

UK minister says pension 'triple lock' not under threat

REUTERS, London
Britain's business minister Kwasi Kwarteng said on Monday he was "pretty sure" the so-called 'triple lock' system for increasing state pensions would not be changed to pay for the cost of dealing with the Covid-19 pandemic.
British newspapers have suggested that the government was looking at suspending the 'triple lock' promise of increasing pensions by whichever is higher of consumer price inflation, average earnings growth, or 2.5 per cent.
Due partly to distortions from the coronavirus pandemic, annual wages in the three months to April grew by an annual 5.6 per cent - creating an extra 4 billion pound (\$5.5 billion) annual cost for future pensions.
"Lots of things have been discussed in government, I don't think that that's necessarily the way forward," Kwarteng told Sky News when asked if the 'triple lock' would be put on hold.
"I'm pretty sure the triple lock will stay." The promise to maintain the system for increasing pensions was in the Conservative government's manifesto of pledges ahead of the 2019 election, something to which Kwarteng alluded.
"I don't think the triple lock is under any threat at all," he told Times radio in a later interview. "It was part of our manifestos remember. It's been something we've been committed to for a number of years now and I haven't seen anything which suggests that we're going to undo it."



Elderly people listen to a tour guide in a church in central London.

Germany opens antitrust probe against Apple

AFP, Berlin
Germany on Monday opened an investigation against Apple over anti-competition practices, as the iPhone maker became the fourth US tech giant to be hit by such probes.
The antitrust authority had in recent weeks opened similar investigations against Amazon, Google and Facebook under a new law that came into force in January giving regulators more powers to rein in big tech companies.
The watchdog said it has initiated the first stage of the probe to determine if Apple has "cross-market significance".
"An ecosystem extending across different markets can be one indication of such a position held by a company," said the authority.
"Such positions of power can make it very hard for other companies to counter it."
"Andreas Mundt, who heads the Federal Cartel Office, said his service will look at whether Apple has established such a digital ecosystem across several markets around the iPhone with its proprietary operating system iOS.
"A key focus of the investigation will be

the operation of the App Store, because in many cases, it empowers Apple to have an influence on the business activities of third parties," he added.
Following the first stage of the probe, the office may then look at other specific issues after it received complaints from "several companies against potential anticompetitive practices."
This included a tracking against the company's alleged trademark restrictions of users in connection with the introduction of the iOS 14.5 operating system.
It added that complaints had also been filed by app developers disputing the usage of Apple's system for in-app purchases.
Germany's tougher stance against the digital giants came after new EU draft legislation unveiled in December aimed at curbing the power of the internet behemoths that could shake up the way Silicon Valley can operate in the 27-nation bloc.
The push to tighten legislation comes as big tech companies are facing increasing scrutiny around the globe, including in the United States, where Google and Facebook are facing antitrust suits.

American Airlines to cut 1pc of July flights as travel rebound strains operations

REUTERS
American Airlines on Sunday said it would cancel around 1 per cent of its flights in July to serve a surprise uptick in travel demand at a time when the airline struggles with unprecedented weather and a labor shortage at some of its hubs.
American Airlines said the move would bring additional resilience and certainty to its summer operations.

"(We) feel these schedule adjustments will help ensure we can take good care of our customers and team members and minimize surprises at the airport," the company said in a statement.
The airline said its cancellations were targeted at impacting the smallest number of customers "by adjusting flights in markets where we have multiple options for re-accommodation."
The announcement was first reported by the

WSJ.
Airlines and other transportation operators have seen a quick ramp up in demand as US Covid-19 vaccination rates increased and travel restrictions lifted in recent weeks.
According to data from the US Transportation Security Administration, nearly 50 million airport passengers were registered in May, up 19 per cent from April. So far in June, the TSA has registered nearly 35 million air passengers.

Wall St bounces back on boost from banks, industrials

REUTERS
The Dow was set for its best day in more than three months on Monday as investors piled back into financials and energy shares that are set to benefit from a broader economic recovery.
The Dow Jones Transports Average, considered a barometer of economic health, jumped 1.9 per cent, while the domestically focused small-cap Russell 2000 added 1.7 per cent.
The broader banking index rose 2.0 per cent after hitting a two-month low last week.

Value stocks, which include banks, energy and other economically sensitive sectors and have led gains in US equities so far this year, outperformed their growth-oriented technology counterparts.
The trend was a stark reversal from last week when the Fed's hawkish signals on monetary policy sparked a round of profit taking that wiped out value stocks' lead over growth this month and triggered the worst weekly performance for the Dow and the S&P 500 in months.
"The market is realizing that we're still largely the same economy where we have

inflationary forces, a lot of stimulus, and that's good for value stocks, not growth stocks," said Max Gokhman, head of asset allocation at Pacific Life Fund Advisors in Newport Beach, California.
"Value will grow especially as we see consumers continue to shift their spending to services and continue coming out."
The S&P 500 has traded in a tight range this month as investors juggled fears of an overheating economy with optimism about a strong economic rebound.
Focus this week will be on US factory activity surveys, home sales data and remarks from several Fed officials, including Chair Jerome Powell, who testifies before Congress on Tuesday.
"The Fed is trying to gauge market reaction depending on what they say about the future path of both - tapering and interest rates. Their goal is to see how much volatility the market can tolerate," Gokhman said.
At 11:31 a.m. ET, the Dow Jones Industrial Average was up 508.94 points, or 1.53 per cent, at 33,799.02, the S&P 500 was up 48.42 points, or 1.16 per cent, at 4,214.87, and the Nasdaq Composite was up 81.30 points, or 0.58 per cent, at 14,111.68.

MFS recognised for pivotal role, but tax hike could stall progress

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New technologies and solutions are being added regularly to improve the service, make the distribution channel more efficient, and ensure foolproof security.
So, investment is taking place in the technologies, human resources, marketing and campaigns to make the digital ecosystem sound. The addition of technologies will continue in the years to come.
MFS operators are largely the carriers that are used to transfer money from one mobile wallet to another wallet or bank account. But it has a profound impact on the economy. We have seen that during the disbursement of the Honourable Prime Minister's Eid gift for about 35 lakh poor people.
Three MFS operators disbursed the fund so efficiently and cost-effectively that no question was raised. The government is very pleased, so some ministries have decided to use our platforms to transfer cash support

under their social safety net schemes.
The service is largely used by the low-income groups, who don't have access to the formal financial system. So, any move that stifles the growth of the MFS industry will also stall the financial inclusion agenda of Bangladesh and hurt the overall digitalisation. So, the proposed hike in the corporate tax rate requires reconsideration.
We understand that the government needs revenues to attain its development goals. But it will not gain much from the corporate tax rate hike as most of the MFS operators are not making a profit.
The finance minister has recognised the positive impact of the MFS sector in his budget speech which is a very positive sign. But, because of the added pressure set to originate from the hike in the corporate tax, we cannot relish our hard-won achievement.
The author is managing director of Nagad, the MFS wing of the postal department.

India auto hub lets car plants run at full capacity despite few vaccinations

REUTERS, Chennai
Car factories, including those of Renault-Nissan, Hyundai and Ford, can operate with full workforces in India's automaking hub from Monday, even though 75 per cent of workers at the global carmakers' plants have not been vaccinated against Covid-19.
India's southern Tamil Nadu state, known for its flourishing automobile industry, on Sunday allowed some industrial units including those of global automakers in and around capital city Chennai to operate at 100% capacity. The move follows a Tamil Nadu Directorate of Industrial Safety and Health report dated 18 June, reviewed by Reuters, which shows three in four workers at the plants of Ford, Hyundai and Renault-Nissan near Chennai have not been vaccinated against Covid-19.
Of those who were vaccinated, the report did not say how many had received one dose and how many had received two. He report said one in seven workers in these companies had contracted the virus, and 21 had died. Workers at the three plants accounted for around 4 per cent of cases in the two districts where the plants are located.
"Working condition in such assembly lines poses challenges in maintaining social distancing norms due to the close proximity of workforce," the report said.
Ford, Renault-Nissan and Hyundai halted work at their plants for several days last month, after workers protested and some went on strike over safety concerns.
On June 17, the Chennai plants were functioning at over 90 per cent of workforce capacity and the cumulative output was nearly two-thirds of pre-lockdown levels, according to the report. Hyundai, Ford and Nissan, which majority owns the Renault-Nissan Chennai plant, did not immediately respond to requests for comment.
New cases in Tamil Nadu have fallen from more than 30,000 a day in May to about 8,000 but still account for one-seventh of all cases in India, which is second only to the United States in total infections.
The report by the industrial safety department was filed in response to an Indian court tasking officials with visiting carmakers to draw up uniform safety guidelines, after workers at Renault-Nissan India filed a case asking operations be halted as social distancing norms were being flouted. The case will be next heard on Monday.

Bitcoin tumbles 10pc in wake of deepening China crackdown

REUTERS, London/Tokyo
Bitcoin tumbled almost 10 per cent on Monday as recent volatility in the cryptocurrency market showed no signs of dampening down, with market players citing jitters over China's expanding crackdown on bitcoin mining in thin liquidity for the losses.
Bitcoin fell as low as \$32,094 to its lowest in 12 days, dragging smaller coins down. It was last down 8.3 per cent, on course for its biggest daily drop in a month.
The world's biggest cryptocurrency, long plagued by volatility, has lost over 20 per cent in the last six days alone and is down by half from its April peak of almost \$65,000. Still, it has still gained over 10 per cent this year.
The drop comes amid a growing crackdown on cryptocurrencies in China, where authorities in the southwest province of Sichuan on Friday ordered bitcoin mining projects to close.
The State Council, China's cabinet, last month vowed to clamp down on mining and trading as part of a series of measures to control financial risks.
Data on mining is scarce. Yet production

of bitcoin in China accounted last year for about 65 per cent of global production, according to data from the University of Cambridge, with Sichuan its second-biggest producer.
Companies that mine bitcoin - an energy-intensive process - typically hold large inventories of the cryptocurrency, with any moves to sell large amounts depressing prices.
"(The) crackdown on Chinese miners might mean that they are offloading coin into a thin market and taking us lower," said Ben Sebley of London-based crypto firm BCB Group.
China's central bank said on Monday it had summoned some banks and payment institutions recently, urging them to crack down harder on cryptocurrency trading.
Agricultural Bank of China, China's third-largest lender by assets, said separately it was following the People's Bank of China's guidance and would conduct due diligence on clients to root out illegal activities involving crypto mining and transactions.
Smaller rival ether, which tends to move in tandem with bitcoin, dropped as much as 12 per cent, falling below \$2,000 for the first time in almost a month.

Bangladesh prepares for Libor phase-out

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Against the backdrop, the BB yesterday issued a notice unveiling the policy for banks to calculate the interest rate on short-term foreign loans.
Banks will have to consider the benchmark rate of the respective central bank before setting a lending rate.
For instance, if exporters plan to secure loans from the US, they will have to follow the secured overnight financing rate (Sofr) set by the Federal Reserve, the central bank of the United States. Along with the benchmark rate, borrowers will be charged a risk premium of 2.50 per cent and a markup rate of 3.50 per cent.
The markup is added after the lender determines an approved rate based on the

consumer's credit history.
Local exporters and importers now enjoy short-term foreign loans at the cost of a 6-month Libor plus 3.50 per cent per annum.
If businesses receive loans from the banks in the Eurozone, the European Central Bank benchmark rate would have to be followed in setting the lending rate.
The ECB has come up with the Euro short-term rate (€STR) benchmark rate, and the UK has introduced the Sterling Overnight Index Average (Sonia) benchmark.
A BB official said that the same method would be applicable for long-term foreign loans. The Bangladesh Investment Development Authority would come up with a guideline to this end.

GPH begins production at new plant

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"But 2020 was an exception due to the pandemic," said Kamrul Islam, executive director for finance at GPH Ispat.
In 2021, the steel demand rebounded by 8 to 10 per cent compared to the 2019, he said. "As our product quality is better, but the price is similar to others, the demand for our products is good. So, we are hopeful to see higher market share soon."
GPH Ispat's market share is around 15 per cent. In Bangladesh, the annual production of steel products stands at around 70 lakh tonnes.
"Our high-quality products are already being exported, and we have a plan to boost exports," Islam said.
The company started to export steel products to China in November 2020.

National Feed Mills, Maksons Spinning, and Fortune Shoes.
Sea Pearl Beach Resort & Hotel gave up the most, sliding 9.9 per cent. Index Agro, Sonali Paper, Dacca Dyeing, and United Insurance also saw major losses.
The port city bourse also soared on the day. The CASPI, the general index of the Chattogram Stock Exchange, rose 178 points to 17,762.
Among the 309 traded stocks, 195 advanced, 96 dropped, and 18 ended the day unchanged.

Floor price removal takes Dhaka stocks to new high

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On the DSE, 224 stocks rose, 119 declined, and 29 remained unchanged.
Turnover, an important indicator of the market, went up 11 per cent to Tk 2,043 crore. Tamijuddin Textile topped the gainers' list after advancing 10 per cent, followed by Paper Processing & Packaging, Bangladesh Monospool Paper Manufacturing, Alif Industries, and Intraco Refueling.
Beximco Ltd topped the turnover list with its shares worth Tk 111 crore changing hands, followed by Malek Spinning,

Without mentioning any particular country, he said the government was looking east for cooperation over securing vaccines as it believed that direction was a source of hope.
"Vaccine does not help survival of democracy, vaccines save people," said the minister.
On the issue of new poor, Mannan echoed the views of his colleague, Finance Minister AHM Mustafa Kamal. Kamal last week said the new poor was a new, temporary phenomenon.
Mannan said the incumbent government has also created a lot of new rich and so the old rich should come up to help the new poor.
The budget has been proposed to ensure justice, fairness and equity, Mannan said citing an example of the prime minister on Sunday having allocated 53,000 houses for homeless people.
In a keynote paper, PRI Research Director MA Razaque said attaining the government target of a zero poverty rate would have been possible by 2030 had not the Covid-19 pandemic come about.
However, the target can be reached a bit late in 2038 even if the current economic growth continues, he said.
Razaque said had not the pandemic come about, Bangladesh could have added some \$31

Vaccination key to fast business revival

billion to its GDP in the past one year.
However, despite a lot of challenges and difficulties, Bangladesh and China attained positive economic growth, he said.
Moderating and co-chairing the discussion, MCCI President Nihad Kabir termed the proposed budget more effective, pro-people and business friendly.
The budget's implementation and quality spending of the allocation are two major challenges for the government, she said.
Kabir also said vaccination, employment generation and slowdown of economic activities were also challenges for the government. "Revenue mobilisation is going to be tricky," she added.
Appreciating the reduction of corporate tax by the government, she also sought separating the tax policy and collection wings of the National Board of Revenue (NBR).
Praising the country's macroeconomic stability, PRI Chairman Zaidi Sattar said if the government could complete implementing five to six mega projects within the next few years, the GDP could grow by an additional 1 to 2 per cent.
He said the government's 6.2 per cent budget deficit was proposed because of the fallout of pandemic.
"The Bangladesh economy is a development

miracle," Sattar also said.
Adeeb H Khan, chairman of the MCCI's Tariff and Taxation Sub-Committee, urged the government for reconsidering increasing tax on mobile financial service (MFS) providers, reasoning that it was a rising sector in the country.
He said income tax should be applied only on income, not revenue. Advanced income tax and withholding tax need to be reduced, he said, hoping for some structural changes in the VAT system.
Abul Hassan Mahmood Ali, chairman of the Parliamentary Standing Committee of the Ministry of Finance, said the sole function of some people was to always defame the government.
"I became stunned when (name withheld as claim could not be verified) said the budget was a drama in parliament...I did not expect such an irresponsible comment such a respected person," he said.
Commerce Secretary Tapan Kanti Ghosh, Rupali Chowdhury, president of the Foreign Investors' Chamber of Commerce and Industry, Waseqa Ayesha Khan, chairman of the Parliamentary Standing Committee on the Ministry of Power, Energy and Mineral Resources, and MCCI Vice-President Anis A Khan also spoke.