loans

STAR BUSINESS REPORT

The central bank yesterday decided to cap the interest rate on industrial loans in a move that would be a boon for manufacturers as their cost of funds would go down to single digit at the expense of banks' profitability.

The decision, which aims at making businesses vibrant, came at a board meeting of the central bank at the Bangladesh Bank headquarters in Dhaka.

Businesspeople welcomed the central bank's initiative, saying the measure will give a shot in the arm of the industrial sector, giving them respite from the burden of higher interest rates.

But bankers and experts expressed their concern and said it would have a negative impact on the banking sector as lenders will shy away from disbursing loans to the industrial sector due to the lower interest rate.

Banks now charge interest rates between 12 percent and 14 percent for industrial loans, creating a difficult situation for the manufacturers, according to an entrepreneur.

But they will have to give out loans to the manufacturing sector at single digit interest rate from January 1, said Md Serajul Islam, spokesperson and an executive director of the central bank.

The banking regulator will issue a notice within a day or two to make the decision effective, he said.

A board member of the banking watchdog, on condition of anonymity, said banks would be given some financial supports to implement the initiative.

For instance, the government will park its project funds in the current account with lenders so that they do not need to give any interest to state-run agencies, he said.

"The decision to bring down the lending rate would help export-oriented industries to mitigate existing crisis," said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association.

"The production cost in the readymade garments sector increased by 30 percent in the last four years. Similarly, the export earnings have continued a downward trend in recent period," she said.

The move will help manufacturers set up new industrial units and expand the existing ones, said Rubana, also the managing director of Mohammadi Group.

Asif Ibrahim, vice chairman of Newage Group of Industries, echoed Rubana.

"The measure will bring a huge positive impact for the industrial sector given the existing slowdown in the economy. New industries will benefit from the initiative as well," he said.

READ MORE ON B3

Govt yet again extends tannery estate project

STAR BUSINESS REPORT

The long-awaited Savar Tannery Industrial Estate (STIE) project that began in 2003 is now expected to be fully complete next year after the government yesterday extended its deadline once again.

The Executive Committee on National Economic Council (Ecnec) approved the extension of the project in its fourth revision, where the expenditure was cut by Tk 63.15 crore to Tk 1,015.56 crore.

The tenure was extended mainly to complete the central effluent treatment plant (CETP), install some gates and construct three dumping yards.

Until June this year, some Tk 792.10 crore, or 73.43 percent, of the total allocation has been spent.

In the original plan, the STIE project was supposed to be complete in 2005 at a cost of Tk 175 crore.

In its second revision in August 2013, the project's tenure was extended to June 2016 and the cost hiked to Tk 1,078 crore.

However, the tenure was extended for the third time in January 2017 to June 2019, keeping the project cost unchanged.

Now a fourth extension had to be made.

Jitendra Nath Paul, project director of the STIE, said the implementation of the project was delayed for legal complexities.

Although work for the project was supposed to start in 2003, it actually began from 2012. Moreover, the implementation was delayed when the construction of the CETP was delayed again because of legal battle, he said.

However, the STIE has been working to complete the construction of the CETP and automation mainly to comply with the conditions of the Leather Working Group (LWG) certification, a vital compliance to gain fair prices from the export of leather and leather goods from Bangladesh.

A high-powered audit body is scheduled to visit the STIE soon for inspecting the estate, based on which LWG certification can be obtained.

Currently, 125 out of the 155 tanneries have shifted to STIE from Hazaribagh and started operations.

The government facilitated the relocation from Hazaribagh as the surrounding areas were getting seriously damaged.

READ MORE ON B3

STAR/FILE

A partial view of the central effluent treatment plant at Savar tannery estate.

A TIMELINE OF PROCRASTINATION

- Initially approved in August 2003; cost set at Tk 175.75cr; deadline fixed for Dec 2005
- Industries ministry extended the deadline to June 2006
- Planning ministry further stretched it to June 2007
- Ecnec later reset the deadline to June 2010 and revised up cost to Tk 545cr
- In another revision in August 2013, the completion time was set for June 2016; cost raised to Tk 1,078cr
- Revised again in 2017; time extended to June 2019; cost remained same
- Latest revision yesterday; cost declined to Tk 1,015cr; time extended to June 2020

Some realtors fleecing customers

Housing minister says; real estate fair begins in Dhaka

STAR BUSINESS REPORT

Realtors should carry out businesses with integrity and without fleecing customers, said SM Rezaul Karim, housing and public works minister, yesterday.

"I want the realtors to make money by doing business maintaining ethics and integrity," he said, while addressing the opening session of a five-day housing fair.

The Real Estate and Housing Association of Bangladesh (REHAB) has organised the winter edition of the event at the Bangabandhu International Conference Centre in Dhaka.

The minister alleged that some dishonest developers are fleecing the people through colourful ads in newspapers and billboards, asking them to stop the ill-practices.

He urged realtors to avoid unhealthy competition between themselves and advised the REHAB to raise awareness among customers about the vested quarter of developers.

REHAB President Alamgir Shamsul Alamin said the government should utilise the expertise of realtors by involving them in public infrastructure projects. He also urged the government to complete the procedure to reduce apartment registration fee as soon as possible.

The housing minister assured realtors of bringing changes to government policies so that they can participate in public tenders even if they don't have required experience.

The minister warned land officials who are already involved in corruption or thinking to commit irregularities, asking them to leave the job.

READ MORE ON B3

STAR

Visitors throng stalls of the real estate fair at the Bangabandhu International Conference Centre in Dhaka yesterday.

Burial plots for Tk 3.5 lakh

STAR BUSINESS REPORT

Rawdatul Jannah, a concern of MIS Holdings, is offering permanent burial plots at the ongoing REHAB fair, as the developer looks to solve the capital's graveyard crisis arising out of exponential population growth.

Dhaka, a city of 16 million, has only eight public graveyards -- too few to cope with demand. Since 2008, city corporation officials have stopped allocating permanent graves, while a semi-permanent one, which can last about two years, can cost upwards of Tk 1.50 lakh.

"Every day, 300 people die on average in Dhaka city, but there is not permanent resting space," said Showayeb Hossain, managing director of Rawdatul Jannah.

READ MORE ON B3

Walton opens RAM chip production

Motherboards by Q1 of 2020

STAR BUSINESS REPORT

The production of random-access memory or RAM chips, which are generally located on computer motherboards and store the operating system, application programmes and data in current use, was formally inaugurated at Walton's hi-tech park at Gazipur yesterday.

Finance Minister AHM Mustafa Kamal did the honours through a video conference at his office in presence of Mustafa Jabbar, posts, telecommunications and information technology minister, and Zunaid Ahmed Palak, state minister for ICT.

The local tech company started assembling laptops and computers in the plant in January 2018.

Now 8,000 to 10,000 laptops and 4,000 personal computers take shape every month while the company expands the list of different components it can manufacture.

Production of the RAM chips started a couple of months ago and the company will go for exports on meeting its own demand, said Liakat Ali, chief executive officer of the group's computer division.

"We are also producing motherboards but it will take a few more months to inaugurate it officially," he said, adding that other components such as processors and hard disks would be manufactured within a short time.

READ MORE ON B3

WALTON

Finance Minister AHM Mustafa Kamal, Telecom Minister Mustafa Jabbar and ICT State Minister Zunaid Ahmed Palak inaugurate production of Walton RAM through a video conference in Dhaka yesterday.

DBL Pharma to buy GSK's ointment manufacturing line

STAR BUSINESS REPORT

DBL Pharmaceuticals, a subsidiary of DBL Group, is all set to buy the cream and ointment manufacturing line of GlaxoSmithKline Bangladesh as part of a plan to reintroduce the products of the British pharma giant.

Some of GSK's widely consumed brands like Betnovate, Dermovate and Neobacrin are no longer available in Bangladesh since the end of 2018 when the multinational firm shut its drug manufacturing operations in the country.

DBL will bring alternatives of the discontinued GSK dermatological products to the market using the same technology, according to a statement of DBL Group.

GSK and DBL have informed the Directorate General of Drug Administration about the signing of a deal in this regard between the two entities on December 22.

DBL is establishing a Tk 700 crore pharmaceutical manufacturing plant following the standards of the US Food and Drug Administration at Kashimpur in Gazipur, which is expected to be fully operational by late 2020.

EASTERN BANK

Li Jiming, Chinese ambassador to Bangladesh, Ali Reza Iftekhar, managing director and CEO of Eastern Bank, and Ashutosh Agrawal, general manager of UnionPay International, attend the launch of UnionPay credit cards in Bangladesh by the bank at a city hotel on Sunday. With them are Hassan O Rashid, the bank's additional managing director, M Khorshed Anowar, head of retail and SME banking, and Ziaul Karim, head of communications and external affairs.

Use of electronic locks to be made mandatory soon

NBR chairman says about export, import consignments

STAR BUSINESS REPORT

The revenue authority plans to make use of electronic seals and locks mandatory soon on all export and import consignments to prevent tampering of goods on their way to and from the port.

Earlier in 2017, the National Board of Revenue (NBR) introduced the electronic seal and lock rules but failed to enforce it amid opposition from businesses on grounds of high costs.

The NBR will soon sit with the businesses to roll out the system, its Chairman Md Mosharraf Hossain Bhuiyan said at the launch of uniforms for customs officials.

All customs officials will have to wear the newly introduced uniforms from March 1, he said at the event at the Institution of Diploma Engineers Bangladesh.

He also shared an instance when a foreign buyer alleged that a Bangladeshi exporter had tampered with a consignment and sent garment waste in place of t-shirts.

READ MORE ON B3

BDCOM ONLINE

Wahidul Haque Siddiqui, chairman of BDCOM Online, presides over its 23rd annual general meeting at Sugandha Community Center in Dhaka yesterday. The company approved audited financial statements, auditors' and directors' reports, 6 percent cash and 6 percent stock dividends for the year ending on June 30, 2019.

Credit Suisse hit with $6.5m US fine for supervisory lapses

REUTERS, *Vienna*

The US Financial Industry Regulatory Authority (FINRA) and major exchanges have fined Credit Suisse's US-based securities business $6.5 million for supervisory failings, FINRA said late on Monday.

FINRA, the securities industry self-regulator, and the exchanges found that Credit Suisse Securities (USA) LLC did not establish a supervisory system reasonably designed to monitor for potential trading violations, such as spoofing and layering, for clients it had offered direct market access to numerous exchanges between 2010 and 2014.

The exchanges backing the fine are Cboe Global Markets, the Nasdaq Stock Market LLC, the New York Stock Exchange, and their affiliated exchanges. "In addition, Credit Suisse violated numerous provisions of the market access rule, which requires broker-dealers that provide their customers access to an exchange or an alternative trading system to reasonably manage the financial and regulatory risks of providing such access," FINRA said in a statement.

REUTERS/FILE

A man walks past a branch office of Swiss bank Credit Suisse in Zurich, Switzerland.

From 2011 to 2017, Credit Suisse violated the market access rule's provisions related to the prevention of erroneous orders, the setting of credit limits and the firm's annual review of the effectiveness of its market access controls and supervisory procedures, the statement said.

In settling the matter, Credit Suisse neither admitted nor denied the charges, the statement added.

Credit Suisse did not immediately reply to a request for comment.

Oil prices rise in quiet Christmas Eve trade amid supply cuts

REUTERS, *Tokyo*

Oil prices rose on Tuesday in thin pre-Christmas trading after Russia's energy minister said cooperation with Opec to support the market would continue and as analysts forecast a second weekly decline in US crude inventories.

Brent crude was up 12 cents, or 0.2 percent, at $66.51 a barrel by 0702 GMT. US West Texas Intermediate was 7 cents higher at $60.59 a barrel.

Opec, Russia and other producers that have linked up to curtail production and support prices will continue their cooperation as long as it is "effective and brings results," Russian energy minister Alexander Novak said in an interview on Monday.

Cooperation with the Organization of the Petroleum Exporting Countries (Opec) would continue "until the market requires it," Novak added.

Opec and other producers agreed in November to extend and deepen output curbs in place since 2017. The reduction of output could see as much as 2.1 million barrels per day (bpd) taken off the market, or about 2 percent of global demand.

Still, Opec needs to do more to balance out the market on a sustainable basis, Bjornar Tonhaugen, head of oil market research at Rystad Energy, said in a note.

"The Opec cuts didn't fully solve the problem – instead they offer a light bandage to get through the first quarter of 2020," said Tonhaugen, adding "after that, we believe the market will begin to realize the looming oversupply."

US producers have been happy to fill any gaps in the market, pumping ever greater amounts of crude to reach a record high of around 13 million bpd in November.

That has helped swell inventories, which have been stubbornly resistant to drawdowns. US stocks are up around 1 percent this year.

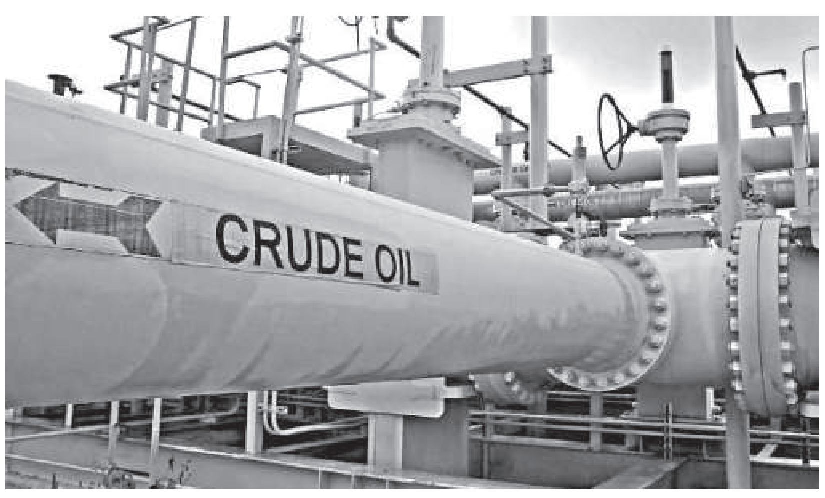
Crude stocks are, however, expected to have fallen by about 1.8 million barrels last week, a second week of declines, according to a preliminary Reuters poll.

Still, gasoline stocks are expected to have risen for a seventh week in a row and distillate inventories are forecast to have gained for a fifth consecutive week.

The weekly government report on inventories has been delayed by two days due to Christmas. The report is normally released on Wednesday at 10:30 a.m. EST (1530 GMT).

On the trade front, an agreement between China and the United States on ending tit-for-tat tariff hikes appears to be on track, helping support oil prices. The agreement is due to be signed next month.

"On the Sino-US trade front, progress seems apparent since the breakthrough, and the rosy mood has been maintained," said Samuel Siew, investment analyst at Phillip Futures.



REUTERS/FILE

A maze of crude oil pipes and valves is pictured at the Strategic Petroleum Reserve in Freeport, Texas, US.

Russia seen ending rate cuts in early 2020

REUTERS, *Moscow*

Economic growth in Russia is set to gather pace in 2020 along with consumer inflation as the central bank completes its cycle of interest rate cuts in the first quarter of the year, a monthly Reuters poll showed on Tuesday.

Gross domestic product is on track to expand by 1.2 percent in 2019, according to the consensus forecast of 18 analysts and economists polled in late December, up from the 1.1 percent projected a month ago.

"The year of 2019 was an uneasy one for the Russian economy, although this could be said about all previous years, especially starting from 2014," Raiffeisen Bank said. The West first imposed sanctions on Moscow in 2014 for its role in the Ukrainian crisis and annexation of Crimea.

"The key theme for the Russian economy next year are national projects and the announced spending of the National Wealth Fund."

Russian authorities plan to step up state spending on an array of projects, from infrastructure to healthcare, in an attempt to boost sluggish economic growth.

China to study forex reforms for cryptocurrency: regulator

REUTERS, *Shanghai*

China will expand the scope of its blockchain cross-border financing pilot platform, a senior official at the country's foreign exchange regulator said on Tuesday.

Lu Lei, deputy head of the State Administration of Foreign Exchange (SAFE) make his remarks at a forum in Beijing, where he said the regulator will strengthen the integration of fintech and the foreign exchange market, while maintaining a grip on supervising technology development.

"We will gradually expand the scope of the pilot and the application scenarios of blockchain technology in cross-border financing and macro prudential management," Lu said.

"At the same time, (the government) will push forward a prospective study on foreign exchange reforms to deal with cryptocurrency and explore the construction of the foreign exchange regulation and technology system under the new situation."

Lu added that the SAFE's cross-border financing blockchain platform is currently the only one registered by a central state agency at the Cyberspace Administration of China (CAC).

The platform, first launched in March, has expanded to 19 provinces and cities in November from 9, according to Global Times, a newspaper published by the official People's Daily.

THE PALACE LUXURY RESORT

Mister Shathi, deputy manager for finance and accounts at the Palace Luxury Resort, receives an award on the resort's owning company, Green Planet Resort, becoming the district's highest VAT-payer in hospitality segment in fiscal 2017-18. The National Board of Revenue organised the awarding ceremony in Sylhet division on the second week of this month marking VAT Day and VAT Week.

Thai inflation target signals no changes in monetary policy: deputy governor

REUTERS, *Bangkok*

Thailand's new inflation target range of 1 percent-3 percent for next year, narrowed from this year's 1 percent-4 percent, does not signal a change in monetary policy implementation, a deputy central bank governor said on Tuesday.

Monetary policy will still be data-dependent and will likely remain accommodative to support economic growth and help inflation return to target, Mathee Supapongse told reporters.

"The reduced inflation target does not signal that monetary policy will be tighter," he said, adding it was made to be in line with changing economic and financial conditions.

"The MPC (monetary policy committee) will continue to implement accommodative policy until the economy recovers strongly and inflation gets back to target".

Last week, the Bank of Thailand (BOT) left its benchmark policy rate unchanged at a record low of 1.25 percent after two cuts earlier in 2019.

The inflation target is reviewed each year, but the current 1 percent-4 percent range had not been changed since 2015.

The BOT has forecast headline inflation of 0.7 percent for this year and 0.8 percent for next year.

The BOT has said structural changes, such as the expansion of e-commerce, rising price competition, and technological development which reduced production costs, has caused inflation to rise at a slower pace than in the past.

Mathee said the baht's strength was still beyond the country's fundamentals, up about 8 percent against the dollar so far this year, becoming Asia's best performing currency.

However, the baht is expected to gradually weaken following measures to curb the climbing currency, while it is not viewed as safe a haven as it was, he said.

"But it may take some time until the baht changes the direction ... and the BOT is still worried about the baht's strength and is ready to take action as appropriate," Mathee said.

REUTERS/FILE

A woman sells Christmas lights near a shopping centre in Bangkok.

China to take measures to support jobs

REUTERS, *Beijing*

China will step up support for employment to cope with rising pressure on job security due to internal and external challenges, the cabinet said on Tuesday, as the world's second-largest economy slows.

Simultaneous downturns in the services and manufacturing industries pose a major problem for authorities seeking to keep a lid on unemployment and prevent social unrest as economic growth decelerates to near three-decade lows.

"At present, China's employment situation is generally stable, but risks and challenges at home and abroad are increasing and the pressure to stabilise employment is increasing," the State Council said in a statement.

The government will attach equal importance to creating new jobs and safeguarding existing jobs, and make more effort to head off risks of unemployment, it said.

China will step up financial support for private and small firms, including implementing targeted reserve requirement cuts and encouraging banks to boost long-term loans to small firms in the manufacturing sector, the cabinet said.

The government will also expand investment appropriately and stabilise foreign trade to boost employment, it said.

Saudi, Kuwait ink deal to resume joint oil output

AFP, *Kuwait City*

Saudi Arabia and Kuwait signed an agreement Tuesday to resume pumping at two major oilfields in a shared neutral zone shut for five years due to a bilateral disagreement, officials said.

Kuwait's oil minister Khaled al-Fadhel said on Twitter that the memorandum of understanding signed with Saudi Arabia included "the resumption of production in the divided zone." The state-run KUNA news agency reported that the two countries also signed an agreement on the demarcation of land and maritime borders in the neutral zone.

KUNA did not give details on the contents of the deal which likely revolves around amending previous border agreements between the two Arab nations.

The two fields were pumping some 500,000 barrels per day before production was halted, first at Khafji in October 2014 and then at Wafra seven months later, over a dispute between the neighbours. Riyadh said at the time that the decision was due to environmental issues.

The oil produced in the neutral zone in the border area is shared equally between the two nations.

Khafji, an offshore field, was jointly operated by Kuwait Gulf Oil Co. and Saudi Aramco Gulf Operations, while the onshore Wafra field was operated by KGOC and Saudi Arabian Chevron.

Kuwait had blamed Saudi Arabia for unilaterally halting output at Khafji, noting it was entitled to five years' notice under a joint agreement signed in 1965.

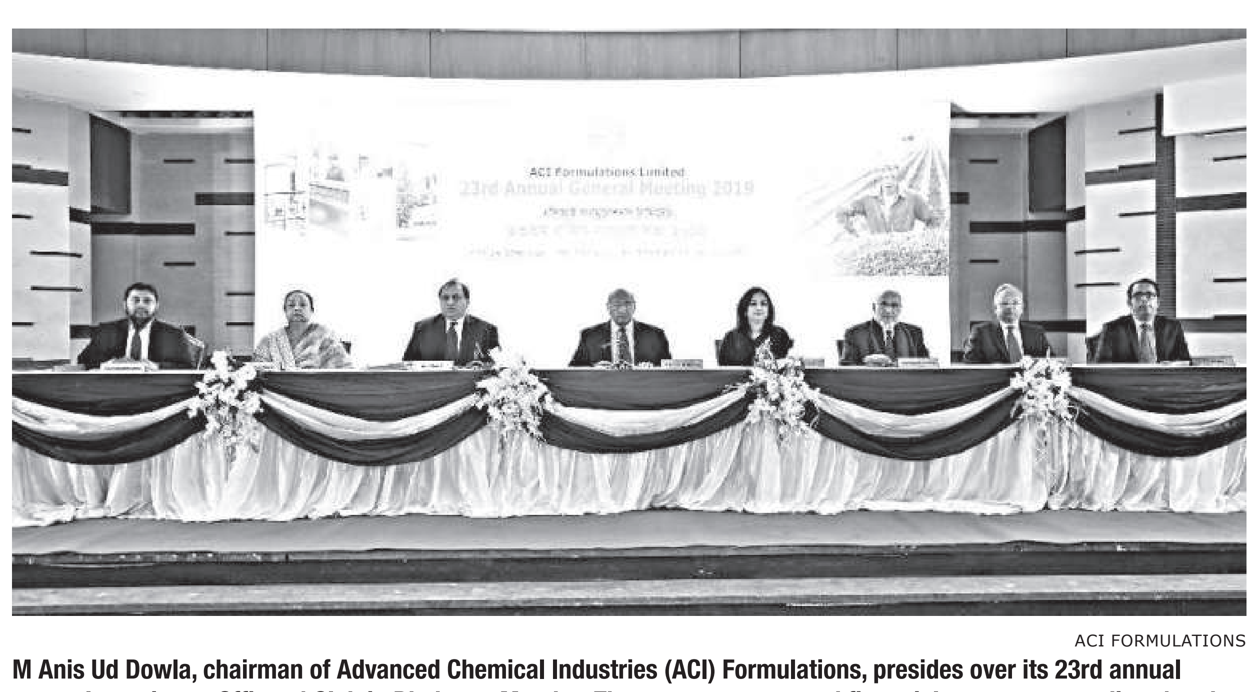
The two countries have been negotiating to resolve the row and resume production since June 2015.

The talks involved Kuwait's Emir Sheikh Sabah al-Ahmad Al-Sabah visiting Riyadh and Saudi Crown Prince Mohammed bin Salman visiting Kuwait City.

Tuesday's agreement comes as oil prices are under pressure due to abundant reserves and weak global economic growth.

Continued soft pricing has prompted OPEC and its allies to make deeper production cuts starting next month.

OPEC kingpin Saudi Arabia pumps just under 10 million barrels per day (bpd), while Kuwait produces around 2.7 million bpd.



ACI FORMULATIONS

M Anis Ud Dowla, chairman of Advanced Chemical Industries (ACI) Formulations, presides over its 23rd annual general meeting at Officers' Club in Dhaka on Monday. The company approved financial statements, auditors' and directors' reports and a 35 percent cash dividend for the year ending on June 30, 2019.

RBI sees corporate governance 'fault lines' at some lenders

REUTERS, Mumbai

Growing problems of corporate governance are emerging at India's private banks and all lenders are at risk of rising default rates even though asset quality has improved overall, the Reserve Bank of India said on Tuesday.

In its annual report on Trends and Progress of Banking in India, the central bank highlighted the possibility of defaults rising in the retail lending space after the economy slowed to 4.5 percent in the July-September quarter, its weakest pace since 2013.

Indian banks have shifted towards the retail market in recent years in response to a rise in soured corporate loans.

"Over the last couple of years, the space vacated by risk-averse public sector banks was taken up by the private banks; more recently, however, fault lines are becoming evident in the latter's corporate governance," the RBI said.

In financial year 2018-19 the proportion of gross non-performing assets (NPAs) to total loans decreased to 9.1 percent compared to 11.2 percent in 2017/18, after having risen for seven consecutive years as recognition of bad loans neared completion.

REUTERS/FILE

CCTV cameras are seen installed above the logo of Reserve Bank of India inside its headquarters in Mumbai, India.

"Notwithstanding the improvement in 2018/19, the overhang of NPAs remains high. Further reduction in NPAs through recoveries hinges around a reversal of the downturn in the economy," the central bank said.

It also raised red flags around large frauds which have rocked Indian banks, including one exposed at Punjab and Maharashtra Co-operative Bank (PMC) in September.

The urban co-operative bank (UCB), used more than 21,000 fictitious accounts to hide loans it made to one realty company which had led to a loss of at least 43.55 billion rupees ($611.11 million).

The central bank said it would focus on improving supervision of around 1,500 UCBs across the country.

"Recently, the unearthing of irregularities in one of the UCBs has brought to the forefront the issues relating to the low capital base, weak corporate governance, inability to prevent frauds, slower adoption of new technology and inadequate system of checks and balances," the RBI said.

US activist investors post strong gains

REUTERS, Boston

Activist investors who are shaking up Corporate America with calls for operational fixes, refreshed boards and even sales of a company are delivering their best returns in six years with double-digit gains for 2019 after big losses in 2018.

The surge in returns is energizing experienced corporate agitators as well as newcomers and may force more companies into costly battles with shareholders over their corporate future next year, managers, lawyers and bankers said.

Through the end of November, activist managers on average returned 13.09 percent, according to data from Hedge Fund Research, which tracks various investment strategies' returns.

Fuelled by high double-digit returns at funds run by William Ackman, Barry Rosenstein and Glenn Welling among others, activists are handily outperforming all other types of hedge funds where the average fund returned 8.5 percent this year, HFR data shows.

The gains illustrate a sharp recovery from 2018 when the average activist lost 10.4 percent, in part because a late-year stock market tumble erased gains at many funds.

Hedge funds run by activist investors are traditionally reserved for institutional investors and wealthy private clients.

To be sure, activists are benefiting from this year's strong stock market gains where the Standard & Poor's 500 index has climbed 28.5 percent so far. But many added spice with demands for changes or by watching earlier prodding pay off.

"Many of the initiatives that were advocated for by our managers resulted in improved performance," said Gregg Hymowitz, chief executive officer of EnTrust Global, a large investor with activist managers.

Through the middle of December, Ackman's Pershing Square Holdings portfolio gained 57 percent, lifted by investments including Chipotle Mexican Grill Inc, where Ackman helped install a new chief executive officer last year.

Douglas Braunstein's Hudson Executive Capital gained 52 percent through the end of November, fuelled by gains at Cardtronics Plc which gave Braunstein a board seat last year.

Some investors returned with fresh demands directed at companies they had previously targeted. Glenn Welling's Engaged Capital, which is up 30 percent through November, came back to nutrition and weight loss company Medifast Inc while Jana Partners took a second run at restaurant chain Bloomin' Brands Inc, which may consider selling itself.

Corvex Management is up nearly 20 percent through the end of November, months after its founder, Keith Meister, joined the board of MGM Resorts International.

Single-digit interest for industrial loans

FROM PAGE B1

But banks are in a panic because of the single-digit interest rate, as it will hit their profit.

"Every bank will see a profit decline ranging from Tk 150 crore to Tk 200 crore per year because of the implementation of the lower rate," said Syed Mahbubur Rahman, chairman of the Association of Bankers, Bangladesh, a forum of managing directors of private banks.

"The economy will get a boost but banks will fall into a crisis," said Rahman, also the managing director of Mutual Trust Bank.

Faruq Mainuddin Ahmed, managing director of Trust Bank, said banks would feel discouraged to disburse loans to the industrial sector because of the lower interest rate.

"As a result, industrial loans will grind to a halt, which will impede the growth of the industrial sector," he said.

Khondkar Ibrahim Khaled, a former deputy governor of the central bank, said the interest rate cap contradicts the stance of the BB.

The central bank had earlier announced that banks would fix the interest rate, while the BB would monitor it, he said.

He said the lending rate had decreased significantly three to four years ago, but it has surged in recent times due to a large volume of defaulted loans.

"The interest rate will go down automatically if default loans can be checked."

A meeting was also held at the finance ministry yesterday to implement the single digit interest rate. Md Ashadul Islam, senior secretary of the banking division, presided over the meeting where senior officials of the ministry and the central bank were present.

Earlier this month, the central bank formed a seven-member committee headed by Deputy Governor SM Moniruzzaman, asking it to recommend ways to bring down the interest rate to single digit as per an instruction of the finance ministry.

The committee has submitted a report to the finance ministry and the BB board.

ISLAMI BANK BANGLADESH

Md Mahbub ul Alam, managing director and CEO of Islami Bank Bangladesh, addresses a programme organised at Islami Bank Tower on Monday to present scholarships to deceased employees' dependants.

Cobham says US firm set to complete takeover

AFP, London

British defence group Cobham said Monday that its 4.0-billion takeover by US private equity firm Advent International will complete next month, after the UK government approved the deal late Friday.

Britain had ordered a national security probe into US private equity group Advent International's bid, worth $5.2 billion or 4.7 billion euros, in September.

Dorset-based Cobham is known for pioneering technology enabling the mid-air refuelling of planes, while it also makes electronic warfare systems and communications for military vehicles.

Just before the weekend, Business Secretary Andrea Leadsom signed off on the takeover deal, after Advent proposed legal undertakings that are aimed at mitigating possible national security concerns.

Govt yet again extends tannery estate project

FROM PAGE B1

At yesterday's meeting the Ecnec approved a total of nine projects -- including the extension of the STIE -- involving Tk 4,611 crore, Planning Minister MA Mannan told this to the journalists after the meeting at his office.

At the meeting chaired by Prime Minister Sheikh Hasina, the committee also approved a project amounting Tk 267.35 crore to train more than 1 lakh youth in motor vehicle driving across the country.

Mannan said youths in all 64 districts will receive training with the view to becoming gainfully employed.

The interested youth will mainly receive training on driving and training on auto mechanics. The government will also recruit 128 practical trainers, 64 theoretical persons and 64 skilled persons to train the youth.

The minister also said the Ecnec approved another project involving Tk 392 crore to construct a domestic bulk cargo terminal at Khanpur in Narayanganj.

Another project on modern waste management and clean-up of oil spilled from the Mongla port was approved at a cost of Tk 401 crore, Mannan said.

The government took this project to clean the water and save the ecosystem in the Sundarbans area as spilt oil from the ships are polluting river water at Mongla channel.

Walton opens RAM chip production

FROM PAGE B1

All these equipment will increase the value addition of Walton's products, he said.

"Currently we are adding about 40 percent value for computers, laptops and smartphones and it will increase in the next few months," said Ali. Walton started off mobile handset assembly with smartphones in 2017 and currently churns out four lakh pieces a month.

At present they manufacture and market 21 models of laptops, six models of desktop computers, two models of full HD monitors and various models of pen drives, gaming and regular keyboards and mouse.

SM Rezaul Alam, chairman of Walton DG-Tech Industries, and SM Monjurul Alam Ovee, managing director, also attended the programme.

India's oil import growth fastest in seven months

REUTERS/FILE

A vehicle is seen waiting to be filled up with diesel at a petrol station in New Delhi, India.

REUTERS

India's oil imports in November grew at their fastest pace in seven months, while diesel exports soared the most in about 2 years, indicating higher refinery runs amid falling local demand for gasoil due to a slowing economy.

India's November oil imports rose 12.7 percent to 19.17 million tonnes (about 4.7 million barrels per day), the biggest year-on-year increase since April, preliminary data from the oil ministry's Petroleum Planning and Analysis Cell (PPAC) showed.

"Some of the refineries were undergoing revamp because of fuel upgrade projects, that was one reason why imports were low in the previous months," said K Ravichandran, senior vice president at ICRA, a unit of Moody's Investors Service.

"Now all those refineries are coming back to production as we approach the deadline."

India, the world's third-biggest oil importer and consumer, has set an April 1, 2020 deadline to migrate to Euro VI-compliant fuels to cut its carbon emissions.

India's oil demand has been subdued for most of the year mainly due to a slowdown in economy and refinery unit shutting for maintenance and fuel upgrades. India's economy grew at its slowest pace in six years in the July-September quarter.

Indian refiners raised output of diesel expecting a spurt in demand for the fuel following implementation of new marine fuel rules from January 2020.

"Unfortunately domestic demand is not growing," Ravichandran added.

Diesel demand, which is directly correlated to industrial activity, has been slow for most of the year, pressured by a prolonged monsoon season and softening industrial activity.

Analysts expect India's diesel demand to remain subdued until the second half of 2020.

The country's overall industrial output has fallen for three straight months for the first time since the global recession that began in 2008, with electricity demand falling for four consecutive months.

India has lowered its fuel demand growth estimates for the current fiscal year to a six-year low of 1.3 percent. Local sales of diesel are expected to grow 0.9 percent, the lowest rate in five years.

Refined fuel exports rose by 16.4 percent in November, the PPAC data showed, with diesel exports soaring by about 41 percent to register their biggest annual jump since January 2018.

Import of refined products rose 45.4 percent in November from a year earlier to 3.29 million tonnes mainly because of an increase in cooking gas and fuel oil imports, the data showed.

SMC ENTERPRISE

National cricketer of Bangladesh Shakib Al Hasan attends as brand ambassador the launch of SMC Purified Drinking Water of SMC (Social Marketing Company) Enterprise at a Dhaka hotel on Monday.

Use of electronic locks to be made mandatory soon

FROM PAGE B1

However, the exporter claimed that he did not do that, Bhuiyan said.

This type of incident would not have happened had the exporter used electronic seal and lock, said the NBR chief.

Local businesses should start using the system as India, Nepal and Bhutan would soon start using Chattogram and Mongla ports for overseas trade, he said.

"The business will go to hands of people in other countries if we do not do so."

The NBR will buy more scanners to boost examination of export and import consignments, he said.

He asked customs officials to be vigilant to prevent shipment of empty containers to curb money laundering and duty evasion.

He directed customs officials to collect information about the use of modern equipment and scanners at private inland container depots.

Bhuiyan also shed light on installation of electronic fiscal devices at shops.

The first consignment of e-cash registers has already arrived and the devices would be installed by the end of this month or early January, he said.

Burial plots for Tk 3.5 lakh

FROM PAGE B1

The company is offering a 3.5 by 7 feet plot for burial at Panjora mouza of Kaliganj, Gazipur, which is a 25-minute drive from Kuril flyover, for Tk 3.5 lakh. There will be an additional Tk 20,000 service charge.

The private graveyard is built on 200 bighas, enough for 80,000 graves. Besides the graves, there will be a mosque, a madrasa, an orphanage, an old home and a child care centre, where all the modern facilities will be available.

"The plot owner will benefit from these installations in the form of "Sadquiya Jariya" after their death," Hossain said.

Besides, the customers will get all burial solution at free of cost.

There will also be a provision for mortuary to preserve bodies if needed and freezer van to transport the bodies from the desired pick-up point. The entire complex will remain under CCTV surveillance round-the-clock.

Registration will be completed within 24 hours of purchasing the plot, he said.

Thus far, two have been buried at the graveyard.

The five-day fair, organised by the Real Estate and Housing Association of Bangladesh (REHAB), began at the Bangabandhu International Conference Centre in Dhaka yesterday.

Some realtors fleecing customers

FROM PAGE B1

"We have issued a notice to land offices ordering them to provide necessary services to the public within a stipulated time in order to cut the scope for graft."

Liaquat Ali Bhuiyan, first vice-president of the association, said the housing sector is directly linked with more than 250 sectors. If the housing sector improves, other sectors will also advance with it.

Co-sponsored by 27 realtors, the fair is featuring 230 stalls and the participants included 20 building material manufacturers and 13 financial institutions.

Look beyond traditional regional trading blocs

FBCCI president says as the federation intensifies efforts to explore new markets

Refayet Ullah Mirdha

BANGLADESH needs to look beyond traditional regional trading blocs in order to widen business opportunities and avoid squeezing of preferential trade benefit once the country becomes a developing nation, the country's top business leader said.

"Bangladesh's duty-benefit will go when Bangladesh graduates to a developing country. So, we need to create opportunities for preferential trade benefits for higher exports," said Sheikh Fazle Fahim, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), in an interview with The Daily Star recently.

For instance, if Bangladesh can obtain preferential trade benefits in the Association of Southeast Asian Nations (Asean), a ten-nation bloc, the country's trade would get a shot in its arm.

Fahim, who was elected as the president of the apex trade body for 2019-2021, said the trade among the eight-country South Asian Association for Regional Cooperation (Saarc) is very low and it might be even below five percent of their total foreign trade.

The agreement to implement the South Asian Free Trade Area (Safta) came into force in 2006, but the Safta is still far from achieving the goal of tariff-free trade, largely because of para- and non-tariff barriers.

"The country should explore business opportunities in the blocs such as the BIMSTEC (the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) and from some bilateral trade agreements," Fahim said.

The comments from the entrepreneur came as Bangladesh is on course to becoming a developing country by 2024 from a least developed country on the back of its steady and higher economic growth.

Once Bangladesh becomes a developing nation, its duty-free market access to developed markets such as the European Union may be squeezed if it is not granted a new facility.

Of Bangladesh's $100 billion international trade last fiscal year, imports accounted for $60 billion and exports $40 billion, Bangladesh Bank data showed.

Trade bloc-wise, other Asian countries accounted for 34.5 percent of the imports in the April-June period of 2019, followed by the Organisation of Islamic Cooperation (21 percent), the Asean (16.8 percent), the Saarc (15.1 percent), the EU (6.9 percent), and the North American Free Trade Agreement (4.6 percent), BB data showed.

Sheikh Fazle Fahim

The EU members are the largest buyers of Bangladeshi products, accounting for 58.8 percent of the total exports in April-June, followed by the Nafta (19.7 percent), the OIC (4.9 percent), the Saarc (3.4 percent), and the Asean (2 percent).

"The FBCCI has taken some initiatives to explore business opportunities in new trade blocs," said Fahim, currently the managing director of Obsidian Bangladesh Ltd, which has business interests in manufacturing, distribution and engineering, procurement and construction.

The federation is going to hold several summits next year in Dhaka in association with a number of international trade bodies and regional trade blocs.

In order to deepen further engagement with the trade bodies and trade blocs, the apex trade body will hold a summit with the business chambers of the D-8 Organization for Economic Cooperation, the Commonwealth Business Forum, and the Commonwealth Asia Business Forum.

"Moreover, Bangladesh will be the focus country in the next year's China-South Asia Business Forum to be held in China," he said.

The inaugural Bangladesh Expo is scheduled to be held in December next year to showcase the country's traditional and non-traditional goods to international consumers. Businessmen and enterprises from more than 105 countries are expected to attend the event.

"Such year-long activities will improve the country's business ties with other countries," said Fahim, also the chairman of Euro Petro Product Ltd, a liquefied petroleum gas terminal and bottling plant.

Currently, the FBCCI, which has more than 500 members, has intensified efforts to deepen engagement with private sector organisations at home and abroad with a view to attracting more businesses and investment.

"Bangladesh has a lot of potential as the country has a commendable consumer base with handsome purchasing capacity. However, the country needs a lot of positive campaigns to reach foreign entrepreneurs," the business leader said.

Bangladesh's per capita gross national income jumped more than 9 percent to $1,909 last fiscal year from $1,751 a year ago, officials statistics showed.

Fahim said the investors and businessmen who attended the conference of the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) in Dhaka last month had initially even refused to travel to Dhaka because of travel alerts issued by their home countries.

"However, when they came, their perception about Bangladesh changed immediately after seeing the massive economic development in the country," he said.

According to Fahim, many foreign investors are interested to invest in Bangladesh. The foreign delegates, who attended the CACCI conference, sought information on investment opportunities in energy, smart agriculture, training and skills development projects.

For instance, many Australian and Korean investors want to invest in training up nurses so that they can recruit them, he said.

The foreign entrepreneurs also wanted to know about Bangladesh's port operations, trade and logistic facilities, said Fahim, who earned a Master of Liberal Arts degree in political economy from St Edward's University in Austin, Texas and attended Harvard University as part of the graduate programme.

The FBCCI is working to facilitate start-ups, especially at the district level, in order to create new entrepreneurs. It plans to launch an MBA programme at school-level so that children can start acquiring business knowledge from their childhood.

BOJ debated monetary, fiscal policy mix as cost of ultra-low rates rises

Reuters, Tokyo

A few Bank of Japan board members said the central bank must work carefully with the government in dealing with the next economic downturn, minutes of the BOJ's October rate review showed on Tuesday.

The nine-member board also debated the demerits of prolonged monetary easing, with one warning that life insurers could struggle to meet provisions guaranteed to policy holders if current ultra-low interest rates persist, the minutes showed.

The deliberations highlight the growing view within the BOJ that fiscal policy may need to play a bigger role in battling risks to the economy, given the rising cost and diminishing return of monetary easing.

"The BOJ should prepare for the next economic downturn as among risk scenarios. In doing so, it's important not only to take monetary policy action but enhance cooperation with the government" such as through fiscal policy, the minutes quoted a few board members as saying at the October meeting.

At the Oct. 30-31 rate review, the BOJ kept policy steady but gave the strongest signal to date that it may cut interest rates in the near future, underscoring its concern that overseas risks could derail a fragile economic recovery. It kept monetary settings unchanged at a subsequent meeting in December, as a preliminary truce in U.S.-China trade talks took some pressure off the BOJ to deploy immediate stimulus.

As the BOJ's massive money printing keeps borrowing costs low, the government compiled a $122 billion fiscal package on Dec. 5 to pre-empt the risk of another recession. Years of aggressive asset buying have failed to fire up inflation to the BOJ's 2 percent target, forcing it to maintain a massive stimulus despite the hit inflicted on financial institutions' profits from prolonged ultra-low rates.

REUTERS/FILE

A security guard walks past the Bank of Japan headquarters in Tokyo.

Dollar firm against most majors in holiday-lulled trading

Reuters, New York

THE dollar edged higher against the euro in holiday-thinned trading on Tuesday, ahead of the Christmas holiday, while the British pound looked set to snap a five-day streak of losses against the U.S. currency.

Against the dollar, the euro was 0.05 percent lower.

"The holiday has already shut several markets, and those that are open are lightly traded," Marc Chandler, chief market strategist at Bannockburn Global Forex in New York, said in a note.

on the day against the dollar, remained close to a five-month high against the greenback.

The Aussie tends to do well when optimism grows over global trade and China's economy.

China's yuan was about flat on the day after Premier Li Keqiang said the government was considering more measures to lower corporate financing costs and hinted at "targeted" cuts in banks' reserve requirement ratio. The offshore yuan last traded at 7.008.

The Canadian dollar was trading 0.08 percent lower against the greenback at

REUTERS/FILE

US dollar notes are seen in front of a stock graph in the picture illustration.

"The U.S. dollar is showing a firmer profile against most of the major currencies," Chandler said.

The dollar index, which measures the greenback against six major currencies, was up 0.06 percent at 97.715.

The dollar, up about 1.6 percent for the year as measured by the dollar index, has broadly benefited during bouts of risk aversion - because it is considered a safe-haven currency - and when markets have rallied, because the U.S. economy is outperforming other parts of the world.

However, a recent cooling of trade-related tensions between the United States and China, following an interim trade agreement earlier this month, has led investors to favor trade-sensitive currencies over the greenback.

The Australian dollar, while about flat

1.3154 to the U.S. dollar, or 75.99 U.S. cents, a day after data showed Canada's economy unexpectedly shrank by 0.1 percent in October.

Sterling, which has fallen against the dollar for five straight days, as its post-election rally floundered amid growing anxiety around the possibility of a hard and chaotic Brexit in the coming months, steadied on Tuesday.

Sterling was up 0.13 percent at $1.295. The pound, which had surged after Boris Johnson's Conservative Party won a majority in the UK general election on Dec. 12, has given up all those gains and some more.

"We suspect that the bulls have pared their positions amid the buy the rumor sell the fact activity since the election," Bannockburn's Chandler said.

New Boeing boss faces EU pressure over Embraer tie-up

Reuters, Paris

AS Boeing's new boss tackles the immediate crisis over its grounded 737 MAX jet, he also faces pressing questions from European regulators over a deal to buy the commercial arm of Brazil's Embraer - seen as key to its longer-term strategy.

European Union regulators investigating the $4.2 billion (3.3 billion pounds) tie-up have asked for more than 1.5 million pages of information and data on over 20 years of sales campaigns, two sources familiar with the matter told Reuters.

The volume of requests highlights the European Commission's concerns over a deal it suspects would reduce the number of major participants in the global jet market from three to two, the sources said, speaking on condition of anonymity.

Any delay or derailing of the transaction would be a further setback for Boeing, which on Monday named David Calhoun as its new CEO amid a crisis over the grounding of its top-selling 737 MAX following two fatal crashes.

Calhoun knows Embraer from his former senior role at engine maker General Electric and is expected to push hard for the tie-up, one industry source said.

Boeing has agreed to buy 80% of Embraer's commercial jets division which competes with Europe's Airbus in the market for planes below 150 seats.

Airbus had earlier bought the main competitor to Embraer's 80-120-seat E2 jet family from Canada's Bombardier and is racking up sales of the renamed A220 while its US rival's takeover of Embraer makes slow progress.

Originally set for 2019, the Boeing-Embraer deal was delayed after the Commission decided in October to deepen a competition probe, now scheduled to end in late February.

The sources said the Commission had requested the extra data on top of the hundreds of thousands of pieces of information shared by other regulators, and that it was examining data on over 1,000 actual or potential sales campaigns over two decades.

US sources deny the deal would reduce the market from three to two players, saying the mainline and regional markets are separate, even though Airbus has a foot in both camps.

Lawyers on all sides are now waiting to see whether the Commission launches a "statement of objections," a step that can lead to a request for concessions to secure approval.

The Commission and companies all declined to comment.

The United States, Japan and China have approved the deal and Brazil is expected to confirm preliminary backing soon.

Airbus and Boeing share the market for jets above 150 seats and their deals with Bombardier and Embraer respectively are extending their rivalry into smaller, regional jets. Beyond the battle between the E2 and the A220, broader issues are at stake as the two companies lay the foundation for longer-term contests against China.

Boeing is interested in Embraer's lower-cost engineering, industrial footprint and technology such as landing gear. That means Embraer is likely to play a key role in developing the portfolio that eventually replaces jets including the MAX.

The Boeing probe also intensifies a noisy European battleground for Boeing as it faces questions from Europe's safety agency over the

Europe's growing international muscle as its regulators speak with a louder voice on multiple fronts.

Without linking the Embraer case to the subsidy dispute, Airbus is anxious to ensure a level US playing field for the A220, which has already been targeted with separate US tariffs that were later overturned, one European trade source said.

Airbus has held several contacts with officials probing the deal and incoming CEO Guillaume Faury met the EU's Competition Commissioner in March, people familiar with the talks said.

David Calhoun

MAX and the likelihood in 2020 of EU counter-tariffs after Washington taxed Airbus jets in a subsidy dispute.

European officials deny any link between competition and trade dossiers, but EU experts say the simultaneous challenges reflect

A US industry source said top-level contacts early in the process are unusual and Brazilian reports say Airbus has argued against the deal. An Airbus spokesman said any claims that it was lobbying the EU against the deal were "without substance".

IMF calls for 'urgent' action by India amid slowdown

Afp, Washington

INDIA'S government must take steps quickly to reverse the economic slowdown of an economy that has been one of the engines of global growth, the International Monetary Fund said Monday.

Declining consumption and investment, and falling tax revenue, have combined with other factors to put the brakes on one of the fastest growing economies in the world, the IMF said in its annual review.

After lifting millions out of poverty "India is now in the midst of a significant economic slowdown," Ranil Salgado, of the IMF Asia and Pacific Department, told reporters.

"Addressing the current downturn and returning India to a high growth path requires urgent policy actions." However, the government has limited space to boost spending to support growth, especially given high debt levels and interest payments, the fund warned IMF chief economist Gita Gopinath last week said India's slowdown had "surprised to the downside," and said the fund is set to significantly downgrade its growth estimates for the Indian economy in the World Economic Outlook which will be released next month.

The IMF in October slashed its forecast for 2019 by nearly a full point to 6.1 percent, while cutting the outlook for 2020 to 7.0 percent.

Salgado said India's central bank has "room to cut the policy rate further, especially if the economic slowdown continues." The Reserve Bank of India (RBI) cut the key lending rate five times this year to a nine-year low, but at its last meeting earlier this month defied expectations by keeping policy unchanged.

The central bank slashed its annual growth forecast to 5 percent from 6.1 percent, as consumer demand and manufacturing activity contracts.

India's economy grew at its slowest pace in more than six years in the July-September period, down to 4.5 percent from 7.0 percent a year ago, according to government data.

Salgado said "the government needs to reinvigorate the reform agenda," including restoring the health of the financial sector in order to "enhance its ability to provide credit to the economy."