



Nikhil Sahni

Mastercard gets new division president

STAR BUSINESS DESK

Mastercard on Thursday announced the appointment of a new division president for South Asia and country corporate officer, India. The appointee, Nikhil Sahni, will take over from Porush Singh, who will be relocating to Singapore and assuming a new role, said a press release.

Nikhil joins Mastercard with nearly 25 years of experience across strategy, investment banking, corporate, commercial, SME, retail, branch, and government banking.

He will oversee Mastercard's operations, and position the company's extensive suite of products, solutions and services across the sub-continent, including Bangladesh Sri Lanka, Nepal, Maldives and Bhutan, in addition to India.

Nikhil began his professional journey with L&T, after which he joined The Times Group. His other professional experience includes working with Rabo India Finance.

His most recent role was as senior group president, and knowledge banking with Yes Bank, where he spent over 17 years managing various businesses and products, both at regional and national levels.

He is an alumnus of the Indian Institute of Management, Ahmedabad and holds a degree in electrical engineering from Punjab Engineering College, Chandigarh.



The Hongkong and Shanghai Banking Corporation (HSBC) and the University of Liberal Arts Bangladesh (ULAB) recently signed a memorandum of understanding for the HSBC's overseas education proposition that enables the latter's students, alumni and faculty to avail special offers, advisory services, and safe overseas account opening services for studying abroad. Morshed Mohammad Abul, branch manager of HSBC, Gitanka Depdip Datta, head of customer value management, Prof Shamsad Mortuza, acting vice-chancellor of the ULAB, and Prof Imran Rahman, special advisor to the Board of Trustees, ULAB, were present.

New DMD for Brac Bank

STAR BUSINESS DESK

Brac Bank has recently witnessed the appointment of a new deputy managing director and chief anti-money laundering compliance officer.

The appointee, Chowdhury Moinul Islam, was previously working as an executive director and head of conduct and financial crime compliance advisory with Standard Chartered Bank (SCB) Bangladesh, says a press release.

He started his career with American Express Bank as manager (internal control). Moinul joined the SCB in 2005 and worked there till 2016 before moving to the US where he worked as an anti-money laundering business system analyst at SunTrust Bank.

Moinul is a member of the Association of Certified Anti Money Laundering Specialists.

He obtained his Bachelor of Business Administration and Master of Business Administration degrees in accounting from the University of Dhaka.



Chowdhury Moinul Islam

Fed's mixed messages on inflation unsettle investors

REUTERS, New York

Investors have been struggling to interpret signals from the Federal Reserve about how hot it is willing to let inflation run before it begins unwinding pandemic-era monetary stimulus.

Measures of markets' US inflation expectations hit multi-year highs in mid-May, but fell after comments from some Fed speakers and minutes from the committee's April meeting sounded more hawkish. Some investors interpreted that as policymakers having a lower tolerance for an inflation overshoot than previously estimated.

The fall in inflation expectations was exacerbated by the central bank's policymaking meeting on June 15-16, when the Fed pulled forward projections for its first two rate hikes into 2023.

Since then, bets on inflation have nudged back up, likely helped by Fed Chair Jerome Powell's insistence on Tuesday that the bank would not preemptively raise rates because of the "fear" that inflation may be coming.

The choppiness suggests investors are struggling to make sense of the sometimes conflicting signals from Fed officials, who are facing their first inflation test under a new flexible average inflation framework adopted in 2020. "There is a lot of uncertainty among bond investors about what exactly has changed since the Federal Open Market Committee (FOMC) met last week said Tom Graff, head of fixed income at Brown Advisory.

"Some are arguing that the Fed lost its nerve after a couple of inflation prints



The Federal Reserve Board building is pictured on Constitution Avenue in Washington, US.

REUTERS/FILE

and won't ultimately follow through with allowing inflation to stay above 2 per cent."

Breakeven inflation rates on five- and 10-year Treasury Inflation-Protected Securities (TIPS) have fallen around 25 basis points since hitting 10- and eight-year peaks in May, respectively.

The five-year, five-year forward breakeven inflation rate, which tracks the expected rate of inflation over five years

in five years' time, was recently at 2.2 per cent, below the seven-year high of 2.4 per cent it reached in May. Those measures have rebounded slightly in recent days. The personal consumption expenditures price index (PCE) - the Fed's preferred measure for inflation - rose 3.6 per cent in April from a year earlier.

Last August, the Fed adopted a flexible average inflation target (FAIT) that is designed to be somewhat more

forgiving to price pressures than in the past, a major shift to the central bank's approach towards its dual role of achieving maximum employment and stable prices.

Some market participants say the Fed may be less committed to FAIT than when it adopted the policy last summer, when Powell said the central bank would allow prices to rise faster than would have been tolerated in

previous cycles. Last week's Fed meeting suggested "they're walking that back," said Michael Pond, head of global inflation-linked research at Barclays.

"We might have some inflation for now but on a structural basis, this reaction function from the Fed is likely to once again lead to a persistent undershoot," said Pond.

But not everyone agrees that the Fed's commitment is wavering.

"I think some people think the Fed is changing tune and abandoning flexible average inflation targeting. I don't agree, but clearly some people are putting that trade on," said Graff.

Powell's argument has been that this year's spike in inflation is transitory and related to the reopening of an economy shuttered by the coronavirus pandemic.

The Fed's more hawkish stance at last week's meeting surprised some market participants because the bank's inflation forecasts a few years out had not changed dramatically.

The median Fed voter in June expected PCE to rise to 3.4 per cent this year, compared to 2.4 per cent in March. Projections for 2022 and 2023 were 10 basis points higher.

Market participants, weighing on every word from Powell at his address on Tuesday, did not have a clear takeaway.

Kathy Bostjancic, chief US financial economist at Oxford Economics, said that Powell this week "re-emphasized that they have the tools to bring inflation down." "And while I think he was still overall sanguine about the outlook, he did say (they) were surprised about how large and persistent it (inflation) was."

Biden to meet with bipartisan senators to discuss infrastructure plan



REUTERS/FILE

US President Joe Biden delivers remarks after a roundtable discussion with advisors on steps to curtail US gun violence, at the White House in Washington, US on June 23.

REUTERS, Washington

President Joe Biden was scheduled to meet with a bipartisan group of US senators on Thursday to discuss their proposed framework for an infrastructure bill as he looks to push a large-scale spending package through Congress despite Republican opposition.

Members of the group of 21 senators, or "G-21," announced an agreement on a framework on Wednesday after a meeting with White House officials.

The G-21 talks have focused on a \$1.2 trillion, eight-year spending plan, with a mix of new and repurposed funding. For Biden, securing a large-scale infrastructure package is a top domestic priority.

The White House opened talks with the group after the Democratic president broke off negotiations with Republican Senator Shelley Capito. The White House said her proposals had fallen short of meeting "the essential needs of our country."

Biden, seeking to fuel growth and address income inequality after the coronavirus pandemic, initially proposed spending about \$2.3 trillion. Republicans chafed at his definition of infrastructure, which included fighting climate change and providing care for

children and the elderly.

The White House later trimmed the offer to about \$1.7 trillion in an unsuccessful bid to win the Republican support needed for any plan to get the 60 votes required to advance most legislation in the evenly split 100-seat Senate.

"We came to an agreement on a plan ... and we're just going to try to wrap it up tomorrow," Democratic Senator Joe Manchin told reporters on Wednesday of the new plan.

A major sticking point had been how to pay for the investments. Biden has pledged not to increase taxes on Americans earning less than \$400,000 a year, while Republicans are determined to protect a 2017 cut in corporate taxes.

Manchin said the framework encompassed a "long list" of so-called pay-fors and that all new spending would be offset with provisions to cover it, but he offered no specifics. Democrats in Congress are operating on two tracks.

While they have been open to a bipartisan deal that could win enough Republican support to bring the Senate, they are also planning to clear up a separate measure with significant additional spending on unconventional infrastructure programs, such as home healthcare for the elderly.

Canadian exporter confidence rebounds to 20-year high

REUTERS, Ottawa

Confidence among Canadian exporters has surged to its highest level in more than 20 years, amid mounting optimism that a sustained global economic recovery is underway, a survey by Export Development Canada (EDC) showed on Thursday.

EDC's Trade Confidence Index jumped 19 per cent from end-2020 to mid-2021, the largest 6-month increase since the survey began in 1999, the agency said. The recovery appears to be broad-based across all regions of the country, it said.

"It's just extraordinary that this kind of rush is happening. It's really telling us that everybody is arming themselves for what's coming in the second half of this year," said Peter Hall, chief economist at EDC.

Canada's economy - like those of many of its global peers - is set to boom in the second half of 2021, as widespread public vaccinations allow businesses to reopen and consumers begin to dip into their pandemic savings.

A strong rebound south of the border is also expected to help. A growing share of companies reported orders from customers in the United States, Canada's largest trading partner, had improved in the past six months, EDC said.

And 65 per cent of respondents said they are planning to export to new markets, with the UK and Australia top destinations. Exports account for about a third of Canada's gross domestic product.

Tea workers reject minimum wage proposals

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But it does not speak of how to ensure that the water is pure as stipulated in the Bangladesh Labour Act, 2006, he said.

One proposal was for paying workers 0.03 per cent of the respective company's net profit, in contrast to the 5 per cent recommended by the act, he added.

The minimum wage board for tea workers was last formed on October 20, 2019, whereas the preceding body on January 18, 2009.

This means there has been a delay of nearly five years since the labour act stipulates it be formed every five years, said Raju Nunia, general secretary of University Tea Students' Association.

Moreover, the recommendations are stipulated to be sent to the government within six months of the

body's formation whereas the latest body sent it after a delay of nearly one and a half years, he said.

According to a "Statistical Handbook on Bangladesh Tea Industry 2019", published in June last year, there were 166 gardens in the country with a total of 140,164 registered and casual tea workers.

The daily wage has not gone up by Tk 167 even though 167 years have elapsed in the tea industry, said Rajdeo Kairi, convener of Cha Sramik (Tea Workers) Sangha.

The workers' tireless efforts led to Bangladesh securing 9th position in the amount of tea produced in the world, he said.

The daily wages seem to be low, said GM Shibli, chairman of the Sylhet branch of Bangladeshhiyo Cha Sangsad (Tea Association of Bangladesh), an association of tea garden owners.

However, the garden owners provide other benefits such as accommodation, ration and medical treatment, which in monetary terms mean each regular worker was getting a monthly wage of anywhere between Tk 12,000 to Tk 14,000, he said.

"I don't think the rights of tea workers have been denied," said Tahsin Ahmed Chowdhury, representing the owners in the board.

Everyone on the board except for the tea workers' representative has signed the gazette, he affirmed.

Raisha Afroz, secretary to the state-run Minimum Wages Board, Dhaka, said demands, complaints, opinions and suggestions could be forwarded to the board within 14 days of the gazette's publication.

"I will present them at the next board meeting on June 27," she added.

EXISTING AND PROPOSED WAGE AND BENEFITS

	CURRENT	PROPOSAL
Minimum daily wage for permanent workers	Tk 117, Tk 118 and Tk 120 for 3 tea garden categories since 2019	Keeping the same
Meetings between Bangladesh Tea Association and Bangladesh Cha Shramik Union	Every two years	Every three years
Worker category and pay	Registered (permanent) and casual (temporary), both paid same	Inclusion of "trainee"; Tk 110 per day
BENEFITS		
Tubewell or well	None provided till date	One for every 20 families within next one year
Annual gratuity on completing 5 years of service	None provided till date	One basic salary
Annual festival allowance	One basic salary (equalling 47 days' daily wage) being paid for last 2.5 years	One basic salary (equalling 47 days' daily wage)
Profit sharing	None provided till date	0.03% of net profit
Group insurance	None provided till date	None provided till date
Maternity	4 months	4 months