

US to move ahead with global minimum corporate tax

Yellen says

REUTERS, *Nusa Dua*

The United States will look for every opportunity to move ahead and enact a global minimum corporate tax agreement despite the opposition of a key Democratic senator, Joe Manchin, to raising corporate taxes, US Treasury Secretary Janet Yellen said.

Yellen told reporters on Saturday that finance officials from the Group of 20 major economies reached strong consensus about many issues, including the need to address a worsening food security crisis, despite differences over Russia's war in Ukraine that prevented the leaders from issuing a joint statement.

Manchin, who holds the pivotal vote in the evenly divided Senate, this week said he would not support a Democratic proposal for new climate change spending and higher taxes for corporations and wealthier Americans.

"I can tell you that we will continue to look for every possible opportunity that we have to move this forward."

His opposition could imperil passage of legislation that would commit the United States to a 15 per cent global minimum corporate tax, a key part of an agreement that Yellen helped negotiate with nearly 140 countries last year.

"We are very committed to moving ahead with this. This is a truly important global initiative," she said on the second day of a two-day G20 meeting in Bali.

"I can tell you that we will continue to look for every possible opportunity that we have to move this forward."

She said the United States had a strong incentive to move forward because as other countries enacted the tax agreement, they would be taxing the foreign profits of US companies, while the United States would be leaving "that tax revenue on the table rather than capturing it ourselves."

Yellen said it was important that Manchin did signal support for legislation to reduce prescription drug prices for seniors and extending subsidies that help keep health insurance costs lower.

On his opposition to climate change provisions, Yellen said Treasury would support US President Joe Biden's plans to use executive action, and would continue initiatives under the Financial Stability Oversight Council to evaluate the risks posed by climate change to financial institutions.



Seasonal rawhide traders are finding it hard to sell their products at the Shambhuganj Bazar in Mymensingh city as prices being offered by tanners are around Tk 100 to Tk 200 less than what the traders spent behind making the purchase alongside for preservation and transportation. The strategy opted for now is to wait a couple of weeks more for prices to rise. The photo was taken on Friday.

PHOTO: AMINUL ISLAM

What's next for euro after slump against dollar?

AFP, *London*

The euro's plunge against the dollar, triggered by the Ukraine war and mounting risks to the EU economy, has driven the two currencies to parity for the first time in two decades.

The European single currency sank to \$0.9952 on Thursday -- a level not seen since the end of 2002, the year it was officially introduced.

But traders believe the euro could recover, provided it clears several hurdles in the coming months.

The first to get over is to avoid the risk of a halt in Russian gas supplies to Europe, which would cause electricity prices to soar and force eurozone countries to limit some industrial activity.

"If gas flows from Russia normalise, or at least stop falling, following the end of the Nord Stream 1 maintenance shut-down next week, this should somewhat decrease market fears of an imminent gas crisis in Europe," Esther Reichelt, an analyst at Commerzbank, told AFP.

With Russian gas giant Gazprom having warned it cannot guarantee that the pipeline will function properly, European countries fear that Moscow will use a technical reason to permanently halt

deliveries and put pressure on them.

French President Emmanuel Macron even said on Thursday that Russia was using energy "as a weapon of war".

If Nord Stream 1 "doesn't turn back on, the euro falls as the economic shock waves will be felt worldwide as the European energy crisis could very well trigger a recession," warned Stephen Innes, an analyst at SPI Asset Management.

"Recession would inevitably mean that the market becomes even more concerned about fragmentation risks in the eurozone," added Jane Foley, a foreign exchange specialist at Rabobank.

Like other central banks, the European Central Bank (ECB) is seeking to avoid stilling the economy by raising rates too sharply.

But it also has to worry about a possible fragmentation of the debt market, with large differences in borrowing rates across the eurozone.

The ECB has so far maintained an ultra-loose monetary policy to support the economy, while the US Federal Reserve has instead raised rates and promises to continue to do so to counter inflation.

It will announce its monetary policy decision on Thursday, and has indicated that it will raise rates for the first time in

11 years.

"If the ECB is aiming to give the euro a boost, it will have to deliver a 50-bp hike in July and/or signal that 75-bp moves are on the cards for September," S&P analysts said in a note.

"Speedier policy adjustments now would help anchor inflation expectations, reducing the risk of needing a restrictive policy stance further down the line," they added.

For economists at Berenberg, the euro's fall is more attributable to the strength of the dollar, which has "appreciated strongly against a broad basket of currencies since mid-2021".

The dollar has benefited from the Fed's tightening of monetary policy as it tries to limit inflation, which hit record highs again in June.

"Markets are speculating that the Fed may raise rates by 100bp instead of 75bp at its next meeting on 27 July," noted Berenberg.

"If so, this could strengthen the dollar further," UniCredit added: "Towards year-end, prospects of declining inflation and more-balanced messaging from central banks as the cyclical peak of official rates nears should support a return of risk appetite and ease USD demand."

Padma Bridge

FROM PAGE B4

"Much investment is desired to uplift the people and infrastructure of this region," he added.

The Nordic countries are at the forefront of climate action and sustainability. Solutions from the Nordic region will be instrumental in the development journey of Bangladesh that will be making the graduation from least developed country status to a middle-income country, he added.

Nordic companies will continue to grow in Bangladesh as they find Bangladesh to be a growing market. So, these companies can certainly have positive contributions in the development of the region, Aman said.

"However, regular dialogues are necessary to align policies to encourage and facilitate trade between the government and Nordic companies. The Nordic chamber is committed to provide such a platform, as it has done in the past years," he said.

India on course

FROM PAGE B4

"There is some evidence now that supply-chain pressures are peaking globally and in India, so that a major source of upward inflation pressures may be ebbing," the bank said.

Referring to the impact of high global crude prices on India's current account deficit (CAD), RBI said the CAD could widen to 2.3 per cent of GDP in 2022/23 if oil prices average \$105 per barrel.

It would widen to 2.8 per cent if oil averages \$120 per barrel but still remain "within the sustainable limit of 3 per cent".

CAD stood at 1.2 per cent of GDP in 2021/22, data released in June showed.

"External debt remains modest as a proportion to GDP and has actually declined between March 2021 and March 2022," RBI said.

Canada inflation may tip 8pc

REUTERS, *Ottawa*

The Bank of Canada expects inflation to go "a little over" 8 per cent, as soon as next week when June's data is released, and stay in that range for a few more months, Governor Tiff Macklem told a business group in a webcast transcript released late Friday.

Macklem, who spoke to the Canadian Federation of Independent Business the day after Wednesday's shock 100-basis-point interest rate hike, also urged small business owners to avoid building the current pace of price increases into their contracts.

"Inflation is high sevens. It's probably going to go a little over eight (8 per cent). We have the next CPI next week. We know oil prices were very high in June, so I wouldn't be surprised to see it move up," Macklem said.

Canadian inflation was 7.7 per cent in May, the highest since January 1983. Analysts surveyed by Reuters expect June inflation to hit 8.3 per cent, which would be the highest since 1982. The data will be released on Wednesday at 8:30 am ET (1230 GMT).

Macklem reiterated the Bank of Canada now expects inflation to average around 8 per cent for the

next few months, then fall to around 3 per cent by the end of 2023 and to the 2 per cent target in 2024.

Canadian Deputy Prime Minister Chrystia Freeland, who also serves as finance minister, on Saturday said the federal government was responding by "not pouring fuel on the flames" through its budget and by tackling some of the drivers of inflation as well as labor and housing policies.

"We are confident that the Bank of Canada has the tools and the expertise to do this job," she told reporters in a telephone briefing, noting the bank's independent role.

Bumper onion yields

FROM PAGE B4

"If the farmers set a temperature protection selling under the tin roof of the bamboo loft and store the onions 6 to 9 inches above the ground while ensuring sufficient air circulation, then the loss will be reduced," he said.

On the other hand, farmers claim they do not have enough space or funds to develop their homemade

storages in this manner.

"Onion is one of the biggest cash crops for farmers but we are struggling to recover production costs," said Kamruzzaman of Durgapur village.

"At the moment, we do not have enough funds for developing our storage systems and so, we need government support for strengthening onion production," he added.

Unrealistic energy policies

FROM PAGE B4

partners pump more oil to help bring down the high cost of gasoline and ease the highest US inflation in four decades.

"Adopting unrealistic policies to reduce emissions by excluding main sources of energy will lead in coming years to unprecedented inflation and an increase in energy prices, and rising unemployment and a worsening of serious social and security problems," Prince Mohammed said.

The de facto ruler of the world's top oil exporter said Covid-19 and the "geopolitical situation"

necessitated more joint efforts to support the global economy and that the transition to sustainable energy sources required a "realistic and responsible" approach.

The summit gathered Biden with leaders from six Gulf Arab states and Egypt, Jordan and Iraq. Biden held bilateral talks with Saudi leaders on Friday in Jeddah.

US officials have said Biden would discuss energy security with leaders of Gulf oil producers and hopes to see more action by OPEC+ to boost output, but there was unlikely to be any bilateral announcements from the talks.

Britain launches aviation charter to fight airport disruption

REUTERS, *London*

The British government launched an "Aviation Passenger Charter" on Sunday to help passengers know their rights if they are faced with problems at airports after the widespread disruption seen this year.

Long queues and cancelled flights caused by staff shortages have caused chaos at times, prompting airlines to cut back their schedules as the industry struggles to keep up with a surge in demand after the Covid-19 pandemic.

The new charter will help passengers know what to do if they are confronted by cancellations, delays or missing baggage, the government said.

"Passengers deserve reliable services, and to be properly compensated if things don't go to plan, and the chaotic scenes we've seen at airports are unacceptable," transport minister Grant Shapps said.

Nagad, Swisscontact sign deal

STAR BUSINESS DESK

Mobile financial service provider Nagad and Swisscontact - Swiss Foundation for Technical Cooperation, a Zurich-based non profit organisation, recently signed a memorandum of understanding under the Sarathi, an improving financial health programme.

Rahel Ahmed, chief executive officer of Nagad Ltd, and Mujibul Hasan (Cezanne), country director of Swisscontact Bangladesh, inked the deal at the former's head office in Dhaka, a press release said.

"Our goal as an enabling platform for Bangladesh's unbanked and underbanked population remains to bring more people in financial inclusion by delivering value-added, affordable services," said Ahmed.

The prime objective of the initiative is to introduce garment workers to the easily-accessible services of Nagad and increase their digital literacy by raising awareness.

MTB, Trust Axiata Pay launch 3 services

STAR BUSINESS DESK

Mutual Trust Bank (MTB) and Trust Axiata Pay (TAP), a mobile financial service of Trust Axiata Digital, recently struck a collaboration agreement under which they launched three services at the former's head office in Dhaka.

The bank's account holders will be able to transfer funds from their MTB accounts to TAP wallets and from TAP wallets to MTB.

They will also be able to "Add Money" from TAP wallet by linking their bank account, said a press release.

Chowdhury Akhtar Asif, additional managing director of the bank, Goutam Prosad Das and Md Khalid Mahmood Khan, deputy managing directors, and Shahjalal Uddin, vice-president of TAP, were present.

Boeing expects 787 orders to pick up

REUTERS, *London*

Boeing expects to see a pick-up in new orders for its 787 Dreamliner model once it restarts deliveries of the plane, Commercial Airplanes CEO Stan Deal said on Sunday.

Deal said the US planemaker was "very close" to restarting 787 deliveries, which have been halted since May 2021 as Boeing works through inspections and production issues. "Maybe the ninth inning of a ball game," Deal said. "We're getting airplanes ready for the delivery process."

A Federal Aviation Administration (FAA) spokesperson said the agency "will sign off on each delivery only after Boeing demonstrates the aircraft meets FAA safety standards."

Boeing also has a December deadline to win approval for the 737 MAX 10 - the largest member of its best-selling single-aisle airplane family. Otherwise, it must meet new cockpit alerting requirements under a 2020 law, unless Congress waives it.



Zafar Alam, managing director of Social Islami Bank, presides over the bank's half-yearly Business Conference-2022 at its head office in Dhaka on Saturday. Abu Reza Md Yeahia, additional managing director of the bank, Md Shamsul Hoque and Mohammad Forkanullah, deputy managing directors, were present.

PHOTO: SOCIAL ISLAMI BANK



ABM Mokammel Hoque Chowdhury, managing director of Union Bank, virtually inaugurates the bank's four sub-branches in Dhaka's Rayer Bazar, Rangpur's Mahiganj, Khulna's Zero Point and Dinajpur's Gopalganj Bazar from its head office in the capital yesterday. Md Habibur Rahman, additional managing director of the lender, and Md Nazrul Islam, deputy managing director, were present.

PHOTO: UNION BANK

UK public sector workers to get 5pc pay rise

REUTERS, *London*

British Prime Minister Boris Johnson will offer millions of public sector workers pay rises averaging 5 per cent next week, the Financial Times reported on Friday, citing unnamed government ministers.

Annual pay reviews for almost half of public sector workers - including teachers, nurses, police, prison staff, civil servants and the

armed forces - are due shortly.

The FT reported one senior minister as saying the government would accept the recommendation of independent pay review bodies - which are likely to recommend raises of around 5 per cent - while another said directly that pay rises of around 5 per cent were expected.

A spokesperson for Johnson's office declined to comment on the report.