DSEX	6,306.95	▲ 61.73	Gold (Ounce)	$1,291.70 ▲	Dollar	81.95 (Buy) ▲	82.95(Sell)	REPO Rate(16/11/2017)	3.90%
CSCX	11,831.25	▲ 92.83	Oil(Barrel)	$56.61 ▲	Euro	95.66 (Buy) ▼	100.06 (Sell)	REPO Rate (15/11/2017)	4.02%
Source: DSE and CSE			*Source: Yahoo Finance*		*Source: One Bank Limited*			*Source: Bangladesh Bank (W AV)*	

National News

International News

National News

Banks wary of running all card transactions thru' BB payment switch

Banks and MasterCard have urged the central bank to review its directive to route all card transactions from the new year through the National Payment Switch of Bangladesh in a bid to mitigate risks of cyber attacks.

Their concern stems from the NPSB's lack of PCI-DSS certification, a global security standard for organisations that handle branded cards.

The standard was created by the five major payment brands JCB, American Express, Discover, MasterCard and Visa to increase controls around cardholder data to reduce fraud.

All major banks are in the process of getting PCI-DSS certification, while the largest issuers are already certified, according to the Association of Bankers Bangladesh, a platform for chief executives of scheduled banks.

“The certified banks are not comfortable in routing their card transactions through a non PCI-DSS complaint network of NPSB,” said Anis A Khan, chairman of ABB, in a letter to the Bangladesh Bank governor last month.

The central bank has asked all banks to get the PCI-DSS certification by December 2018.

Furthermore, the NPSB, as of now, has the capacity to handle transactions of magnetic stripe cards and not the more secured and the latest EMV chip cards, which the BB has asked to be introduced by June next year.

Accordingly, almost all card issuers in Bangladesh have started sending out EMV cards to their customers.

But transactions made with the EMV cards that have already been issued are also being routed through the NPSB in line with the central bank instruction, leaving them exposed to possible data breach risks, the ABB said.
Even a transaction from an EMV card routed to NPSB but treated as mag-stripe transaction increases compromise risk, said MasterCard Bangladesh it its letter to SM Moniruzzaman, deputy governor of the Bangladesh Bank.
“We have made significant investments to secure the cards, but if the switch itself is not secured our entire effort will go in vain,” Khan said.
Besides, the move to route all card transactions through the NPSB will create a single point of system failure for domestic transactions, the ABB said.
“A single node system is an easy target for hackers and fraudsters.”
Similar moves like this in other countries have exposed the market to repeated and targeted cyber-attacks and delayed the introduction of world-class safety and security features, according to the letter.
ABB has also cited the neighbouring India as a reference point for the BB to emulate. The Reserve Bank of India has its own payment network, along with international payment brands, and cards are issued based on customer's discretion.
The effectiveness of security attacks has a direct bearing on the general population's confidence and adoption of various forms of non-cash payments, MasterCard said in its letter.
Subsequently, the two organisations will sit with Moniruzzaman today and tomorrow to address their dissatisfaction about the BB move.
Contacted, Subhankar Saha, BB executive director and spokesperson, declined to comment on the matter.
Source: http://www.thedailystar.net/business/banks-wary-running-all-card-transactions-thru-bb-payment-switch-1493737

India wants to support Rampal airport construction

India on Sunday expressed its interest in building the proposed Khan Jahan Ali Airport at Rampal in Bagerhat and in modernising Saidpur airport in Nilphamari.
Indian high commissioner Harsha Vardhan Shringla expressed it at a meeting with civil aviation and tourism minister Rashed Khan Menon at the ministry.
At a similar meeting on November 21, 2016, India expressed its interest in signing an open sky agreement with Bangladesh promising to liberalise rules and regulations of the international aviation industry and create a free-market environment for the airline industries of the neighbouring countries.
At the latest meeting, the Indian envoy expressed an interest in investment in Khan Jahan Ali Airport and modernisation of Saidpur domestic airport, said a release issued by the ministry.
Saidpur airport is located just beside Saidpur Cantonment.
Shringla told the minister that with the investments, new dimension would be added to investments in air and sea route, trade and tourism, said the release.
Menon later said that they discussed those issues and feasibility study for modernising Saidpur airport was underway while any country might invest in the proposed Khan Jahan Ali Airport project.
The minister and Indian envoy also discussed about launching flights on Guwahati-Dhaka-Bagdogra route.
Prime minister’s economic affairs adviser Mashiur Rahman, who advocated for Rampal power plant near the Sunderbans, was also advocating for Khan Jahan Ali Airport to promote industrialisation in Bagerhat and Khulna region, said a civil aviation ministry official.
Khan Jahan Ali Airport would be constructed at Rampal, 20km south of Khulna city and some 110km from Jessore domestic airport.
In June 2016, mega project at Foyla under Rampal upazila in Bagerhat beside Khulna-Mongla highway

was placed on the list of fast track projects, directly supervised by the prime minister.
The airport would be built on 536 acres of land costing Tk 544.75 crore.
In May 2015, the executive committee of the National Economic Council approved the project to be implemented by 2019.
Rampal upazila nirbahi officer Tushar Kumar Pal said that 94 acres of land was earlier acquired for the project while 529 acres of had already been demarcated by the land ministry.
There are three International Airports in the country — Hazrat Shahjalal International Airport in Dhaka, Shah Amanat International Airport in Chittagong and Osmani International Airport in Sylhet.
Five of the 12 domestic airports — Cox's Bazar Airport, Shah Makhdum Airport in Rajshahi, Jessore Airport, Saidpur Airport and Barisal Airport — are in operation.
Tejgaon Airport, Bogra Airport and Shamshernagar Airport need approval for air operation while no service is available at Ishwardi Airport in Pabna, Comilla Airport and Thakurgaon Airport.
The Indian high commissioner at the meeting in the past year expressed his country's interest in civil aviation and tourism industry.
Menon had then said that India made the proposal for open skies policy but 'our position is different since our aviation industries are not capable enough to go by the policy.'
Bangladesh in April planned to revise its air service agreement with India to double the existing flight frequencies as number of passengers between the two countries kept rising.
The Indian envoy raised the issue of reviewing air services agreement on Sunday also while the minister assured him of revising the agreement, said the release.
An official said that until the agreement is signed, Temporary Operation Permits would allow each country to operate 120 flights instead of existing 61 in a week.
Bangladesh and India signed air services agreement on May 5, 1978. It allows each country to operate flights to major cities reciprocally.
Bangladeshi operators said that they were not ready to compete with India's booming aviation industry.
Source: http://www.newagebd.net/article/28692/india-wants-to-support-rampal-airport-construction

TIB submits draft gold policy to govt, suggests opening up import

Transparency International Bangladesh has placed a draft policy on gold trade to the government suggesting reduction of import duty, full opening of import in phases and bringing all gold traders under licence for ensuring discipline, transparency and accountability in the sector.
It also suggested the government for offering legality of all gold and gold ornaments irrespective of their sources through declaring a general impunity.
Traders will be able to make their gold legal within a timeframe by paying taxes and the government will confiscate the unregistered gold and ornaments after the deadline.
The government will also encourage export of gold ornaments through giving incentives and duty rebate on import of gold for export oriented traders, the draft policy stated.
Berlin-based anti-corruption watchdog Bangladesh chapter has recently placed the draft before finance minister AMA Muhith following his request as the ministry took a move to frame a policy for the sector after recent surge of gold smuggling into the country and exposure of dark side of the country's gold business.
Customs Intelligence and Investigation Directorate of the National Board of Revenue alone seized around 1,200 kilograms of smuggled gold in the last three years at international airports of the country.
The directorate seized 540kg gold from Apan Jewellers outlets in May as the business house failed to furnish documents of the sources of the gold during drives.
No businesses will be able to furnish documents as the jewellers in the country depend on informal supply chain, including smuggling, for gold to meet the domestic demand in the absence of easy legal

system for its import.
There is no policy on gold trade and regulations though the precious metal is very important in trade and investment.
In the draft, the TIB proposed to make obtaining licence mandatory for gold and gold ornaments traders within a deadline.
Traders must have taxpayers' identification numbers.
Gold trade will be brought under value-added system and transactions above Tk 1 lakh would be made through banking channel.
Gold mortgage business will also come under legal framework.
According to the draft, a gold warehouse will be established in the country under the supervision of Bangladesh Bank which will sell gold seized by different authorities to the traders.
Initially, traders will be allowed to import gold needed to meet their annual demand. Bangladesh Bank and the National Board of Revenue will monitor the issue.
Finally, the government can make the import open considering the economic strengths of the country.
The government will also increase capacity of agencies including customs and law enforcement agencies for preventing gold smuggling into the country and for using the country as a corridor.
The TIB also estimated, based on information from different sources, that the overall annual demand of gold might be around 35-40 tonnes for the gold industry.
Of which, around 10 per cent of demand is met from recycled gold.
'The gold industry needs 24-32 tonnes of new gold for domestic market,' it said, adding that the lion's share of the demand of fresh gold may come illegally into the country.
There are also allegations that international smugglers use Bangladesh as a corridor of gold smuggling.
TIB executive director Iftekharuzzaman recently told New Age that they framed the draft following a request from finance minister AMA Muhith in June.
He said that the draft eyed on ensuring transparency, accountability and discipline in the sector and make the business sustainable.
Any smuggling-based business cannot be sustainable, he said, adding that gold business is a profitable business with huge potential in both local and global market.
A policy on gold trade including import is needed considering the above mentioned issues, he added.
'We have recommended the government for finalising the policy titled Gold Import, Collection, stockpiling, jewelry making, recycling, transactions, mortgage business and export, after consultation with the relevant stakeholders including jewelers,' he said.
Officials of the finance ministry said that the revenue board was working on formulating the policy.
The NBR will consider the drafts placed by TIB and Bangladesh Jewelers Association while finalising the policy, they said.
Source: http://www.newagebd.net/article/28718/tib-submits-draft-gold-policy-to-govt-suggests-opening-up-import

Ball in NBR's court to find wrongdoing of Bangladeshis in Paradise Papers

The release of the Paradise Papers brings the number of Bangladeshi 'Officers' named in the ICIJ's database of offshore leaks, that commenced with the Panama Papers in 2016, to over 60.
Yet is there any evidence of actual wrongdoing?
'Officers' in the ICIJ database, is the category for individuals named as directors, owners, shareholders or any other capacity, in the offshore companies whose data relating to ownership, management and registration for tax purposes have been leaked through breaches at a series of law firms and legal advisories used to register or act as agents in offshore havens - the latest being Appleby, one of a handful of major international 'offshore legal service providers'.

The Paradise Papers are some 13.4 million files or records relating to Appleby's dealing with clients that were passed to German newspaper Suddeutsche Zeitung and then shared with the International Consortium of Investigative Journalists (ICIJ). The 11 Bangladeshi 'officers' in the Paradise Papers comprise the names of 10 individuals, and 1 firm.

It is important to recognize that being named as an officer in an offshore firm does not mean, in and of itself, that an individual is guilty of impropriety, leave alone criminal activity such as tax evasion. The ICIJ is careful to post the following disclaimer for visitors to its online database:

'There are legitimate uses for offshore companies and trusts. We do not intend to suggest or imply that any people, companies or other entities included in the ICIJ Offshore Leaks Database have broken the law or otherwise acted improperly.'

An offshore company is a firm registered or incorporated outside the country where it has its main offices and operations, or where its principal investors reside. They are often used for the purpose of financial, legal and taxation benefits.

Rightly or wrongly however, such companies have come to be associated with the financial shenanigans of the rich and famous - most commonly for tax evasion or avoidance, and ranging to money laundering and graft, even terror financing.

Offshore shell companies, that are holding companies registered offshore, can be used to disguise the ownership of assets. Apart from being tax havens, some offshore jurisdictions do not require that companies disclose the identity of officers and directors and there is no requirement for locally resident directors. This allows for individuals, or corporations for that matter, to control the ownership of assets without being personally identified with such ownership.

By parking their money or assets in such companies, individuals and companies can effectively avoid paying tax on those parts of their wealth and income. Corrupt politicians often receive their kickbacks in the form of ownership of assets, such as company shares, that they then conceal from authorities in their home jurisdictions by exercising their ownership from behind the cover of offshore shell companies.

BNP vice chairman Abdul Awal Mintoo has emerged as the most notable name from Bangladesh in the Paradise Papers. Indeed, he and his family members, including son Tabith Awal, who ran for the Dhaka North City Corporation mayor's post in 2015, make up 5 of the 10 Bangladeshi individuals named as officers in offshore companies that had dealings with Appleby. The focus on Mintoo and his family owes to their forays into politics. As aspirants to public office, politicians are held to a different standard of public disclosure.

Previously, Awami League presidium member Kazi Zafarullah and his family's names appeared in the Panama Papers, as officers of an offshore entity registered in the British Virgin Islands. No other Bangladeshi politician's name is to be found in the ICIJ database.

Mintoo, his wife and three sons' names appear in the Paradise Papers in relation to their interests in NFM Energy Ltd, which was set up in August 1999 with its corporate address matching that of Mintoo's Multimode Group in the capital's Panthapath, but registered in Bermuda. Mintoo and his family members are named variously as president, shareholder, director, etc. There is just one little thing in favour of the association between them and NFM: they hardly tried to hide it.

The Multimode Group's website, till late Saturday evening, had a page on NFM Energy. Various public profiles of Mintoo (and Tabith as well) state his interest in NFM Energy, including one on the website of Pragati Life Insurance, in which he is a director. His LinkedIn profile lists him as managing director of the company (a position he never holds in the Paradise Papers). The company is described as 'one of the industry leaders in gas drilling exploration sharing interests and investments in Chevron Bangladesh Ltd. It is engaged in gas exploration of blocks 12, 13 and 14.'

This share in Chevron, descended from a share he received in Unocal Bangladesh before Unocal was globally acquired by Chevron, has long been common knowledge in Bangladeshi business circles. It is also seen as the source of Mintoo's strong ties to the US, even though Chevron is said to have bought it back from him.

To the extent that the company never visibly operated on the local scene, and was probably just a vehicle for Mintoo's unusual stake in a foreign investor's local outfit, NFM does subscribe to the template of an offshore shell company. Critics will also point out that despite the visible openness around his ownership of the company, nowhere is it mentioned that NFM is actually registered in Bermuda.

At this stage however, more information would be needed to conclude whether there was any untoward activity Mintoo, Tabith or the rest of the family engaged in through their stake in NFM. The Paradise Papers contain no information relating to fund transfers into and out of NFM, or any of the other firms with Bangladeshi officers, from which an intention to dodge tax or launder money could be inferred.

The Panama Papers triggered two prime ministerial resignations - in Iceland and Pakistan. Both related to non-disclosure of stakes in offshore firms while in public office. But neither Mintoo nor Tabith have actually ever held public office. Tabith lost the mayor's race to Annisul Huq, while Mintoo has never garnered a nomination even. In his public profile on the Multimode website, it is stated that Tabith ‘sits on the board of all Multimode Group and associate concerns’.

In comments to the media on Saturday, Mintoo denied transferring any money to NFM from Bangladesh. As things stand, there is no evidence to suggest tax avoidance, evasion or any dishonest financial gain on the part of Mintoo or his family. Barring an investigation by NBR that is able to shed more light on his dealings, this may be as far as it goes. But the ball is in the NBR's court.

Source: http://www.newagebd.net/article/28694/ball-in-nbrs-court-to-find-wrongdoing-of-bangladeshis-in-paradise-papers

Govt to review wages for bakery, confectionary workers

The government has taken a move to review the minimum wages for the workers and employees of bakery, bread and confectionery sector.

The wages for the sector were last reviewed five years ago.

In accordance with the Bangladesh labour act, the labour ministry has recently appointed owners’ and workers’ representatives of bakery, bread and confectionery sector to a wage board.

The government has already issued a gazette notification appointing representatives from owners and workers to the board, but the biggest market players of the sector claimed that they were not aware of the government’s move to review the workers’ wages.

As per the rules, the wage board consists of a chairman, an independent member, a permanent representative from employers and a permanent member from workers.

The labour ministry appoints one temporary representative from employers and one temporary representative from workers engaged in the sector concerned.

According to the gazette notification, the ministry appointed Bangladesh Bread Biscuit-Confectionery Prostutkarak Samity general secretary Md Rezaul Haque Rezu as the employers’ representative and Dhaka Biscuit Salesman workers-Employees Union president HM Bellal as the workers’ representative to the wage board.

‘We meet more than 70 per cent of total demand of bread and biscuits in the country, but no ministry or any government agencies informed us about the move to review the wages for the workers and employees of the sector,’ Md Shafiqur Rahman Bhuiyan, president of Bangladesh Auto Biscuits & Bread Manufacturers Association, told New Age on Saturday.

He said that workers and employees of the factories under Bangladesh Auto Biscuits & Bread Manufacturers Association are more than 2.5 lakh but the government appointed owners’ representatives from another association which has less than one lakh workers.

‘I don’t know how the government appointed industry representative to the minimum wage board

without discussing with the major players. If the government wants to impose the new wages in our factories they should discuss with us,' Shafiqur said.
Md Rezaul Haque Rezu, the labour ministry appointed employers' representative to the minimum wage board, is still unaware of the gazette notification.
'I know that the process is going on to form wage board for the workers and employees of bakery, bread and confectionery sector but I don't know whether the ministry appointed me as the employers' representative to the board,' Rezaul said.
When asked over the process for appointing owners' representative to the minimum wage board, officials of the labour ministry said that the directorate of labour collects name from the trade bodies and sent to the ministry.
Labour director Abu Hena Moftafa Kamal said that they have collected the name of owners' representative of bakery, bread and confectionery sector from the employers' federation.
The leaders of both owners' association in the sector, however, said that they were not worried over the government move to review the wages as the workers and employees of the sector receive wages much higher than the existing wage structure.
According to the Minimum Wage Board, the minimum wages for the workers and employees of bakery, bread and confectionery sector were set at Tk 2,120 and Tk 2,432 respectively as monthly pay in the year 2012.
Source: http://www.newagebd.net/article/28720/govt-to-review-wages-for-bakery-confectionary-workers

Bangladeshis keen on digital payment: study

As much as 65 percent of Bangladeshi consumers are keen to adopt digital payment solutions, indicating increased awareness and acceptance of electronic forms of payments in the country.
The study was carried out by YouGov, an international Internet-based market research and data analytics firm based in London, on behalf of Visa, the global leader in digital payments technology.
About 2,000 people in India, Bangladesh and Sri Lanka were surveyed in October this year.
The survey was aimed at understanding the pulse of the Bangladeshi consumer and their views towards the transition to a digital economy.
About 74 percent of the respondents said the key driver for adoption is the ease of transition into digital form factors of payments.
Some 54 percent of the respondents said the main reason for moving away from cash is convenience, while 40 percent vouched for efficiency and speed of transaction offered by digital modes.
Of the respondents for whom the adoption was tough, 69 percent find insufficient modes of payments as the key barrier, while 25 percent are worried about the security of their transactions.
Significantly, over half of the consumers, or 55 percent, value security more than convenience when it comes to making payments online.
"This is similar across the board -- gender, ages, household income and even education levels," said Visa in a statement yesterday.
The survey also showed that millennials are more likely to use digital payments for everyday essentials like shopping at supermarkets, online, department stores, restaurants and travel than the other generations.
The inclination towards embracing digital payments is higher amongst those from a higher income household, the study found.
In the statement, TR Ramachandran, group country manager of Visa for India and South Asia, said: "More and more consumers are becoming digital natives, expecting a differentiated experience, oriented towards convenience and practical usability."

The Internet of Things, contactless payment technology, enabling simplified, secure and faster ecommerce experience are some of the trends defining the next wave of payments. The study shows that while consumers are steadily embracing digital payments, they are also seeking secure payment forms.
“At Visa, we constantly innovate and evolve to provide seamless and secure digital payment options that will make transition to a digital economy a frictionless and trusted process,” Ramachandran said.
Cash usage continues to show steady decline: from over 52 percent last year to 49 percent currently. It is expected to come down further to about 46 percent over the next 12 months, according to the survey.
On the contrary, preference for digital payment instruments such as cards continues to be on the rise, with over 32 percent respondents opting for these currently as against 29 percent a year back.
Some of the biggest challenges inhibiting the transition are the lack of availability of the acceptance infrastructure and the promise of security.
Source: http://www.thedailystar.net/business/bangladeshis-keen-digital-payment-study-1493722

Farmers Bank pays back BTCL

Bangladesh Telecommuni-cation Company Ltd (BTCL) has finally got back its deposit of Tk 35.44 crore from troubled Farmers Bank's Gulshan corporate branch.
BTCL has deposited the money with Sonali Bank's Hotel Sheraton branch after getting refused twice by the Farmers Bank in honouring the cheque.
Mallik Abdullah Al Mamun, manager of the Sheraton branch of Sonali Bank, confirmed The Daily Star today that they have received the deposit of BTCL.
Earlier, on November 13, Farmers Bank issued a pay order against a matured deposit of BTCL worth Tk 35.44 crore.
The state-owned telecom company placed the payment order twice on November 14 and 15 through its account with Sonali Bank. But the Farmers Bank did not honour the cheque citing a reason “item requires revalidation”.
In this perspective, BTCL wrote to the manager of Farmers Bank's Gulshan branch on Thursday last week to immediately take steps to release the funds.
It has also forwarded the letter to the BB governor.
The new generation bank has been going through severe liquidity crisis due to irregularities.
The bank recently sought a fund of Tk 300 crore from the central bank to overcome its ongoing liquidity crisis. Bangladesh Bank has denied the bank to provide the support until it dissolves the existing board, according to a central bank official.
The Daily Star published a report on the issue on November 17.
Source: http://www.thedailystar.net/business/farmers-bank-pays-back-btcl-1493725

Cutting trade gap with India not possible now

The possibility of tilting the trade balance with neighbouring India into Bangladesh's favour is very slim, said Commerce Minister Tofail Ahmed yesterday in the parliament.
“We are yet to reach that position,” he said, adding that Bangladesh would have to wait until 2041 to bring the trade balance in its favour.
Bangladesh imports products worth nearly $6 billion from India, while its exports to the neighbouring country do not amount to more than $700 million.
He dismissed suggestions that the trade gap is damaging for the country, while citing the case with the US to back his point: Bangladesh's exports to the US stand at about $6 billion whereas its imports from the US amount to not even $1 billion, according to Ahmed.
“Bangladesh has to import from India for its own interest.”

Ahmed also touched upon the current rice stock. The rice market is now 'stable' following the 26 percentage points slash in duty for its import.
The prices of other essential commodities are normal and stable at present as the government has been able to combat dishonest businessmen and middlemen, who were involved in the price spiral of different essentials.
"To reduce unemployment, the present government is considering the issue of sending workers with the utmost priority to countries that recruit workers from Bangladesh."
As of October, 8.34 lakh Bangladeshi workers went abroad, he said.
Source: http://www.thedailystar.net/business/cutting-trade-gap-india-not-possible-now-1493719

$260m ADB fund for infrastructure

The Asian Development Bank has extended a $260 million loan to Bangladesh to help the country develop infrastructure under public-private partnership.
The private sector can get up to 80 percent of funds for infrastructure projects as cheap loans from the ADB.
Yesterday, the Manila-based donor and the Economic Relations Division (ERD) signed agreements for the loans to help finance PPP projects and renewable energy interventions.
The ADB said the assistance forms the first tranche of $526 million multi-tranche loans for the Third Public Private Infrastructure Development Facility (PPIDF 3).
"The PPIDF 3 seeks to increase investments in infrastructure, including renewable energy and energy efficiency facilities, aligned with Bangladesh's Seventh Five-Year Plan," said ADB's Country Director Manmohan Parkash.
"It will also help leverage private sector investments in PPP projects to reduce pressure on direct financing from the public budget to meet the growth target."
The support consists of $500 million market-based loan to finance medium and large-scale PPP infrastructure projects, and $26 million concessional loan to finance small and medium-sized renewable energy and energy efficiency facilities, primarily in the rural areas.
The fund will be disbursed through state-run non-bank financial institution Infrastructure Development Co Ltd (IDCOL).
IDCOL shall ensure that the maximum amount of loan given to a project does not exceed 40 percent of the total project cost, except that with prior approval of the ADB, according to the lender's document.
If the project is about renewable energy or energy efficiency, 70 to 80 percent of the loan can be disbursed.
The interest rate of the market-based portion of the loan will be LIBOR plus 100 basis points and that for concessional loan will be 2 percent.
The IDCOL lending to private sector projects will bear an interest rate that reflects the state-agency's cost of funds plus a spread to cover transaction costs and risk to be determined by IDCOL based on commercial and competitive terms, according to the documents.
The programme will also be supported by a $750,000 technical assistance to further strengthen the capacity of IDCOL.
The PPIDF 3 is a continuation of the previous efforts of the ADB, Bangladesh and IDCOL to address the country's infrastructure deficiencies.
ERD Secretary Kazi Shofiqul Azam and Parkash signed the agreements.
Source: http://www.thedailystar.net/business/260m-adb-fund-infrastructure-1493713

Farm lending rises 17.67pc

Lending to the agriculture sector rose 17.67 percent year-on-year to Tk 6,204.76 crore in the first four months of 2017-18 thanks to banks' keenness to channel more funds to farms, official figures showed.

In July-October, eight state-owned commercial and specialised banks -- Sonali, Janata, Agrani, Rupali, BASIC, BDBL, Bangladesh Krishi, and Rajshahi Krishi Unnayan Bank -- together lent Tk 2,383 crore in agriculture loans.

The amount is 24.85 percent of their combined annual farm loan lending target of Tk 9,590 crore.

Private and foreign banks together provided Tk 3,821 crore in agriculture loans during the period. The sum is more than a third of their total yearly agriculture lending goal.

Bangladesh Bank officials said banks sitting on surplus liquidity have showed increased interest in disbursing agriculture credit amid a sluggish trend in the industrial sector credit growth.

Loans going to industries registered 13.51 percent growth in 2016-17 compared to 20.77 percent in the previous year, according to data from the BB. The tepid growth came despite a sharp decline in interest rates on lending.

In fact, the growth of the industrial loan disbursement fell to a five-year low in the last fiscal year.

The central bank has also beefed up its monitoring of farm loan disbursement with an aim to make financing available for the farmers in the flood-affected areas.

Recently, banks have been asked to give a boost to farm lending in the 17 flood-hit districts.

The BB has asked banks which have presence in the flood-affected areas to reschedule the defaulted farm loans and suspend the loan instalments, scheduled to be paid by farmers.

These gave a fillip to farm loan disbursement in the July-October period.

Banks' opportunity to invest in treasury bills and bonds has also been squeezed as the government is not borrowing much from the banking sector.

Now, they can invest a limited amount of funds in government securities.

Source: http://www.thedailystar.net/business/farm-lending-rises-1767pc-1493185

International News

Pharmaceutical firms trigger contingency plans for a no-deal Brexit

ONE of the first tangible consequences of Britain's exit from the European Union will be made clear on November 20th, when the EU announces the new home of its drug regulator, the European Medicines Agency, which is currently based in London. The agency will have less than 17 months to pack its bags before Britain leaves the EU in March 2019, whereas by its own reckoning it needs a transition period of at least two to three years.

The agency's relocation is not the only worry facing one of Britain's most important and most globalised industries. Pharmaceutical firms on both sides of the English Channel warn that time is running out for the EU and Britain to reach an agreement that allows them to continue operating without a hitch after 2019. Companies would need several years to adjust if such a deal were not made. Even agreement on a transition period, to smooth the first years after Brexit, may come too late to be of use to an industry with long production timelines. Firms are thus already preparing for an outcome in which Britain operates outside the EU's medicines regulations. Some in the industry say they are arriving at an "accidental no-deal".

Britain has some reasons to be optimistic about the future of its science industry. The pharma business depends more than most on research and development (see chart), which in turn depends on centres of academic excellence such as Cambridge, Oxford and London, which are not going anywhere for now. Britain still ranks ahead of other European countries for the amount of biotech venture-capital investment that it receives.

Yet its contribution to manufacturing supply chains could dwindle. The Association of the British Pharmaceutical Industry, a trade group, says that if progress on post-Brexit arrangements is not made by December, an increasing number of pharma firms will activate costly “no deal” contingency plans to avert problems in the supply of medicines. AstraZeneca, an Anglo-Swedish company, and Eisai, a Japanese one, have already started to duplicate their testing and approval procedures elsewhere in Europe, in order to ensure access to the EU market after 2019.

Eisai says the work is costing many millions of pounds—money that it notes will offer “no gain” to patients. Pascal Soriot, the boss of AstraZeneca, says his company has an entire team working on Brexit contingency plans. Another large European pharmaceutical business with facilities in Britain says it is “on the cusp” of making a decision to move activities out of the country. GlaxoSmithKline, Britain’s largest pharma firm, will start spending on contingency plans from the end of the year.

Some companies based outside Britain are looking at ways to avoid passing their products through the country, in order to sidestep the costs and delays they might encounter should Britain leave the EU’s single market and customs union. Many drugs sold in continental Europe are primarily made in Ireland and then sent through Britain, where they are packed, tested, given marketing authorisation and released. Tommy Fanning, head of biopharmaceuticals at IDA Ireland, which promotes foreign investment in the country, believes that this British “bridge” to Europe could collapse if no deal is struck.

Continental Europe, too, has cause for concern. On November 9th the European Federation of Pharmaceutical Industries and Associations, a trade group, issued a warning to Brexit negotiators. Just under half the group’s member firms expect delays in the trade of medicines if Britain and the EU fall back to trading according to the rules of the World Trade Organisation. Over 2,600 medicines are at least partly manufactured in Britain, which supplies 45m packs of medicine to other EU countries every month, while 37m come in the other direction. Any Brexit settlement which disrupted these flows would be a bad prescription for patients on both sides of the channel.

Source: https://www.economist.com/news/britain/21731409-industry-long-production-timelines-cannot-afford-wait-any-longer-pharmaceutical-firms

Surging global wealth prolonging record equity bull run

Have money, will invest. Coffers brimming from strongly growing economies and buoyant markets, the world's wealthy are providing fuel to history's longest ever equity bull run, lifting share markets to ever higher peaks.

The epic multi-year rally has sent world stocks to record highs more than 180 times so far in 2017, adding around $7 trillion to the value of MSCI's all-country index .MIWD00000PUS. But far from calling a top, money managers attending this week's Reuters Investment Outlook summit, predict even more in 2018.

Company earnings are growing at a double-digit clip, the investors argued, while central banks remain benevolent. And if share values are lofty, they are not yet seen as unreasonably so.

Undoubtedly true. But there is another potent catalyst as well -- rising wealth and a swelling “savings glut” as the global economy expands.

Global wealth rose almost $17 trillion in the past year to $280 trillion, Credit Suisse's annual report said this week. Much of the new wealth is trickling into investment vehicles, from pension funds to sovereign wealth funds.

From the record-smashing $450 million price tag this week on a Leonardo da Vinci artwork to a dizzying rise in cryptocurrency values, wealthy investors, appear desperate for things to buy.

“There remains an extraordinary amount of money looking for things to do. (With clients), the conversation starts or rapidly gets to 'we have more money than we have ideas',” Luke Ellis, CEO of hedge fund Man Group, told the summit in London.

“Valuations are driven by more buyers than sellers.”

Equity funds worldwide saw total net assets rise by a fifth in the past year to over $20 trillion, according to Thomson Reuters fund research firm Lipper.

That may be helping to drive what Bank of America Merrill Lynch described as “capitulation into risk”.

The bank's latest investor survey reported a record proportion of funds considered equities as overvalued even while overweight positions hit multi-year peaks.

“There is a lot more private wealth and saving that's flowing into markets. GDP growth over 6 percent in the world's second-largest economy (China) produces an enormous amount of wealth and that's only one country,” said Mark Haefele, who oversees around $2 trillion in strategies at UBS Wealth Management.

But if demand is buoyant, supply of equity is not.

In fact net supply was close to zero this year and last year because of share buybacks and weak IPO activity, JPMorgan pointed out in a note. Funds meanwhile invested around $359 billion this year, after accounting for reinvestment of dividend income, it said.

“The increases in demand...have had a strong impact on the equity market because of close to zero net equity supply,” JPM told clients.

Haefele was among summit participants betting on equity gains in 2018. Equity sentiment among clients was not yet “euphoric”, he said.

Many dispute the rally is flows-driven, arguing the key draw is earnings growth at rates that are smashing expectations.

Luca Paolini, chief strategist at Pictet Asset Management, is in that camp. He says first that 16-17 percent annual equity returns are “absolutely average” in a bull market, and second, the gains are only slightly outpacing earnings growth which is running around 15 percent.

“The price-earnings expansion is just 3 percent. This is not a market driven by flows, otherwise PE would have gone up a lot more than 3 percent...this is a market driven by fundamentals,” Paolini told Reuters in a phone interview.

Arguably, one area of concern is technology, haunted by memories of the late-1990s collapse in sector shares after a period of exuberant valuations.

Source: http://www.thedailystar.net/business/surging-global-wealth-prolonging-record-equity-bull-run-1493701

US industry gears up to save Nafta

The business world is mobilizing to convince the Trump administration to save the North American Free Trade Agreement, which corporate leaders say has greatly benefited the world's largest economy for 23 years.

With televised ads proclaiming "Nafta works for America" and study after study enumerating the dangers of withdrawing from the treaty, the US Chamber of Commerce and like-minded trade proponents have taken their message to Capitol Hill. The effort has taken on added significance now that negotiators from Canada, the United States and Mexico working to overhaul the treaty are conducting their fifth round of talks in Mexico City.

"We -- along with several other business, agriculture, and industry groups -- made the case on the Hill in recent weeks. On October 24, the group talked about Nafta with all 100 Senate offices," a spokeswoman for the US Chamber of Commerce told AFP.

Their message: exiting Nafta would be a grave mistake that could, among many other painful outcomes, devastate American agriculture, including wheat producers, according to the chamber.

According to Monica De Bolle, senior fellow at the Peterson Institute for International Economics, an outright US withdrawal remains "a very, very clear possibility."

The last round of talks in October saw radical propositions from the US side, including a "sunset" clause -- which would require the three sides to renew the treaty in five years, failing which it would expire -- and a call to scrap the trade dispute arbitration mechanisms in Chapter 19 of the agreement.

Both proposals are anathema to investors, and were immediately rejected by Mexico and Canada. They were also a wakeup call to lawmakers and businesses who until then had not taken President Donald Trump's threats seriously, said Edward Alden of the Council on Foreign Relations. "To be fair, this president is hard to predict," he told AFP. "We've never had a president like him before, so it is hard to make a good judgment on what constitutes a laugh and what constitutes a serious threat."

Trump has denounced Nafta as a "disaster" and the worst agreement ever signed by the United States, blaming it for a $64 billion trade gap with Mexico and loss of countless jobs.

According to de Bolle, different trade bodies and organizations are working to convince the Trump administration "to move away from this very hard rhetoric that we saw in the fourth round."

As a result, she said, the top officials from the three countries are staying away from the latest round of talks to avoid more verbal escalation.

"It preserves the possibility to have a sixth round in 2018," said de Bolle.

Alden of the Council on Foreign Relations said the business world was now committed to the task, "and they have money and influence."

With US mid-term elections a year away, Trump needs to show results.

And one fear, according to de Bolle, is that he could make good on a campaign pledge to scrap Nafta altogether if high-stakes Republican efforts to overhaul the tax code fail in the Senate.

According to an opinion poll published this month, 56 percent of Americans believe Nafta has benefited the United States. Only among Republican voters do a majority believe the contrary. Beth Ann Bovino, chief US economist at S&P Global Ratings, said many people were unaware of how trade had grown since Nafta took effect in 1994. “It has tripled since Nafta was initiated," she told AFP.

She said the agreement had strengthened competitiveness among manufacturers by forcing businesses to innovate, "which has increased employment and investment opportunity in the end."

Exiting the treaty would drive up prices, slowing consumer spending -- a mainstay of the US economy -- and depressing corporate revenues as a result, Bovino added.

Citing an ImpactECON study, she said job losses for unskilled workers could rise as high as 250,000 positions in the three to five years following a withdrawal.

Adding skilled labor would see job losses rise by another million positions.

Source: http://www.thedailystar.net/business/us-industry-gears-save-nafta-1493674