

DSEX	6,272.57	▼	29.89	Gold (Ounce)	\$1,293.80	▼	Dollar	81.99 (Buy)	▼	82.99 (Sell)	REPO Rate (26/11/2017)	3.69%
DSE30	2,255.23	▼	12.42	Oil (Barrel)	\$57.74	▼	Euro	95.87 (Buy)	▲	101.29 (Sell)	REPO Rate (23/11/2017)	3.83%
Source: DSE				Source: Yahoo Finance				Source: One Bank Limited				Source: Bangladesh Bank (W AV)

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National News

PM approves 4G mobile service guidelines

A file photo shows a man browsing internet on his mobile. Prime minister Sheikh Hasina, also in charge of telecom ministry, has approved the revised guidelines for the fourth generation (4G) mobile phone service, addressing all the concerns raised by the mobile phone operators. — New Age photo

Prime minister Sheikh Hasina, also in charge of telecom ministry, has approved the revised guidelines for the fourth generation (4G) mobile phone service, addressing all the concerns raised by the mobile phone operators.

Senior officials of the telecom division confirmed New Age the approval stating that all 23 concerns of the mobile phone operators were addressed in the newly approved guidelines.

Earlier in September this year, the telecom division approved a set of guidelines on launching the service that caused dissatisfaction among the mobile network operators.

Following the expression of concern from the top officials of mobile operators, prime minister's ICT affairs adviser Sajeeb Wazed Joy took initiative to incorporate the operators' concern.

Based on their demand, technological neutrality price has been reduced to \$4 million per Megahertz spectrum from the earlier fixed price of \$7.5 million.

Technology neutrality would allow the operators to provide any of the 2G, 3G or 4G service in any spectrum band.

The latest guidelines allowed operators to borrow from local banks, while bringing foreign currency for the development of 4G service was a mandatory under the previous guidelines.

Besides, the operators were also waived from obtaining no-objection certificate from the telecom regulator in advance about their corporate social responsibility projects.

Earlier there was a mandatory condition to float shares through initial public offering, which was also revised and the provision has been scrapped.

Previously approved guidelines also empowered the regulator to take back all the unused balance of mobile users. The provision has now been dropped in the revised guideline.

As per the new guideline, operators will have to store subscribers' usage data only for 2 years which was fixed 12 years earlier.

The previous clause also scrapped the provision that said the telecom regulator can change the percentage of revenue sharing from time to time -- a clause that created panic amongst operators.

Operators will now have to share 5.5 per cent of their revenues from 4G service with the telecom regulator and the percentage will remain the same for the next 15 years.

Bangladesh Telecommunication Regulatory Commission will now move for an auction on spectrum allocation and awarding 4G licences and that might shift to January from government's existing planned time of December.

BTRC chairman Shahjahan Mahmood told New Age on Tuesday that he learned about the prime minister's approval.

The commission will go

for publishing advertisement as soon as possible to award licence of 4G after getting the government's approval, said the commission chairman.

'We will not wait even for a single day after getting the approved guideline,' he said.

He said they were very hopeful the customers will get this service just after awarding the licence as telecom operators are mostly prepared with latest technologies.

The telecom regulator plans to give less than two weeks to the mobile operators to buy applications forms and after submitting the application it will allocate another 45 days to arrange for auction, said a top official of the regulator.

Source: <http://www.newagebd.net/article/29367/pm-approves-4g-mobile-service-guidelines>

Masud new chair, Maruf Alam vice chair of Farmers Bank

Mohammad Masud has been appointed as the chairman of Farmers Bank while Maruf Alam was made vice chairman of the bank.

Prior to that, Mohammad Masud and Maruf Alam were serving in the same bank as directors.

Earlier on Monday, Farmers Bank Chairman Muhiuddin Khan Alamgir resigned from its board after Bangladesh Bank (BB) asked him to quit.

The central bank also asked the two directors of bank to resign over their alleged involvement in financial scams.

Mohammad Masud is also discharging duty as managing director of Man's Attires Limited, Sanawara Cold Storage Limited and Noor Shipping Lines Limited. Maruf Alam is also holding the post of managing director of Khurshid Alam Securities Limited, a share trading company. In the previous development, the bank's Audit Committee Chairman Md Mahabubul Haque Chisty also stepped down from the board.

Bangladesh Bank on Sunday night served notice on the bank asking why the managing director of the private bank would not be removed within seven days. The letter has been issued in this regard under the section 46 of the Bank Company Act.

BB also mentioned two reasons in favour of its notice. Firstly, MD Shamim failed to manage liquidity of the bank. Secondly, the bank is still disbursing the loan without following the instructions of the central bank.

That's the reason MD has been given this notice. Within seven days, it has been asked to respond to this notice.

According to the Bangladesh Bank, the Farmers Bank has disbursed loan skipping the rules and restrictions of BB. The bank disbursed loans beyond the permitted limit in the regulations and much of it has turned into bad debt creating a liquidity crisis. On the other hand, the bank is not getting much response while collecting deposits from the general customer. Besides, existing depositors are increasingly opting to withdraw their funds.

Under the circumstances, the defaulted loan of the bank started in 2013 is increasing. By the end of September, the defaulted loan of the bank increased to Tk 377 crore.

Source: <http://www.theindependentbd.com/post/125883>

Middle class feels the squeeze at rising cost of living

A number of Bangladeshi economists pointed out that higher food prices and lower income eventually leads to malnutrition, starvation and physical complications, which in turn are severely affecting the working class families Syed Zakir Hossain/Dhaka Tribune

In 2016, the national household income was at Tk15,945, a 45% increase from Tk7,203 in 2005. On the other hand, the national household expenditure was at Tk15,715 in 2016, a 39% rise from Tk6,134 in 2005.

Shahed Mehbub, 35, currently employed as a mid-ranking executive in a private IT firm, is looking to rent a small 800 square feet apartment. He plans to move from his existing 1,100 sq ft two-bed apartment in Mohammadpur before January next year, as the landlord is getting ready to increase the rent yet again.

Mehbub, who has been living in that apartment for the last eight years, initially paid a rent of Tk8,000 per month. However, the rent has nearly doubled since then, currently standing at Tk15,000.

“The landlord is planning to raise the rent again by 15%. If only the commodity prices had remained stable, I could have afforded to stay here,” said Mehbub, head of a three-member family.

He said aside from paying more and more for essential commodities, he is now sending his daughter to school.

“It is difficult for me to afford any additional costs. To continue living in Dhaka, I must move into a smaller apartment,” he added.

The situation this lower-middle income office worker is facing is nothing unusual in Dhaka. The house rent hike, along with massive increases in commodity prices, utilities and other essentials have adversely affected the lives of most city dwellers.

According to the Consumer Association of Bangladesh (CAB), the cost of living for Dhaka residents kept going up in the last 10 years, from 2006 to 2016.

Several estimates reveal that tenants are spending around 35% to 50% or more of their income to pay house rent.

In 2006, rent for a two bedroom floor in a concrete house was only Tk3,740, which stood at an average rate of Tk19,700 last year.

The slum dwellers are even more vulnerable to the rent hike, as their rent was hiked from Tk2,250 to Tk8,500 during the same period.

Aside from the house rent, charges for essential utility services like gas, electricity and water has also gone up by around 50%.

The cost of a two burner stove went up to Tk650 from Tk400 in 2006 (61% hike), per unit of electricity is now at Tk6.99 from Tk4 in 2006 (57% hike) and per unit water is now costs Tk10 from Tk5.50 of 2006 (55% rise), CAB data shows.

In a latest development, Bangladesh Energy Regulatory Commission (BERC) on Thursday raised the price of retail electricity Tk0.35 per unit, or 5.3% on a weighted average, putting more pressure to consumers.

As the average household income saw an increase in the last decade, the household expenditure also witnessed a sharp rise.

In 2016, the national household income was at Tk15,945, a 45% increase from Tk7,203 in 2005. On the other hand, the national household expenditure was at Tk15,715 in 2016, a 39% rise from Tk6,134 in 2005.

Although the cost of living and household income has increased in the last decade, but this statistic does not apply to all income groups.

Speaking to the Dhaka Tribune, a significant number of people from low and middle income groups said they are spending a major portion of their income for food, which left no room for savings in their budget.

Rubel Miah, a rickshaw puller from Rangpur earns about Tk500 a day, but it is quite hard for him to make ends meet as the prices of essential goods are sky-rocketing.

“Of course, I do earn more money than what I used to make 10 years ago, but I cannot put aside money for savings after buying essential commodities for my family,” Rubel said.

A 2015 survey report by Bangladesh Bureau of Statistics (BBS) reveals that a rickshaw puller earns around Tk446 a day, and work on an average 26 day a month. After paying rent to the rickshaw owner, their net income stands at around Tk368 per day.

The average earnings of rickshaw and van pullers are Tk500 a day and Tk12,620 a month, the survey report said.

Addressing the issue, Dhaka University’s development studies department professor Rashed Al Mahmud Titumir said:

“If the actual labour wages and general inflation had risen simultaneously, it would not have been a matter a concern.

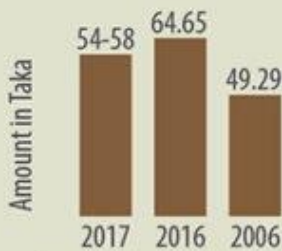
However, the BBS survey found that the labour price has dropped by 8% from 2010-11 to 2014-15.”

The data clearly shows that the poor had been hit the hardest by inflation, said Titumir, who is also the chairman of multidisciplinary think tank Unnayan Onneshan.

Price hike over 10 years



SUGAR 1KG

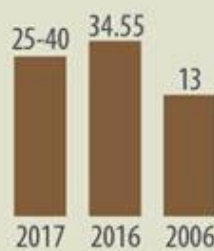


Hike from 2006 to 2016

76%



SALT 1KG



Hike from 2006 to 2016

38%



SOYBEAN BOTTLED
1LITRE

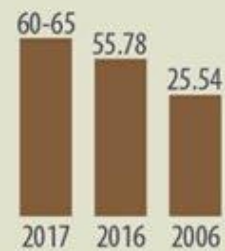


Hike from 2006 to 2016

61%



NAJIRSHAIL
RICE 1KG

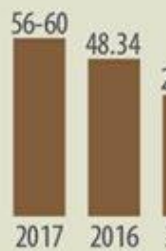


Hike from 2006 to 2016

46%



MINIKET
RICE 1KG

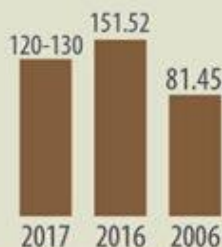


Hike from 2006 to 2016

58%



CHICKEN
(BROILER) 1KG

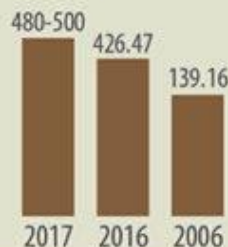


Hike from 2006 to 2016

54%

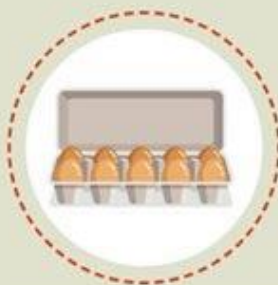


BEEF 1KG

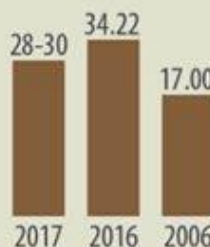


Hike from 2006 to 2016

33%



EGG (FARM)
1HALI

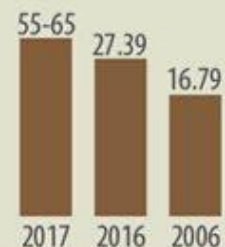


Hike from 2006 to 2016

50%



ONION
(IMPORTED) 1KG

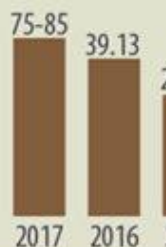


Hike from 2006 to 2016

61%



ONION
(LOCAL) 1KG



Hike from 2006 to 2016

53%

A number of economists pointed out that the change in inflation rate has affected the intricate relationship among commodity prices, low labour wages, and changes in food habit.

Higher food prices and lower income eventually leads to malnutrition, starvation and physical complications, which in turn are severely affecting the working class families.

Prof Rashed also added that the production cost has risen exponentially, as the government did not act on time, nor did it take timely steps such as reducing the tariff and launching OMS sales to tackle the food shortage.

“This directly contributed to the exorbitant price hike of essential commodities.”

Ahmed Ullah Bhuiyan, a retired government service holder who lives in Dhaka’s Mohakhali area, said it is becoming increasingly difficult to support a five-member family because of the sky-rocketing prices.

One of his sons is employed at a private firm and helps him out by paying the house rent and bills. But, the increasing cost of living has forced the family to cut their expenses.

“We had to drastically change our food habit. We rarely eat meat or fish anymore, and our family goes full vegetarian in the last ten days of the month. However, prices of eggs and vegetables are also very high,” he added.

Ahmed even had to take out money from two of his DPS prematurely in the last year to manage the educational expenses for his other two children.

Preliminary report on Household Income and Expenditure Survey 2016, conducted by the BBS revealed that the share of food expenditure was 53.81% in 2005, but it had dropped to 47.69% in 2016, indicating that people now spend more on their non-food expenses at a national level.

The data indicates that though quality of life has improved for most, people are now spending more on non-food expenditures such as house rent, fuel and electricity, healthcare, education.

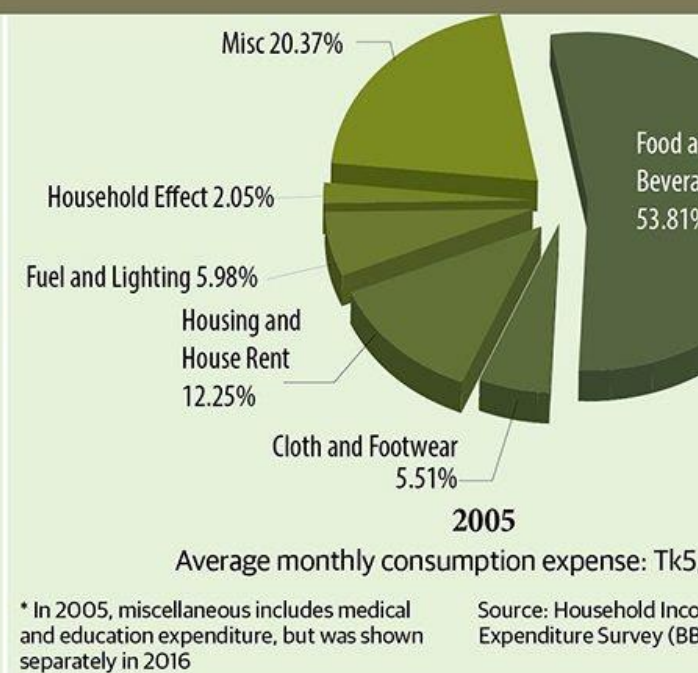
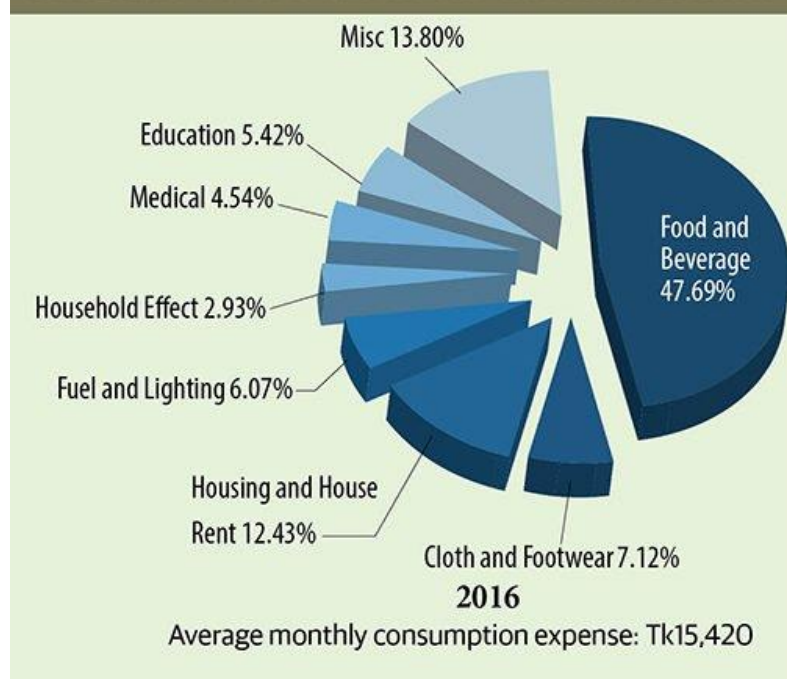
According to a CAB report, Najirshail rice was being sold at Tk26 per kg in 2006 and was at Tk56 in 2016, an increase of 46% during the period.

The price of miniket rice also saw a 58% rise as it was increased from Tk28 in 2006 to Tk48 in 2016.

Trading Corporation of Bangladesh (TCB) data says the price of Najirshail rice was sold at Tk56 to Tk60 while Miniket (fine quality) was sold at Tk60 to Tk65 in November, 2017.

The price hike has also reportedly affected the protein intake among people, as the price of eggs went up from Tk51 to Tk102 per dozen, beef from Tk139 to Tk426 per kg and chicken from Tk81 to Tk151 per kg during that period.

WHERE DO PEOPLE SPEND THEIR INCOME?



Mustafizur Rahman, a distinguished fellow at Centre for Policy Dialogue (CPD), said the GDP growth has increased to 6.5%, along with the household income and standard of living in the last ten years, but spending among low and fixed income people have also gone up significantly.

“The ever increasing expenditure is impacting the lives of the people. Rice prices have gone up by 10% in the last ten years. The quality of our life has not improved on par with the rising cost of living,” he added.

Mustafizur pointed out that in 2016, GDP growth was 7% and the inflation rate was 8%, which means that the standard of living of people has decreased.

“The people have also been affected by income inequality. There will be no solution to this crisis unless this inequality is properly addressed,” Mustafizur told the Dhaka Tribune.

The economist advised the government to create more sustainable and productive employment opportunities to tackle this problem.

“The government needs ideal fiscal, monitoring and security policies. It is also important to ensure good governance and tax security,” opined the CPD distinguished fellow.

Discussing the issue, CAB president Ghulam Rahman suggested that the government should diligently implement the house rent laws, reduce the use of imported fuel, and establish low cost power plants to help curb the rising cost of living.

“The lack of timely decisions by the government may fuel further inflation in Bangladesh, as imports will be more expensive. This will have an adverse impact on overall economy, but the fixed income groups are likely to bear the brunt of the financial crisis,” Prof Rashed said.

Source: <http://www.dhakatribune.com/business/economy/2017/11/28/living-cost-middle-class-inflation/>

Biman's fleet expansion plans falter

Biman is planning to lease two Boeing 737-800 aircraft for six years before October next year in a bid to increase the number of routes

Biman Bangladesh Airlines needs additional aircraft to fly to more regional and international destinations but the national flag carrier has got a poor response to its latest move to expand the size of its fleet.

Biman is planning to lease two Boeing 737-800 aircraft for six years before October next year in a bid to increase the number of routes.

The airline has increased the number of weekly flights to some popular routes and is also planning to extend its services to lucrative new destinations like Guangzhou, Colombo and Male along with resumption of flights to Delhi and Hong Kong, according to a Biman official.

Biman so far has invited offers for ‘dry lease’ – aircraft only, without crew and fuel – of two 737-800 aircraft with winglets for a period of 72 months.

A well-placed source in Biman said so far the airline has received four proposals, from Singapore and the Netherlands. No further details were forthcoming.

“The response is not satisfactory,” a senior Biman official acknowledged.

He said Biman received eight other proposals for its bid to induct two aircraft just for eight months on ‘wet lease’ – aircraft with crew and fuel – for filling gaps after the early termination of two other leased planes, which were taken from Egypt Air.

“The evaluation committee is going through the proposals,” the official said.

He said that after the evaluation Biman will shortlist the proposals and invite them to start negotiations. After the negotiations, the committee will inspect the aircraft and then make final decision.

“The final decision will be sent to the Biman Board as they are the final authority to give the approval,” he said adding that there was concern about the lack of responsive proposals.

Biman is willing to induct the two aircraft on ‘wet lease’ with delivery schedule on or before October 1, 2018.

As per Biman’s requirements, the planes will need to have two-class configuration with 162 seats – 12 business class seats and 150 economy class seats.

The age of the aircraft should not be more than 13 years on October 1, 2018.

According to the official document, Heavy Maintenance Check [D Check or Equivalent] of the offered aircraft must not fall due within the first 12 months of the lease period.

If above mentioned tasks and Heavy Maintenance Check (D Check or Equivalent) is due in the second year, the lessor must pay the difference between the Heavy Maintenance cost and the accumulated Maintenance Reserves, the document reads.

Established in February 1972, the national flag carrier Biman is operating flights to seven domestic and 15 international destinations. Out of the international destinations, Biman flies to two destinations in the Saarc countries, four in South East Asia, eight in the Gulf and Middle-East and one in Europe.

Currently Biman has 13 aircraft in its fleet including four Boeing 777-300ER, two 777-200ER, four 737-800, one Airbus A330-200 and two Dash8-Q400 aircraft.

Biman took delivery of four 777-300ER and two 737-800 aircraft from Boeing under a purchase agreement for 10 aircraft signed in 2008. Remaining four 787-800 aircraft are scheduled to be delivered in 2018/2019.

Out of 13 aircraft, Biman took on lease two 737-800 aircraft from Irish-American GE Capital Aviation Services (GECAS), two D8-Q400 aircraft from Egyptian Smart Aviation on long term basis and one A330-200 aircraft from Spain’s Wamos Air on short term basis.

According to the Biman sources, the national airline has plans to start operating on Dhaka-Narita (Japan)-Dhaka route after adding suitable aircraft to its fleet.

As per its fleet expansion plan, they said, Biman will start flying to Sydney, Jakarta, Toronto and Madras in phases.

Source: <http://www.dhakatribune.com/business/2017/11/29/bimans-fleet-expansion-plans-falter/>

BPC to import diesel via India

The government is expected to save about \$36.91 million over 15 years by importing diesel through a pipeline from Shiliguri in India instead of traditional sources.

The move is also expected to save time, according to the energy and mineral resources division.

Last week, the cabinet committee on purchase approved a proposal for importing 5.05 lakh tonnes of diesel to Parbatipur in Bangladesh from Shiliguri marketing terminal of India's state-owned Numaligarh Refinery through the Indo-Bangla friendship pipeline, which is being built.

The premium, which is the cost of shipping petroleum products and includes freight charges and insurance, was fixed at \$5.5 per barrel, so the total outlay would come to \$207.20 million, which is about Tk 1,678 crore.

Traditionally, diesel is imported through the Chittagong port and then taken to Daulatpur in Khulna in oil tankers.

From there, it is taken to Parbatipur by rail wagons. The whole exercise costs \$6.48 per barrel as premium.

So to import 5.05 lakh tonnes of diesel through this process, it would cost the Bangladesh Petroleum Corporation (BPC) \$244.11 million, according to the proposal.

This is the first time that diesel will be brought in through this arrangement, and a preliminary agreement was already signed on this during Prime Minister Sheikh Hasina's visit to India in April this year.

Another Indian private sector company, Shapoorji Pallonji Infrastructure Capital Company Ltd, is going to set up a 100 megawatt solar power plant in Pabna.

Last week, the same committee approved the proposal for setting up the power plant. The government will buy electricity from the company at Tk 9.56 Kw/h for 20 years. The company first proposed to set up a 200MW solar power plant but later it changed the proposal to a 100MW solar power plant after failing to find the necessary land.

Source: <http://www.thedailystar.net/business/bpc-import-diesel-india-1497829>

PM to open construction work of Rooppur NPP Thursday

Prime Minister Sheikh Hasina is set to inaugurate the main concrete construction works of the Rooppur Nuclear Power Plant (RNPP) project at the project site in Pabna on Thursday.

Officials said this will be the final phase of civil construction works to install a nuclear reactor, which is now being built by Russian state atomic corporation Rosatom in Russia for Bangladesh.

Science and Technology secretary Anwar Hossain said with the completion of the main concrete construction work of the project, the planned power plant will be ready for power generation.

However, other engineering works like setting up power plant equipment will be done phase by phase before 2023.

As per the project schedule, Anwar Hossain said, the first unit having 1,200 MW of the 2400 MW plant will come into operation by end of 2023 and second unit of the same capacity in the middle of 2024.

The RNPP project was undertaken by the government in 2009 and after a long discussion of over 6 years. The government initially signed a memorandum of understanding (MoU) in 2013 and signed final deal with Russia in December in 2015.

Russian state atomic energy corporation - Rosatom - will build the power plant at a cost of \$12.65 billion where Russia will finance 90 percent of the fund under a supplier's credit.

However, Bangladesh had to pay addition \$550 million to Rosatom for feasibility and design purpose.

Rosatom said it will build the power plant through its VVER-1200 reactor technology, which it claimed to be the latest in its nuclear with safety guarantee.

Rosatom has been engaged in full-fledged following the signing of the contract as it developed the site and some relevant civil constructions.

Bangladesh Atomic Energy Commission, the implementing agency, received the design and construction license of first unit of the plant from Bangladesh Atomic Energy Regulatory Authority on November 4 this year.

Officials said a large number of skilled professionals are required for the implementation, operation and maintenance of a nuclear power programme. Currently, 369 professionals are working in the project management unit. The operating organisation Nuclear Power Plant Company will recruit and train 2,700 personnel year by year as the project progresses.

Source: <http://www.theindependentbd.com/post/125764>

Tofail focuses on trade deficit with India

Commerce Minister Tofail Ahmed has said export of Bangladeshi products to India would be increased at a mentionable rate if the existing trade barriers are removed, reports BSS.

“Bangladesh has huge trade deficit with India, as the export of Bangladeshi products is not being possible as per expectation due to non and para tariff complexities in India,” he added.

The minister was addressing as chief guest ‘Horasis Asia Meeting’ at a hotel in Kolkata organised by Switzerland-based organization Horasis in cooperation with the West Bengal Government and Indian Chamber of Commerce (ICC), said an official release received yesterday.

He said Bangladesh is developing 100 Special Economic Zones (SEZs) where each country would get a separate zone. “Investors from different countries have moved forward with investment as the government has announced special facilities for the investors,” said Tofail.

Source: <http://www.theindependentbd.com/post/125725>

11 banks served show-cause notices for selling dollar at higher rates

Bangladesh Bank yesterday issued show-cause notices to 11 banks for trading US dollars at prices higher than the inter-bank declared rates. The banks have been asked to reply to the notices within three days. The US dollar appreciated heavily against the taka over the last seven-eight days despite injection of \$102 million into the market by the BB during the period. The inter-bank exchange rate of the dollar shot up to Tk 81.90 on Monday from Tk 81.20 seven days back and from Tk 78.63 a year ago, according to data from the central bank.

Source: <http://www.thedailystar.net/business/11-banks-served-show-cause-notices-selling-dollar-higher-rates-1497826>

Nine United Airways directors fined for insider trading

Nine directors of beleaguered United Airways BD, including its founder chairman, were slapped with fines of Tk 10 lakh to Tk 20 lakh for insider trading.

Insider trading is the buying or selling of a security by someone who has access to non-public information about the stock.

The nine directors had booked in profits by trading United Airways shares just before declaring price sensitive information, according to a press release of the Bangladesh Securities and Exchange Commission yesterday.

They had involvement in price manipulation of United Airways shares as well, said the statement.

Tasbirul Ahmed Choudhury, founder chairman and managing director of United Airways, and his wife Khandokar Taslima Choudhury were fined Tk 20 lakh each.

Tofael Ahmed Chowdhury, Tasbirul's brother, was fined Tk 10 lakh along with Ashiq Miah, Yusuf Chowdhury, Modhurish Ali, Siddika Ahmed, Khandokar Mahfuzur Rahman and Tahmina Begum.

Besides, United Airways investors Sayed Shirajuddowla, Abu Sadat Mohammed Sayem and Yaqub Ali were fined Tk 10 lakh each for price manipulation.

The BSEC has warned United Airways of showing inflated earnings per share by manipulating financial statement in 2012, according to the statement.

The decisions came at the regular commission meeting yesterday.

The company was downgraded to “Z” category last year from “A” category for having declared no dividend, according to the Dhaka Stock Exchange.

Listed with the DSE since 2010, United Airways stock traded at Tk 5.90 yesterday.

The aviation company has outstanding loans of about Tk 300 crore to financial institutions.

Earlier in June last year, the BSEC approved the company to raise capital of Tk 400 crore through private placement to purchase aircraft and repay loans.

Flights of United Airways have remained suspended from March 5 last year due to unavailability of serviceable aircraft.

The aircraft were grounded for maintenance, but the airline did not have enough funds to do the required servicing, which is a matter of high cost.

Established in 2007, the airline has 11 aircraft in its fleet: two Airbus 310-325, five MD-83, three ATR-72-212 and a Bombardier Dash-8 100.

It has permission to operate domestic flights to Chittagong, Sylhet, Jessore, Cox's Bazar, Rajshahi, Barisal, Saidpur and Ishwardi.

On the international routes, it has permission to fly to Dubai, Kuala Lumpur, Kathmandu, Kolkata, Jeddah, Bangkok, Muscat and Singapore.

Sponsors hold only 4.16 percent stake in United Airways, institutions 14.05 percent, foreign investors 12.18 and general investors the remaining 69.61 percent, according to DSE.

Also at yesterday's meeting, brokerage house M Securities Ltd and its management were fined for violating securities laws. It had provided margin loan to directors' relatives violating commission directive.

The BSEC fined M Securities Tk 20 lakh and its managing director Chowdhury Mohammed Nurul Azam and his wife Jakia Chowdhury Tk 10 lakh each.

Source: <http://www.thedailystar.net/business/nine-united-airways-directors-fined-insider-trading-1497841>

International News

India becomes biggest consumer of Ukraine's farm exports

India was the biggest market for Ukrainian agriculture products in the first 10 month of 2017, importing 11.3 percent of exports in cash terms, Ukraine's Agriculture Ministry said on Tuesday.

Ukrainian agriculture exports were worth \$14.7 billion in the 10 months to October, about 23 percent more than in the same period last year, the ministry said in a statement.

Egypt was the second-largest importer, with a 7.5 percent share, and the Netherlands was the third, with 6.9 percent.

The ministry said sunflower oil dominated Ukrainian agriculture exports in January-October, worth \$3.6 billion. Ukraine also exported 15.6 million tonnes of maize for \$2.4 billion and 14.2 million tonnes of wheat for \$2.2 billion.

Source: <http://www.thedailystar.net/business/india-becomes-biggest-consumer-ukraines-farm-exports-1497805>

Banks can support UK economy in disorderly Brexit: Bank of England

Britain's lenders could support the economy through a "disorderly" Brexit, the Bank of England said Tuesday, as the sector passed its latest round of stress tests.

The central bank ruled however that the nation's seven top retail banks must hold another £6.0 billion (\$8.0 billion, 6.7 billion euros) in combined capital reserves to safeguard against crisis.

The BoE added Tuesday that all seven -- comprising Barclays, HSBC, Royal Bank of Scotland (RBS), Lloyds, Nationwide, Santander and Standard Chartered -- passed its stress assessments for the first time since it began testing in 2014, and are "resilient" to recession.

"The stress-test scenario ... encompasses a wide range of UK macroeconomic risks that could be associated with Brexit," read a statement from the BoE's Financial Policy Committee (FPC).

"As a result, the FPC judges the UK banking system could continue to support the real economy through a disorderly Brexit."

BoE governor Mark Carney, speaking at a press conference, warned however that a messy Brexit was "in nobody's interest" and would have "an economic impact on households and businesses".

Britain will leave the European Union in March 2019 after the nation voted last year to leave the bloc, but the terms of its exit and future trade relationship are under negotiation. There are concerns a deadlock in the talks could see Britain leave without a trade deal in place, potentially causing severe disruption to its economy.

Carney added that a disorderly Brexit -- one in which no trading relationship is arranged -- is "not a good scenario". "It is one we are all working to avoid as it has some quite material economic costs -- even if the financial system continues to operate through it," he noted.

The BoE added that, in order to preserve the continuity of existing cross-border insurance and derivatives contracts, British and EU legislation would be required following Britain's departure.

Some six million UK policyholders, 30 million European Economic Area (EEA) policyholders, and around £26 trillion of outstanding uncleared derivatives contracts could otherwise be affected, the central bank warned.

The stress assessments were meanwhile designed to see whether the banking sector can weather a fierce worldwide recession, crashing house prices and soaring unemployment. However, the BoE cautioned that both a chaotic Brexit and a global recession -- combined with misconduct costs -- could result in "more severe" economic fallout than the tests anticipate.

The FPC regulator, established after the global financial crisis and tasked with safeguarding Britain's financial system, added it would lift its capital buffer rate from 0.50 percent to 1.0 percent by November 2018.

That will give Britain's retail lenders combined capital reserves of £11.4 billion.

"The combination of a disorderly Brexit and a severe global recession and stressed misconduct costs could result in more severe conditions than in the stress test," the FPC said in its Financial Stability Report.

"In such circumstances, capital buffers would be drawn down substantially more than in the stress test and, as a result, banks would be more likely to restrict lending to the real economy."

Barclays and RBS fared the worst in the tests, struggling in the central bank's severe economic stress scenario.

However, the pair passed because they have already taken action to strengthen their balance sheets since the end of last year.

Source: <http://www.thedailystar.net/business/banks-can-support-uk-economy-disorderly-brex-it-bank-england-1497802>

China to set up system to monitor its firms overseas

China's state planner issued guidelines on Tuesday for monitoring the overseas activities of Chinese firms and individuals to prevent tax fraud, money laundering, illegal financing, and activities damaging to the country's reputation.

In a statement on its website, the National Development and Reform Commission (NDRC) warned that the government will record and tally instances of laws and regulations being broken in China or abroad, and offenders would be punished.

The plan is part of efforts to regulate firms' overseas investments and business activities as China's influence in the global economy grows, especially through its Belt and Road initiative.

In addition to illegal activities, the guidelines specifically say actions that "violate international conventions and United Nations resolutions, or that disrupt foreign economic cooperation, adversely impact the Belt and Road initiative, or harm China's reputation", will be recorded.

The guidelines also focus on monitoring cross-border capital flows by insisting overseas deals are reasonable and disclosures are accurate.

Source: <http://www.thedailystar.net/business/china-set-system-monitor-its-firms-overseas-1497781>

