

Malaysia cuts diesel subsidies to curb spending

AFP, Kuala Lumpur

Malaysia will end blanket subsidies for diesel starting Monday to cut government spending and curb fuel smuggling into neighbouring countries, a government official said.

Diesel prices in Malaysia are among the lowest in Southeast Asia, and smugglers frequently buy the subsidised fuel to resell at higher prices in neighbouring countries such as Thailand.

But from Monday, "diesel prices at all petrol stations in (Malaysia) will be set at 3.35 ringgit (\$0.71) per litre, which is the market price without subsidy," second finance minister Amir Hamzah Azizan told reporters Sunday.

"We are doing this because the leakages (of subsidised diesel) across our borders is huge," he said.

The new price will be 55.8 percent higher than the subsidised cost and is expected to save the government 4 billion ringgit (\$852.8 million) annually, according to the finance ministry's data.

Diesel for low-income groups, including fishermen and farmers, as well as for the use of school buses and ambulances, will continue to be subsidised, Amir Hamzah said, adding that the new plan would not lead to an "escalation of prices".

Analyst Oh Ei Sun from the Pacific Research Center of Malaysia told AFP that the "financial situation must be quite urgent for this government to adopt such an unpopular measure".

Malaysia also subsidises other commodities including cooking oil and rice, but rising prices have pushed up expenses and hurt the government's budget.

MTB spearheads open banking revolution with Grameenphone



Yasir Azman, chief executive officer of Grameenphone, and Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank, pose for photographs after signing an agreement at GP House in Dhaka recently.

PHOTO: MUTUAL TRUST BANK

STAR BUSINESS DESK

Mutual Trust Bank signed an agreement with Grameenphone, the leading mobile telecom operator in Bangladesh, to launch credit card lead generation application services through the MyGP app.

Through this agreement, the bank aims to empower customers with unprecedented convenience and accessibility.

Syed Mahbubur Rahman, managing director and CEO of the bank, and Yasir Azman, chief executive officer of the

mobile telecom operator, penned the deal at GP House in Dhaka, the bank said in a press release.

This partnership heralds the dawn of Banking as a Service (BaaS) in Bangladesh, with the launch of credit card lead generation application services through the MyGP app.

The bank's strategic alliance with the mobile telecom operator will exemplify its commitment to pioneering new frontiers in banking, leveraging Grameenphone's robust Platform as a service (PaaS) to seamlessly integrate banking

functionalities within the MyGP app.

This strategic collaboration underscores the bank's relentless pursuit of digital innovation and its unwavering commitment to delivering unparalleled value to customers.

By embracing an open banking philosophy, MTB not only enhances customer experiences but also unlocks a wealth of opportunities that will drive financial inclusion and economic growth across Bangladesh towards the government's vision for a Smart Bangladesh by 2041.

Eastern Bank launches co-branded credit cards for BKMEA

STAR BUSINESS DESK

Eastern Bank recently launched co-brand credit cards for members and staff of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

The EBL-BKMEA co-branded credit cards are available in two variants - Visa Platinum and Visa Signature.

Mohammad Hatem, executive president of the BKMEA, and Ali Reza Iftekhar, managing director of the bank, attended the launch of the cards at the bank's head office in the capital's Gulshan, according to a press release.

"With these cards, we aim to ensure an excellent banking experience, offering exclusive services and benefits tailored to the needs of the BKMEA members and staff," Iftekhar said.

The cards offer unique benefits, including complimentary access to the EBL Skylounge at the Hazrat Shahjalal International Airport in Dhaka and the Shah Amanat International Airport in Chattogram, zero issuance fees, and a Priority Pass card at zero issuance fee, which offers access to over 1,100 international airport lounges across 120 countries.

Additionally, two free supplementary cards can be availed against the primary credit card. Cardholders can also enjoy discounts at hundreds of lifestyles, shopping, and dining merchants at home and abroad.

Fazlee Shamim Ehsan, vice-president of BKMEA, Ahmed Shaheen, additional managing director of the bank, and Tasnim Hussain, head of cards, were also present.



Ali Reza Iftekhar, managing director of Eastern Bank, and Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, attend the launch of the co-branded credit cards at the bank's head office in the capital's Gulshan recently.

PHOTO: EASTERN BANK

Gold steady after sharp sell-off

REUTERS

Gold prices steadied on Monday, after dropping the most in three-and-a-half years in the previous session, as data out of China and the US disappointed speculators betting on Chinese demand and an interest rate cut by the Federal Reserve.

Spot gold was up 0.1 percent at \$2,296.76 per ounce, as of 0933 GMT. Meanwhile, US gold futures fell 0.5 percent to \$2,313.80.

Bullion lost about \$83 on Friday, declining 3.5 percent in its biggest one-day drop since November 2020 after a stronger-than-expected US jobs report dented hopes for a September rate cut and news on China's central bank holding off gold purchases put off investors betting on Chinese demand.

"People's Bank of China (PBOC) has never been a constant buyer. There have been distinct phases of buying followed by multi-month breaks. But, as long as the PBOC doesn't resume buying, gold prices could trade sideways because the China buying topic is a key market focus," Julius Baer analyst Carsten Menke said.

"Given that we had this decisive sentimental move on Friday, I'd be very surprised if we get a similar-sized volatility outbreak this week again unless there's a major surprise on the CPI side or the Fed side, but that seems quite unlikely."

Market focus has shifted to the US consumer inflation report, due on Wednesday, the same day as the Fed's policy decision.

The US central bank is not expected to make any change this week, and focus will be on comments from Fed Chair Jerome Powell and changes to economic projections from policymakers.

Bets of the Fed cutting rates in September fell to 49 percent from around 70 percent before the jobs data.

"We expect a lift in the Federal Reserve's median 'dots plots' to two cuts in 2024 (from three); but inflation should still moderate, and a September cut is our base case," UBS said in a note.

Wall Street's main indexes ended slightly lower on Friday after stronger-than-expected jobs data pointed to a robust economy but prompted worries the Federal Reserve could wait longer to cut interest rates.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JUNE 10, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 78	-1.43 ↓	2.22 ↑
Coarse rice (kg)	Tk 50-Tk 54	0	6.12 ↑
Loose flour (kg)	Tk 40-Tk 45	6.25 ↑	-20.56 ↓
Lentil (kg)	Tk 105-Tk 110	0	13.16 ↑
Soybean (litre)	Tk 145-Tk 152	-1.00 ↓	-17.50 ↓
Potato (kg)	Tk 55-Tk 60	9.52 ↑	51.32 ↑
Onion (kg)	Tk 85-Tk 90	21.43 ↑	52.17 ↑
Egg (4 pcs)	Tk 50-Tk 52	15.22 ↑	15.22 ↑

SOURCE: TCB



Shams Abdullah Muhaimin, deputy managing director of Prime Bank, and Salim Khan Suratee, assistant vice-president of Mana Bay, pose for photographs after signing an agreement at the bank's corporate office in the capital's Gulshan recently.

PHOTO: PRIME BANK

Prime Bank, Mana Bay strike deal on service benefits

STAR BUSINESS DESK

Prime Bank recently signed a partnership agreement with Mana Bay, a water park located at Gazaria in Munshiganj.

Shams Abdullah Muhaimin, deputy managing director of the bank, and Salim Khan Suratee, assistant vice-president of the water park, penned the deal at the bank's corporate office in the capital's Gulshan, according to a press release.

Under this partnership, Mana Bay will provide the bank's cardholders to buy three entry tickets and get one free.

Joarder Tanvir Faisal, head of cards and ADC business department of the bank, Arifa Afroz, senior manager of marketing of the water park, and other officials from both organisations were also present.

Govt plans to increase

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Hence, the government is implementing various reforms to increase revenue from tax and non-tax sources in the coming years.

In the last five years, revenue from tax was around 86.8 percent while NTR was 13.2 percent.

And even though NTR grew by an average of 11.9 percent from FY19 to FY23, the report highlighted this growth as volatile.

NTR recorded growth of 69.5 percent in FY20 followed by 34.7 percent in FY21 thanks to idle funds from some state enterprises being transferred to the Treasury Single Account.

NTR declined by 38.9 percent

in FY22 before rebounding to 7.62 percent the next year.

The report outlined the government's wish to explore the hidden potential of NTR, with digitalisation being one of the steps to increase it.

"The government is not only focusing on enhanced revenue mobilisation from NTR by raising fees or charges, but also putting its best effort to ensure efficient and satisfactory service delivery."

The finance ministry report also said the government has taken numerous steps to make service delivery systems paperless and minimise human deployment as these are key features for building a Smart Bangladesh by 2041.

European nations compete

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Chery is expected to benefit from Spain's 3.7 billion-euro programme launched in 2020 to attract electric-vehicle and battery plants.

China's Envision Group has already received 300 million euros in incentives under the scheme for a 2.5 billion battery plant creating 3,000 jobs. Spain might also host Stellantis' planned fourth gigafactory in Europe, with CATL.

Chery plans a second, larger facility in Europe, a source with knowledge of the company's plans told Reuters, and has held talks with governments including Rome, which is keen to attract a second automaker to rival Fiat-maker Stellantis.

Italy can tap its national automotive fund, worth 6 billion euros between 2025-2030, for incentives for both car buyers and manufacturers. China's Dongfeng is among several other automakers that have held investment discussions with Rome.

Italy's industry ministry declined to comment. Dongfeng and Chery did not respond to requests for comment.

SAIC, owner of the venerable MG brand, aims to build two Europe plants, two sources familiar with the

matter told Reuters.

The first, based at an existing facility, could be announced as early as July and would employ a kit-assembly technique, targeting annual production of up to 50,000 vehicles, one of the sources said. SAIC's second European plant would be built from scratch and produce up to 200,000 vehicles annually, the source added.

Germany, Italy, Spain and Hungary were on SAIC's location shortlist, the source said. SAIC did not respond to a request for comment. In Europe, Chinese automakers face higher costs for everything from labour to energy to regulatory compliance.

But costs for exporting made-in-China cars can add up quickly and threaten already narrow margins.

Bain & Company's Di Loreto said a 15,000 euro car produced in China requires shipping and logistics costs of between 500 and 3,000 euros.

Chinese automakers may find labour costs in Northern Europe too high for competitive production, Di Loreto said, whereas further south, Italy or Spain offer a balance of lower labour costs and relatively high manufacturing standards - particularly important for premium vehicles.

BRAC Bank, Berger Paints sign deal to collect share subscription money of rights offering

STAR BUSINESS DESK

BRAC Bank recently signed an agreement to collect share subscription money of Berger Paints Bangladesh's rights offering.

Tareq Refat Ullah Khan, deputy managing director and head of corporate banking of the bank, and Rupali Chowdhury, managing director of the paints and coatings manufacturer, penned the deal at the latter's office in Dhaka, according to a press release.

Under this agreement, the bank will collect share subscription money against the upcoming rights offering of Berger Paints.

Sazzad Rahim Chowdhury, group chief financial officer and director of the paints and coatings manufacturer, Mohammad Golam Mostofa, chief finance controller, Asif Mahmud Taiseer, head of treasury management, and AKM Faisal Halim, head of transaction banking of the bank, along with other senior officials from both organisations were also present.



Rupali Chowdhury, managing director of Berger Paints Bangladesh, and Tareq Refat Ullah Khan, deputy managing director and head of corporate banking of BRAC Bank, exchange signed documents of an agreement at the former's office in Dhaka recently.

PHOTO: BRAC BANK