

# US homebuilding hits 13-year high, led by apartments

AFP, Washington

Construction of new US housing shot to a 13-year high last month, government data showed Friday, a sign that homebuilders were racing to catch up with pent-up demand.

The surge was led a sudden boom in apartments, where construction hit its fastest pace in 33 years, according to the Commerce Department figures.

The December jump could support GDP growth in the fourth quarter of 2019 after an extended period in which the housing sector was a drag on the wider American

economy.

However permits for new construction -- a sign of housing in the pipeline and a less erratic indicator -- fell more than expected.

Total housing starts jumped 16.9 percent for the month to 1.6 million units, shattering forecasts to hit the fastest pace since December of 2006.

Single-family starts were also at a post-recession high of 1.1 million units, the speediest pace since June of 2007, while buildings with five or more units zoomed to their quickest pace since July of 1986.

The Federal Reserve cut interest

rates three times last year, helping to soften mortgage costs and offset some of the sting of rising home prices. Rising wages and low unemployment have also helped spur demand for houses, giving builders an incentive to make more homes.

"Spectacular but clearly unsustainable," Ian Shepherdson of Pantheon Macroeconomics said in a client note, adding that a January correction was likely.

Builders in the Northeast and the West, which faces an acute housing shortage, led the gains in multi-family dwellings.

An unusually warm December may also have helped construction. Officials warn that housing starts are subject to broad margins of error and trends may not be apparent for six months.

Permits for new homes are less weather sensitive and have lower margins of error, however.

And permits in December fell 3.9 percent, led by a plunge in apartments, particularly in the Midwest and South regions.

"But the trends are increasing, and we expect further gains this year, given the rising trend in new home sales," Shepherdson said.



Experts take part in a session of the Bangladesh Retail Congress 2020, organised by Bangladesh Brand Forum at Le Méridien Dhaka yesterday. The event, themed 'The Future of Retail', had three keynote sessions, four panel discussions, three insight sessions and three case study presentations.

BANGLADESH BRAND FORUM



Dhaka Bank Chairman Reshadur Rahman, former chairmen Abdul Hai Sarker, ATM Hayatuzzaman Khan and Managing Director (current charge) Emranul Huq attend the bank's annual managers' conference at the InterContinental Dhaka yesterday.

## Samsung Electronics offers discounts for New Year

STAR BUSINESS DESK

Samsung Electronics Bangladesh is offering up to 56 percent discount on televisions, 20 percent on refrigerators and 10 percent on washing machines to celebrate the New Year with its customers.

"Samsung has always been proactive in providing latest innovations. This New Year deal is a continuation of that commitment and our way of wishing our customers a happy New Year," said Shahriar Bin Lutfor,

head of business and consumer electronics at Samsung Bangladesh, according to a statement.

Customers will also get a five-year service warranty and up to four-year panel warranty for selected models of televisions and a 10-year warranty for compressor of selected models of refrigerators.

Free home delivery and installation services with a maximum of 12 months' equal monthly instalment are also available.

## Toshiba finds doubtful transactions in unit, to revise past statements

REUTERS, Tokyo

Toshiba Corp said on Saturday it "could not confirm existence" of transactions worth some 20 billion yen (\$181.59 million) at one of its subsidiaries in the first half of this fiscal year, prompting it to revise past financial statements.

The irregularities, which occurred over multiple years, were uncovered at Toshiba IT-Services Corporation, a wholly-owned subsidiary, as a result of an internal probe launched at the end of November, Toshiba said in a statement.

The company has been trying to win back the market's trust after a 2015 accounting scandal uncovered widespread irregularities at the laptops-to-nuclear conglomerate for years.

Toshiba said it would eliminate some 20 billion yen worth of sales from net sales in its digital solution segment of its financial statements of the third quarter of the fiscal year that started on April 1, 2019.

It warned that the final impact on profit and revenue are subject to further investigation.

## HSBC toasts business trailblazers

FROM PAGE B1

Speaking at the event, Robert Chatterton Dickson, British High Commissioner to Bangladesh, said he was keen to lend support to the HSBC Business Excellence Awards as showcasing the best local companies would encourage foreign firms, including those from the UK, to invest in Bangladesh and help the country meet its economic and development goals.

"Bangladesh's economy is advancing at an extremely high speed and the success of one sector is having multiplier effect on many other sectors."

But to attract more foreign investors, Bangladesh needs to enhance its international reputation that the country is open and is a place to do business.

"There are some really good stories to tell and success breeds success," he added.

Bangladesh needs investment, particularly private sector investment, to ensure smooth graduation to a developing country [in 2024], become a higher middle-income country, and become a developed country in 2041, said Fazle Kabir, governor of the central bank.

The investment to GDP ratio should be pushed up to more than 35 percent from 32 percent now, he said, adding that the country also needs to diversify

its export sectors, he added.

A shift is already taking place in the global trade and entrepreneurs from Bangladesh can seize the opportunity by adapting themselves to the changes, said HSBC Bangladesh Chief Executive Officer Francois de Maricourt.

"Our aim is to support and enable businesses to connect with global opportunities -- something HSBC has been doing for more than 150 years around the world," he added.

The awardees' contributions in growing the country's trade, developing its infrastructure and fulfilling its domestic demand make Bangladesh's growth outlook even brighter, said Md Mahbub ur Rahman, deputy CEO and country head of wholesale banking of HSBC Bangladesh.

Bangladesh's economy would grow by \$400 billion to \$700 billion over the next one decade, helping the country overtake economies such as the UAE, Malaysia, Norway and Singapore, Rahman said.

In her immediate reaction, Sanchia Chowdhury, director of Square Fashions, credited the workers and employees of the company for the continued success.

"I think we are heading in the right direction. We always try to ensure a safe working environment for our workers and we always treat them as a family member. This has huge impact on the

success of the company."

DBL Group is focusing on Sustainable Development Goals because all goals will be important for businesses, said its managing director MA Jabbar.

Bangladeshi people already know about electronics and many companies alongside Walton have invested in the sector, said SM Mahbubul Alam, director of Walton Group.

"We see good future and we aim to make Bangladesh an electronic goods manufacturing hub," he added.

"From the macroeconomic indicators, we can say that Bangladesh will grow even bigger in the coming years. This is also inspiring us to expand our footprint in the country," said Niroshan Silva, head of finance of Amigo Bangladesh.

Chulam Mohammed Alomgir, chairman of Max Group, said: "With the award comes the responsibility. It tells you: you have been recognised. You can't go back. You will have to move forward."

There is no one single factor that can eliminate poverty and it has to be attacked from all fronts, including access to finance, healthcare and education, said Asif Saleh, executive director of BRAC.

"Market-based solutions are needed for sustainable solutions to poverty," he added.

## Morgan Stanley CEO's 2019 pay falls to \$27m

REUTERS, New York

Morgan Stanley Chief Executive James Gorman is receiving \$27 million in total compensation in 2019, nearly 7 percent less than what he got the year before, the company said in a filing yesterday, following a reduction of bonuses staff-wide.

The board called the 61-year-old's performance in the year "outstanding" and acknowledged "the firm's strong financial performance." The bank's reported profit jumped 46 percent to \$2.09 billion in 2019 compared to 2018.

That kind of out-performance would typically result in the board giving the CEO a big raise. However, a source said members also considered the bank's recent disclosure that it would cut staff and discretionary compensation as it aimed to further reduce expenses.

## Govt officials stand in way of digitalisation

FROM PAGE B1

The government has already proved that mobile phones can deepen digitalisation, said Yeafesh Osman, science and technology minister.

"Anyone can ask why we have launched satellite and why we are going for 5G when 3G/4G is not available in many places. Here is my answer: we need to present dreams for the youths and that's what we are doing," Osman said.

About a hundred companies displayed their products and services, including the benefits of 5G mobile technology, at the fair.

The organisers also handed over crests to 14 companies and persons for their innovation and outstanding services.

## Foreign brands want easy tariff rules to expand in Bangladesh

FROM PAGE B4

"We hope to be able to have a similar success story in Bangladesh that we already have in India."

Over the past 10 years, the company has opened 60 big-box stores in India and over 50 per cent of the items it sells in the Indian stores are "Made in India", it said.

"At the moment, it is not possible for us to expand retail operations and offer our customers more variety and a bigger store in Dhaka, since we cannot keep our most important promise: 'good quality for very reasonable prices,'" the letter reads.

Hence, the company would like to find a way to source export garments under much better conditions.

A footwear supplier and a tent supplier of the European company located inside

the export processing zone in Chattogram have already received regulatory approval to sell 10 per cent of last year's unsold inventory to the local market, it said.

"This allows us to reduce the price of our items by approximately 50 per cent and make them accessible to more Bangladeshi sportspeople."

The company plans to seek BGMEA's support for research and find legal possibilities to get similar permissions for its garment suppliers.

"We would love to make our 'Made in Bangladesh' items accessible to all Bangladeshis. Making local sourcing of export quality garments easier can open doors for other national and international retailers, I assume," the letter reads quoting a representative of the brand.

In this regard, the BGMEA chief wrote to the National Board of Revenue on January 11 seeking duty-free facility for 20 per cent of the products purchased by the international retailers from the local manufacturers meant for selling to the domestic markets.

The local customers pay a high price for the branded items as the global brands lack the right to sell branded goods in their local outlets due to some policy problems, Huq said in the letter.

The duty benefit will create more jobs and the economy will be benefited greatly, she said.

The government needs to change the old policy for opening the avenues for more international clothing giants, she added.

Local customers will be immensely

benefitted as they will be able to buy the items at cheaper rates and the local brands will not be affected at all if the foreign ones are given go-ahead, Huq said.

For instance, the global retailers and brands H&M, Zara and Bestseller have been doing business in India and other neighbouring countries for many years.

Even the local garment manufacturers can invest in joint venture projects with the foreign retailers and brands, she said.

Currently, some of the retailers like Puma, Uniqlo and Decathlon have been operating in Bangladesh.

The value of the annual domestic retail clothing business in Bangladesh currently stands at nearly \$15 billion and it is growing at 15 percent year-on-year, according to industry insiders.



Bashundhara Group Managing Director Sayem Sobhan Anvir attends a gathering organised for the retailers and their family members of Bashundhara Cement and King Brand Cement at Mozaffar Garden & Resort at Satkhira yesterday.



Sarder Akhter Hamed, senior executive vice president and head of channel banking of Bank Asia, attends an event celebrating the bank's agent banking anniversary during the Agent Banking Day-2020 in Munshiganj yesterday.

BANK ASIA