

Three more garment factories fall prey to sliding exports

OUR CORRESPONDENT, Savar

The authorities of Savar-based Raquef Apparels Washing and Packaging Industry, Passion Jeans, and Passion Apparels and Ware announced the closure of their factories on Thursday because of continued losses amid falling exports.

This kind of factory closure has been a common phenomenon recently: only in Gazipur, some 178 small and medium garment factories shuttered in the last one year.

All three are owned by the same entity and it, however, has decided to keep open the washing unit of Raquef Apparels.

Earlier on the day, some 3,000-odd aggrieved workers and staff members of the factories took to the streets with a demand to clear their arrears, keeping the Hemayetpur-Singair road blocked for four hours.

The workers called off their demonstration later after the owner agreed to clear all the dues in three phases by March 29, said Rafiqul Islam Sujon, president of Bangladesh Garments and Shilpa Sramik Federation.

"We are okay if we get our salaries and other dues in time," Fazlul Haque, a staff of Passion Jeans, told The Daily Star yesterday.

The authorities have promised to give January's salary and allowance of workers and staffers by February 27 and February's salary (20 days), compensation and other benefits by March 29.

They also agreed to clear the dues of workers who recently have resigned or have been terminated from job by March 5.

The workers and staffers have accepted the decision, Sujon said.

However, the correspondent could not reach Shakil Mahmud, deputy general manager, for comment despite several attempts.

US, India at odds over trade as Trump heads for encounter with Modi

REUTERS, Washington

Trump administration officials on Friday acknowledged that US President Donald Trump's visit to India next week will not result in even a limited trade deal, saying they still have major concerns over India's trade barriers.

Hopes that the world's two largest democracies could negotiate a "confidence building" deal in time for Trump's arrival Monday on a two-day visit have faded in recent days as differences over agriculture, medical devices, digital trade and proposed new tariffs fester, according to business groups.

US concerns that led last year to the suspension of India's tariff free access for some \$5.6 billion in exports under the 1970s-era Generalized System of Preferences still remain, a senior Trump administration official told reporters on a conference call.

"We do want to make sure that we get this balance right. We want to address a lot of concerns and we're not quite there yet," the official said, adding that Trump will likely discuss these concerns with Indian Prime Minister Narendra Modi.

Trade talks will continue, but new Indian tariff proposals aimed at strengthening the country's "Make

in India" domestic manufacturing push have made them more difficult, the official said. Apart from growing protectionism, the Trump visit comes against the backdrop of India's multibillion-dollar purchase of a Russian missile shield system, which added friction to its ties with Washington.

India in its Feb. 1 budget proposal announced new import tariffs on medical devices, walnuts, toys, electronics and other products in a move aimed at reducing imports from China but affecting many US firms.

The new tariffs surprised US negotiators, especially as they were working with Indian counterparts to reduce the impact of India's price controls on US medical devices such as cardiac stents and knee implants.

"We will be discussing those concerns and what we see an increase in barriers not a decrease. This will certainly come up among the leaders," the US official said. The official did not completely rule out any trade related announcements during the trip, but said this was "really wholly dependent on what the Indians are prepared to do."

US Trade Representative Robert Lighthizer, who has been leading the trade discussions, will not be among the US delegation accompanying Trump, the official said. Earlier this month, Lighthizer cancelled a trip to India to work out a package, even as India made some new proposals to improve US dairy and poultry access.

US Commerce Secretary Wilbur Ross is joining the trip, which will include announcements of commercial transactions in the energy and defence sectors, the officials said.

New top brass for Dhaka Taxes Bar Association



Syed Iqbal Mostafa



Sufi Mohammad Al Mamun

STAR BUSINESS DESK

Syed Iqbal Mostafa and Sufi Mohammad Al Mamun have been elected as president and general secretary of the Dhaka Taxes Bar Association respectively for a one-year term.

The election took place at the association's annual general meeting yesterday, according to a statement.

The association also elected Jahangir Alam Sarker and Sk Gulam Mohammed as its vice presidents.

Jakarica Khan became the treasurer of the association.

France ready to hear US proposal on digital tax

REUTERS, Riyadh

France is ready to listen to the US administration's proposal of offering U.S. companies a "safe harbor" from a new, international digital tax, its finance minister said on Saturday, while admitting that he still didn't know what that meant in practice.

"I'm not in a position to tell you what it (a safe harbor) really means," Bruno Le Maire told journalists on the sidelines of a G20 summit in Saudi Arabia. (But) it's fair and useful to give all the attention to this new proposal."

US existing home sales slip in January

AFP, Washington

Sales of existing homes fell slightly in January as compared to the month before, but there is still strong demand amid low borrowing rates, according to an industry report Friday.

Prices also dipped last month but remain sharply higher than a year ago, as would-be homebuyers compete for available properties and builders struggle to keep up while focusing largely on high-end construction, according to the National Association of Realtors.

The housing market remains a critical bright spot for the US economy, and NAR Chief Economist Lawrence Yun said in a statement that "sales are off to a strong start" this year.

Total sales of single-family homes, townhomes, condos and co-ops were down 1.3 percent compared to the prior month to an annual rate of 5.46 million, dragged down by a sharp drop in the western United States.

However, sales surged 9.6 percent compared to January 2019, while prices are 6.8 percent higher -- the 95th consecutive month of year-over-year increases,

according to the data.

The hot sales pace has caused the inventory of housing available for sale to steadily dwindle and in January it fell to its lowest level since 1999, dropping nearly 11 percent from a year earlier to 1.4 million units, NAR said. That is equivalent to 3.5 months' supply at the current sales pace.

But Yun said there are signs construction is ramping up, which should boost sales.

First time homebuyers comprised about a third of sales last month, continuing a slow uptick in recent months.

"It is good to see first-time buyers slowly stepping into the market," Yun said.

"The rise in the homeownership rate among the younger adults, under 35, and minority households means an increasing number of Americans can build wealth by owning real estate."

However, he said for that to continue, "significantly more inventory and home construction are needed at the affordable price points." Sales of pricier single-family homes, worth \$250,000 and more, have jumped more than 20 percent from the same month of 2019, according to the report.

AFP, Brussels

Feuding EU leaders kicked off a second day of haggling over the bloc's trillion-euro budget on Friday, with hopes of a deal fading as "frugals" and big-spenders refused to give ground.

After a night of tough talks, leaders and diplomats poured doubt on the chances of reaching an agreement at this summit for the EU's seven-year post-Brexit budget.

The tussle over money is a Brussels ritual, made more intense this time by the departure of Britain from the bloc, which has left a 75-billion-euro (\$81-billion) "Brexit gap" over the 2021-27 period.

"Are you asking if we're going to resolve the whole budget discussion this weekend? No, I don't think so," Danish Prime Minister Mette Frederiksen said as she arrived.

Denmark is one of the self-styled frugal four nations -- along with the Netherlands, Sweden and Austria -- who have set themselves against a proposal by summit host Charles Michel, the EU Council president.

They insist Michel's 1.09-trillion-euro budget plan is excessive and must be trimmed, while also calling for the budget to be modernised.

Leaders are at odds over how much to increase the long-term budget -- called the multi-annual financial framework (MFF).

They also disagree over how spending should be shifted between priorities and how much

Hopes dim for EU budget deal

each member should pay as a percentage of its gross domestic product (GDP).

The last MFF came in at 1.08 trillion euros (in 2018 prices).

"My prime minister has been very clear from the start -- we will not pick up the tab," said a diplomatic source from one of the "frugal" countries.

"We are fighting 21st-century challenges with a budget made in the 1980s." Against the frugals are France, which wants farm payments protected and more money for European defence projects, and the so-called friends of cohesion -- a group of eastern and southern countries wanting to ringfence the money they get from the budget.

Michel met the leaders of the "frugals" along with President Emmanuel Macron of France and German Chancellor Angela Merkel on Friday morning in a bid to find a way out of the deadlock. Leaders from friends of cohesion huddled in the meantime, but given the differences between the 27, it is not certain Michel will present a revised budget proposal on Friday, a diplomat told AFP.

Instead, the summit could break up without agreement, forcing leaders to reconvene for another meeting, most likely in April.

A frustrated Czech Prime Minister Anrej Babis questioned the value of a second day at the summit, saying if the rich countries were not prepared to move, "then we have nothing to discuss".

The inconclusive late-night tussle on Thursday

revealed leaders' red lines and potential grounds for compromise to Michel, who is tasked with finding consensus for a deal.

Macron, who visits the national farm show in Paris in two days, said he would "battle" to protect the Common Agricultural Policy (CAP).

"The overall budget total was brutally attacked by the countries of the north, in particular the CAP," a French diplomatic source said.

In a sign of French sensitivity on the subject, Macron's agriculture minister suggested in a TV interview that he had secured a victory in protecting the CAP, which was worth 383 billion euros in the current long-term budget.

The claim was swiftly shot down by French diplomats who pointed out that nothing had yet been agreed. Macron has sought to push the EU to be more united and more ambitious and insisted Thursday that Britain's departure should not clip the bloc's wings.

But his calls for post-Brexit largesse were met with scepticism by the "frugals" and even Finland, whose prime minister said it was time for the EU to be "realistic" with its spending.

Finland, like Germany, is sympathetic to some of the calls for moderation made by the "frugals", but is not fully aligned with them.

Adding yet more discord is the European Parliament, which wants the MFF hiked to 1.32 trillion euros to pay for costly goals such as turning the European Union into a carbon-neutral economy within three decades.

'Robi's listing will be a gift for investors'

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Robi's listing will increase the depth of the country's stock market because it will enhance market capitalisation, he said, adding that it will also attract new local and foreign investors. Subsequently, the government should give Robi tax incentives to encourage other companies of its ilk to come to the stock market.

Stock market's trade will increase by the presence of well-performing companies like this, which, in turn, will boost the government's tax revenue, said Rahman, also the managing Director of EBL Securities.

If Robi comes to the stock market it will be a good boost for the market, said Khairul Bashar Abu Taher Mohammed, former secretary general of the BMBA.

However, their two conditions can pose to be a roadblock. If the government can consider it for all the listed telecom companies then it would be good for the market, said Bashar, also the chief executive officer of MTB Capital.

"Robi's incurring losses in 2016 and 2017 might be a concern for stock investors though," he added.

The carrier started its journey in 1997 under the brand name of Aktel, after being incorporated under the Bangladesh Companies Act, 1994 as a public company limited by shares on October 12, 1995 under the name of Telekom Malaysia International (Bangladesh).

On May 28, 2009, the name of the company was changed to Axiata (Bangladesh) and subsequently on 19 August 2010, the company assumed its present name, Robi Axiata. At present, Robi's authorised share capital is Tk 6,000 crore and its paid-up capital is Tk 4,714 crore.

FBCCI demands support to bridge over coronavirus

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"I think the central bank may give a roadmap to this end to solve the ongoing situation. We are waiting for the central bank's instructions," Chowdhury said.

Agrani Bank Managing Director Mohammad Shams-Ul Islam echoed Chowdhury.

"The problems can be resolved by taking collective steps," he said, adding that the situation is still under control.

The majority of the demands placed by the FBCCI will be fulfilled under the existing central bank's rules, said a Bangladesh Bank official with direct knowledge of the matter. But some fresh policy support can be taken for the time being in order to give credit facility to businesses, he said.

Businesses of various provinces of China have assured that export from the country will start from February 24.

"We expect that the government will take measures to release the products to be exported from China on time from ports," Fahim added.



GREEN DELTA INSURANCE COMPANY

AK Abdul Momen, foreign minister, and Farzanah Chowdhury, managing director of Green Delta Insurance Company Ltd, launch a report on sustainable development goals at the Westin Dhaka recently. The insurer in partnership with the CSR Centre and CRAB Ltd, a credit rating agency, published the report which is first of its kind from private sector.

Bashundhara builds Bangladesh's biggest bitumen plant

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The prospects for the plant, which is a subsidiary of Bashundhara Oil and Gas Company, are bright given Bangladesh's development goals.

With major construction and repairs of 22,000 kilometres of roads and highways under the Roads and Highways Department ongoing, local demand for the material is on the rise.

Besides, of the 354,000kms of undeveloped roads under the Local Government Engineering Department (LGED), 105,000kms have already been upgraded to paved streets.

Moreover, the government is expanding all national highways from four to six lanes. This includes district level roads, for which the use of bitumen has increased about 10 to 15 per cent annually.

With the standard requirements set by engineers given utmost priority,

the premium quality Bashundhara bitumen product has penetration values of 60/70 and 80/100 and comes in various grades: cut back, emulsified, oxidised and polymer modified.

Other than meeting the local demand, Bashundhara plans to penetrate the international market for bitumen products by 2021.

The bitumen plant will provide a product that is better suited for the construction of roads and highways, according to the finance minister.

"The length of roads in our country is short. The roads are damaged during rainy seasons as imported bitumen does not suit the weather. Now, Bashundhara Group will process bitumen that suits local weather conditions," Kamal added.

The new factory will directly benefit thousands by creating jobs, said Nasrul Hamid, state minister for

power, energy and mineral resources.

He also appreciated Bashundhara's initiative to increase investment in the country and create jobs.

"Bashundhara is an example of true entrepreneurship," Hamid added.

The group has established 30 factories and two major housing projects in the country, said Ahmed Akbar Sobhan, chairman of Bashundhara.

"Bangladesh's economy has developed in the last five years as there were no strikes for a single day. This fuelled robust economic growth," said Sobhan, adding that Bashundhara will set up a school in the area within one-and-a-half-years to provide quality education to locals.

M Shamim Z Bosunia, an expert on structural engineering, and Shahin Ahmed, upazila chairman of Keraniganj, also addressed the programme.

Wells Fargo to pay \$3b to US, admits pressuring workers in fake-accounts scandal

REUTERS, Washington

Wells Fargo & Co has agreed to pay \$3 billion to resolve criminal and civil probes into fraudulent sales practices and has admitted to pressuring employees in a fake-accounts scandal, US officials said on Friday, wrapping up one of the last major investigations looming over the bank.

Wells Fargo will pay the penalties to the US Justice Department and Securities and Exchange Commission and enter into a three-year deferred prosecution agreement during which the San Francisco-based bank will continue to cooperate with any ongoing government investigations, Justice Department officials said.

As part of the deal, Wells Fargo admitted that between 2002 and 2016 it pressured employees to meet "unrealistic sales goals that led thousands of employees to provide millions of accounts or products to customers under false pretenses or without consent, often by creating false records or misusing customers' identities," the department said in a statement.

In a statement, Charles Scharf, Wells Fargo's new chief executive, described the past conduct as "reprehensible." Wells Fargo is the fourth-largest US lender.

"This case illustrates a complete failure of leadership at multiple levels within the bank. Simply put, Wells Fargo traded its hard-earned reputation for short-term profits, and harmed untold numbers of customers along the way," Nick Hanna, US attorney for the Central District of California, said in a statement.

Top managers within Wells Fargo's Community Bank division were aware of the "unlawful and unethical" practices as early as 2002, and many of the practices were referred to as "gaming" within the bank, the Justice Department said.

The agreement resolves the civil and criminal liability regarding Wells Fargo's fake-accounts scandal.

About \$500 million of the penalties will go to the SEC to be distributed to investors to settle charges that the bank committed fraud by misleading investors about its sales practices, an SEC official said on a call with reporters about the resolutions settlement.

Settling the multi-agency investigation marked an important milestone for Scharf, who joined the company from BNY Mellon in September shortly after the third anniversary of the scandal.

"We are committing all necessary resources to ensure that nothing like this happens again, while also driving Wells Fargo forward," Scharf said.