DSEX 6,072.99 ▼ 26.04	Gold (Ounce) $1,280.70 ▲	Dollar 81.25 (Buy) ▲ 82.25(Sell)	REPO Rate (16/10/2017) 3.44%
DSE30 2,198.36 ▼ 3.09	Oil (Barrel) $54.30 ▲	Euro 93.52 (Buy) ▼ 97.88(Sell)	REPO Rate (15/10/2017) 3.46%
Source: DSE	*Source: Yahoo Finance*	*Source: One Bank Limited*	*Source: Bangladesh Bank (W AV)*

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National News

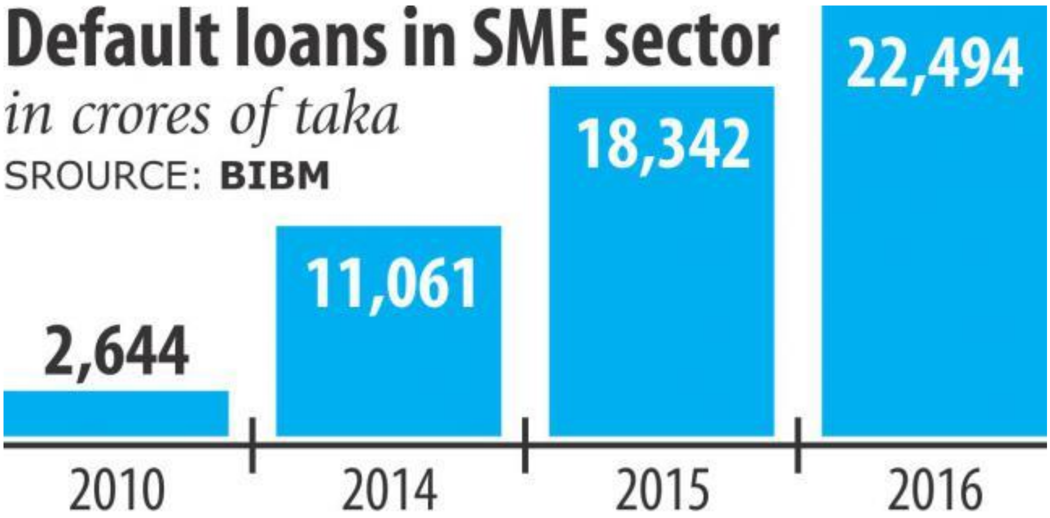
Siemens to invest $7b in biggest power project

The German engineering giant Siemens will invest more than USD 7 billion to generate 8,000 MW power in Bangladesh. This is the biggest ever unsolicited proposal from any European company, and internationally.
Out of 8000 MW, the government-run North-West Power Generation Co. Ltd, Bangladesh (NWPGCLB) and Siemens AG will set up a 3,600MW liquefied natural gas (LNG) plant at a cost of USD 2.8 billion in Payra, next to the 1,320MW coal-based power plant being set up by China.
If the deal is done with Siemens, the German company will become the largest single foreign power-generation company in the country.
NWPGCLB managing director AM Khurshedul Alam and Siemens South Asia CEO Sunil Mathur signed the memorandum of understanding.
“Germany is our well-wisher, and it is good for the Sheikh Hasina government that all the biggest energy and power generation companies are interested (in Bangladesh) at this moment. The biggest example is that the EU company Siemens has come with a bid proposal,” state minister for power and energy, Nasrul Hamid, said at a programme in Dhaka yesterday.
“We are signing a deal for 3,600 MW with NWPGCLB, and another bid deal will be signed with the Bangladesh Power Development Board (BPDB) this month,” the state minister added.

For this 3,600-MW plant, a joint-venture company will be established with 80 per cent share of Siemens and 20 per cent of NWPGCLB. The first unit of 1,200 MW will be generated in June 2020. The other two units (1,200 MW each) will be set up by 2021.
Dr Thomas Prinz, the German ambassador in Dhaka, said: “We've a keen interest in developing the power sector in the country.”
“We offer the latest technology, not the cheapest technology,” he added.
During his speech, the ambassador brought up the Rohingya issue. “Not for political reasons, but out of principle, we stand by Bangladesh and that is why we have donated 50 per cent of the commitment for the Rohingyas in Brussels,” he said.
Dr Tawfiq-e-Elahi Chowdhury, the energy adviser to the Prime Minister, told the audience, “Once a blacklisted company, Siemens has come up with a huge investment.”
“I will request Germany to train our people and help our young generation, which will bring good prospects for the country. Not only that, I think Siemens can use Bangladesh as a strategic place for energy trade as the Seven Sisters (seven north-eastern states) of India and Myanmar have a huge demand for power,” the adviser added.
The New York Times had reported on December 15, 2008: “…Siemens, beginning in the mid-1990s, used bribes and kickbacks to foreign officials to secure government contracts for projects like a national identity card project in Argentina, mass transit work in Venezuela, a nationwide cellphone network in Bangladesh and a United Nations oil-for-food program in Iraq under Saddam Hussein.”
After these charges surfaced, the German company was blacklisted in many counties.
After yesterday’s programme, BPDB chairman Khaled Mahmud told The Independent that Siemens was removed from the black list a few years ago and is eligible to submit a tender for the Electricity Generation Company, Bangladesh, a government-owned firm.
“We will finalise the details of a 4400-MW power plant very soon. All the power will be generated with LNG,” he added.
To a query from the media, Mahmud replied: “We are working on the issue of setting up the LNG terminal and deciding who will import the LNG. Nothing has been finalised yet.”
Sources said that in the second week of August, the German giant proposed an 8000-MW LNG-based power plant to be set up in Bangladesh at a cost of USD 7 billion. “The government has decided to go ahead with the proposal within a short time, which is very unusual,” pointed out a Power Division official.
However, power secretary Dr Ahmad Kaikaus said: “The demand for power is increasing very fast. We thought the growth of power would be 7–8 per cent, but it turned out to be 14 per cent. That’s why we revised the power plant master system.”
The country’s capacity to generate electricity now stands at 15,821 MW. The government has targeted to raise it to 24,000 MW by 2021 and 40,000 MW by 2030.
Siemens South Asia CEO Sunil Mathur and Siemens Bangladesh CEO Prabal Bose were also present at the programme.
Source: http://www.theindependentbd.com/post/122390

13 banks overshoot SME lending targets

Banks, non-banks asked not to lend excessively to traders



Thirteen banks have overshot their annual SME loan disbursement targets in just six months in a sign of aggressive lending, which the central bank terms suspicious.
They disbursed 105 percent to 242 percent of their annual targets in January-June this year, Bangladesh Bank data shows.
"It is good that the banks disbursed a hefty amount of loans to small and medium enterprises," said a BB official.
But the central bank will keep an eye on these banks to see if they showed other credits as SME loans, he said.
Exim Bank's target for the entire year was Tk 5,375 crore but it disbursed Tk 5,666 crore or 105 percent of the target in only six months.
Meghna Bank disbursed 200 percent of its annual SME lending target of Tk 265 crore in the period while NCC Bank achieved 242 percent of its target of Tk 900 crore.
Trust Bank disbursed 115 percent of the target of Tk 600 crore and NRB Commercial Bank 205 percent of its target of Tk 250 crore.
The nine other banks that overshot their targets are Bank Al-Falah, Citibank NA, State Bank of India, Woori Bank, Modhumoti Bank, NRB Bank, City Bank, Bank Asia and Exim Bank.
The BB official said, "The trend is suspicious as the banks showed a large amount of SME loans in their statements. So, we will check whether the disbursed loans really went to the SME sector."
On the other hand, 19 banks, including eight state-run lenders, could not reach even 50 percent of their SME loan disbursement targets in the first half.
Sonali Bank disbursed only 37.3 percent of its annual SME loan target of Tk 2,500 crore and Farmers Bank lent 20 percent of its annual target of Tk 576 crore.
The central bank has recently asked the 19 banks to speed up SME loan disbursement to keep up with their targets.
Together, banks and non-bank financial institutions (NBFIs) lent 62 percent of their yearly SME loan target of Tk 133,854 crore in the first six months.
The BB sat with banks and non-banks in separate meetings between October 9 and 11 and asked them not to disburse loans excessively in the trading sector.
Banks and NBFIs were also asked not to disburse more than 55 percent of their SME loans to the trading sector in a single year.
The central bank will not consider any loans exceeding the 55 percent "threshold" as SME credit, the official said.
The BB found that some banks disbursed between 70 percent and 80 percent of the SME loans in the trading sector in the first half, pushing the overall SME loan disbursement higher, he said.
Source: http://www.thedailystar.net/business/13-banks-overshoot-sme-lending-targets-1486987

Govt securities can now be traded on DSE

Capital market investors can now buy and sell government securities through the Dhaka Stock Exchange in a development that is expected to make the country's bond market more vibrant.
The decision came at the quarterly coordination meeting of regulators -- Bangladesh Bank, Bangladesh Securities and Exchange Commission, Insurance Development and Regulatory Authority, Registrar of Joint Stock Companies and Firms, Microcredit Regulatory Authority, Department of Cooperatives and Bangladesh Telecommunication Regulatory Commission.
At the meeting held yesterday at the central bank headquarters in Dhaka, it was decided that the central bank's Market Infrastructure Module will be linked with the DSE so that investors can buy and sell government securities through the stock market, according to a BB official.
As per a regulation set by the National Board of Revenue, investors will have to count 0.05 percent tax if they settle any transaction of government securities through the trading platform.
"Such tax may discourage investors to settle transactions through the DSE," the official said.
So, the BB and the BSEC will jointly request the NBR to withdraw the tax for the sake of making the secondary bond market vibrant, he said.
The overall investment in the secondary bond market now stands at about Tk 140,000 crore, which is poor considering the volume of the country's private sector.
The higher interest rate on national savings certificates made the secondary bond market unappealing, as the government was forced to squeeze its auction for its securities due to a large investment in the savings tools.
The government is now borrowing through the savings tools that carry interest rates of 11.04 percent to 11.76 percent. It can also take loans from banks at 2.95 percent to 8.07 percent interest.
Banks, non-bank financial institutions, government and non-government organisations and corporate entities are allowed to invest in the secondary bond market through a bank.

The BSEC earlier requested the central bank to allow banks to show their investment in the corporate bonds as liquidity coverage ratio of BASEL III.
The central bank informed the BSEC at the meeting that the issue has been accepted positively and it would take a decision at the earliest.
The officials of the RJSC requested the central bank to provide the Credit Information Bureau report of the company owners, said Subhankar Saha, executive director and spokesperson of the BB.
The RJSC will use the CIB report to check if the individuals are already defaulters before offering the licence to form a company, he said.
The BB assured the RJSC that it would provide the CIB report as per requirement of the regulator, Saha added.
Source: http://www.thedailystar.net/business/govt-securities-can-now-be-traded-dse-1486894

Does Bangladesh need more banks?

Bangladesh Bank is currently sitting on more than 80 bank licence applications. Although it is yet to approve any of them, investors in these proposed banks appear to be hopeful of receiving their licences**.**
Finance Minister AMA Muhith has personally written to Bangladesh Bank for the approval of two new institutions
The government is planning to increase the number of banks in Bangladesh at a time when the nine most recently-launched institutions are already unsettling the market over their poor performances.
Finance Minister AMA Muhith has personally written to Bangladesh Bank for the approval of two new institutions. Other government agencies and senior officials have also put forward their proposals for new banks to the central bank.
"There is nothing to be worried about with launching new banks," the finance minister said at a recent event. "Many people in the country are still unbanked. We have also taken steps to update the merger laws so that the banks which will not be able to compete in the market can be merged."
Although there are 57 active commercial banks in the country, the government believes more banks can help the economy.
However, former Bangladesh Bank governor Dr Salehuddin Ahmed was among the economists and bankers to oppose the finance minister's views in no uncertain terms.
He told the Dhaka Tribune: "It is completely illogical to give licence to new banks. The existing banks are more than enough compared to the size of the Bangladeshi economy. The concerned authorities should rather focus on improving the existing banks' performances."
Dr Salehuddin also said there is not enough expertise and manpower for conducting bank operations in the country. "The central bank faces a lot of difficulties in inspecting and monitoring so many banks already," he said.
According to sources, Bangladesh Bank is currently sitting on more than 80 bank licence applications. Although it is yet to approve any of them, investors in these proposed banks appear to be hopeful of receiving their licences within the tenure of the incumbent government.

It is completely illogical to give licence to new banks. The existing banks are more than enough compared to the size of the Bangladeshi economy. The concerned authorities should rather focus on improving the existing banks' performances

Dr Salehuddin Ahmed
Former Bangladesh Bank governor

Instead of opening these specialised banks, Yasin Ali said the authorities should hand the commercial banks over to the private sector, keep the banks' operations safe from interferences, and ensure strong supervision by regulatory authorities

Md Yasin Ali
A supernumerary professor at BIBM

Absolutely, there is no need to provide any licence to new banks. We should think of laws to force mergers for the existing ones, rather than establishing new banks

AB Mirza Azizul Islam
Economist and former finance adviser to the caretaker government

However, a 2017 survey conducted by BIBM revealed that 95% of bankers thought no new banks were required in the next few years. Some of them also said there were more than enough banks operating in the country, and it would be more prudent to reduce the number of banks.

"Absolutely, there is no need to provide any licence to new banks. We should think of laws to force mergers for the existing ones, rather than establishing new banks," said economist and former finance adviser to the caretaker government, AB Mirza Azizul Islam.

Former deputy governor of Bangladesh Bank, Khondkar Ibrahim Khaled, added: "A few years ago some banks were given licences due to political considerations. These banks have already been transformed into grocery stores because of all the interference by their directors, as well as their friends and family members."

New banks struggle

Bangladesh Bank conducted a study in 2011 to assess the need for new banks in the country. The study found that the number of banks was too many compared to the size of the Bangladesh economy. Despite this finding, the central bank has since approved nine new banks under pressure from the government. All of the investors of the new banks are affiliated to the ruling Awami League of Prime Minister Sheikh Hasina.

The nine banks are: Meghna Bank, Midland Bank, Modhumoti Bank, NRB Bank, NRB Commercial Bank, NRB Global Bank, South Bangla Agriculture and Commerce Bank, The Farmers Bank and Union Bank.

After that, the Bangladesh Bank last year approved a licence application by Shimanto Bank, owned by the paramilitary force Border Guard Bangladesh.

"There was no need for opening the last nine banks," said Md Yasin Ali, a supernumerary professor at the Bangladesh Institute of Bank Management (BIBM).

"Those are still struggling and cannot stand up at all (so) there is no logic behind opening new banks. Rather, new bank branches can be opened in unbanked areas if needed."

A recent BIBM study to evaluate the performance of the new commercial banks showed the nine banks are in aggressive expansion mode, putting their depositors' money at risk.

Approval of private commercial banks by government tenure

Period	Number
1982-90	9
1991-96	8
1996-01	13
2001-2006	0
2007-08	0
2009-17	10

Source: Bangladesh Bank

Their non-performing loans rose considerably over the last two years due to irregularities, according to the study.

Furthermore, the Parliamentary Standing Committee on Ministry of Finance has recently told Bangladesh Bank that The Farmers Bank Ltd is a "risk" for the financial sector.

The four-year-old bank already has a notorious reputation for borrowing from depositors and other banks at high rates, without having the capability to repay them.

Who wants to open new banks?

The central bank has received a licence application for a bank named Bangla Bank from Bengal Group, whose chairman is ruling party MP Morshed Alam.

In addition, a businessman from Sandwip in Chittagong named MA Kashem has applied to open a bank named People's Islami Bank.

Sources said Muhith has written separate letters to Prime Minister Sheikh Hasina and the Bangladesh Bank governor recommending the approval of the two banks.

Talking to the Dhaka Tribune, Bengal Group Vice Chairman Md Jasim Uddin said: "We applied for the licence for a new bank but have not received any response yet. We have heard that a joint project called 'Korea-Bangla Bank' co-owned by domestic and foreign owners, have also applied for licence."

Banks for professionals

In recent years, several banks that are dedicated to people in specific professions have been launched. Apart from the army's Trust Bank Ltd, none of the others have made a strong position in the market.

Despite this, the prime minister has announced that the government will soon give approval to a bank for Bangladesh Police officials.

According to a list of applications for bank licences submitted to the central bank, Bangladesh Air Force and Bangladesh Navy want their own separate banks, too.

In addition, government employees also look to benefit from "Samriddhi Sopan Bank" dedicated to their welfare.

AB Mirza Azizul Islam said it is "totally pointless" to give permission to open banks dedicated to people from certain professions.

"If the practice continues, we would hear that all 19 cadres of Bangladesh Civil Service are demanding separate banks. This practice should stop right now," he said.

Md Yasin Ali voiced also spoke out against the dedicated banks.

"Considering the size of economy of Bangladesh as well as the numbers of banks in the country, there is no need to give permission for banks for different professions," he said.

"Three banks were launched targeting non-resident Bangladeshis with the assumption that they would bring in foreign investment, but they have failed to do so. The Probashi Kallyan Bank and the Karmasangsthan Bank have also failed."

Instead of opening these specialised banks, Yasin Ali said the authorities should hand the commercial banks over to the private sector, keep the banks' operations safe from interferences, and ensure strong supervision by regulatory authorities.

Source: http://www.dhakatribune.com/business/banks/2017/11/01/bangladesh-need-banks/

Brac Bank celebrates Tk4,000 crore retail assets portfolio

Employees and management of Brack Bank Ltd cut a cake in celebration of the bank's retail assets portfolio crossing Tk4,000 crore at the Brac Bank Head Office in Tejgaon, Dhaka, on November 2, 2017Courtesy
The bank is currently the largest retail bank in Bangladesh in terms of asset portfolio
Brac Bank Ltd on Thursday celebrated its retail assets portfolio climbing to above Tk4,000 crore.
The bank is currently the largest retail bank in Bangladesh in terms of asset portfolio, due to a remarkable growth in home loans and car loans, as well as credit card and personal loans, over the last two years, said a press release.
The release added that such growth was a result of high productivity and efficiency through investments in people, technology and various processes.
Brac Bank Deputy Managing Director and CFO AK Joaddar, Deputy Managing Director and CRO Chowdhury Akhtar Asif, Head of Retail Banking Nazmur Rahim, Head of Human Resources Bilquis Jahan, Head of Retail Sales Kyser Hamid, Head of Corporate Branches Sheikh Mohammad Ashfaque, branch managers, senior management and sales team officials were all present at the celebration program at the Brac Bank Head Office in Tejgaon, Dhaka.
Source: http://www.dhakatribune.com/business/banks/2017/11/03/brac-bank-retail-assets-portfolio/

NBR finds Tk 926cr VAT ‘evasion’ by Robi

Issues show-cause notices to the mobile operator
The National Board of Revenue on Sunday demanded Tk 926 crore in value-added tax from mobile operator Robi saying that the company ‘evaded’ the amount in various ways from January 2013 to December 2016, said officials.
Large Taxpayers Unit (VAT) of the revenue board also issued five separate show-cause notices to Robi seeking reply within 15 days on why the VAT authority would not ask the company for paying the amount.
NBR officials said that the show-cause notices would also be considered as primary demand notices and next steps would be taken based on the response of the company.
In a written statement Robi told New Age that a show-cause notice was a regular process. ‘We will provide our legal rational accordingly.’
NBR officials said that a team of the LTU detected the evasion through a special audit conduct following merger of Robi and Airtel.
Of the amount, Robi evaded payment of Tk 553.61 crore in VAT and Tk 158.21 crore in VAT at source from the period while the operator did not pay Tk 91 crore in VAT on Robi-Airtel merger fee and spectrum renewal charge of 2G licence of Airtel, and Tk 5.22 crore in VAT on interconnection charge.
The operator also unlawfully received VAT rebate worth Tk 116.40 crore during the period.
LTU commissioner Md Matiur Rahman on May 25 formed the team headed by its assistant commissioner Badruzzaman Munshi to conduct the audit.
The team on October 29 submitted its audit report for the period examining the information preserved in the internal software, known as SAP Software, of Robi, financial details obtained from its computer database, documents provided by the company and its VAT returns.
A high official of the LTU on Sunday told New Age that the VAT authority never conducted such an intensive audit on VAT files of the operator.
This time the LTU took the initiative to determine the liability of the company after acquisition of another operator--Airtel.
Conventionally, VAT officials do not examine the software system but this time the LTU also examined it.
He said that Robi would also be able to seek opportunity for hearing along with giving written reply of the show-cause notices.
Officials of Robi can physically attend at the hearing or its lawyer can also attend it, he said.
The VAT authority will resolve the demand based on documents if the company does not reply to the notices within the deadline.
According to show-cause notices, the LTU team found that the total VAT payable amount of the company for the period was Tk 3,533 crore but Robi paid Tk 2,979 crore with VAT returns evading Tk 553.61 crore.
The operator was also supposed to pay Tk 553.34 crore as withholding VAT or VAT at source, but it paid only Tk 395.12 crore.
Robi also did not pay Tk 91 crore as VAT at the rate of 15 per cent on merger fee and spectrum renewal charge of 2G licence.

The operator has paid Tk 100 crore as merger fee and Tk 507 crore as spectrum renewal charge to Bangladesh Telecommunication Regulatory Commission following Robi-Airtel merger.
Robi also received VAT rebate worth Tk 116.40 crore on import of battery, cable, printed board, and router and switch which was unlawful as per VAT law.
Robi in its statement said that all rebates it had received were in accordance with the law and it was unfortunate that the telecom industry was treated differently when it came to VAT.
'VAT on merger fee or VAT on any regulatory fees is already a sub justice (sub judice) matter,' it said.
'If BTRC registers for VAT all issues related to regulatory fees will be resolved,' said Robi
'It is unfortunate that NBR is not taking action to uphold the rule of law. Instead, NBR is only perusing operators,' it said.
Source: http://www.newagebd.net/article/27758/nbr-finds-tk-926cr-vat-evasion-by-robi

Honda to produce motorbikes in Bangladesh from next year

Industries minister Amir Hossain Amu on Sunday laid the foundation stone of a motorcycle manufacturing plant of Japanese Honda Motor Company at privately-owned Abdul Monem Economic Zone at Gazaria in Munshiganj district.
Honda Motor, the world's largest motorcycle manufacturing company, wants to manufacture motorcycles at the plant from next year under the name of Bangladesh Honda Private Limited.
The industries minister said that the factory would play a vital role in expediting the motorcycle industry in the country and create employment opportunities.
Citing the motorcycle industry policy, Amu said that the government has set a target to increase the country's motorcycle production to 10 lakh and employment opportunities in the sector to 16 lakh by 2025.
Our Munshiganj Correspondent reported that Bangladesh Economic Zones Authority Executive Chairman Paban Chowdhury, Japanese Ambassador to Bangladesh Hiroyasu Izumi, Head of Honda Motors for Asia and Oceania Region Shinji Aoyama and Managing Director of the Bangladesh Honda Private Limited Yuichiro Ishii were present at the function.
Japanese Honda Motor Company started its operation through opening a joint venture company with the state-owned Bangladesh Steel and Engineering Corporation namely Bangladesh Honda Private Limited in 2013.
The BSEC owns 30 per cent shares of the company which has been maintained in the new factory.
As per the plan, Honda will produce one million motorcycles in the first year and the company wants to increase the production to three million units in fifth year.
According to official data, Honda is investing in the new factory about $4.40 crore or about Taka 350 crore.
The new factory will create employment opportunities for around 300 people and later on it will be 500.
According to the latest financial report, in the April-September period of current year 2017 Honda Motor Company produced 66.91 lakh units of motorcycles which were about 14 per cent higher than the same period last year.
Source: http://www.newagebd.net/article/27760/honda-to-produce-motorbikes-in-bangladesh-from-next-year

Trade deficit balloons by 133pc in Q1

July-Sept current account deficit surpasses annual figure of FY17
The country's trade deficit widened by 133 per cent or $2.08 billion during first quarter of the current fiscal year 2017-18 compared with that in the same period of FY17 mainly due to growing spending to meet-up payments for rice import and other consumer goods.

During July-September of the FY18, the country's current account balance also registered a deficit of $1.79 billion, surpassing the $1.48 billion deficit registered in whole-financial year of FY17.

Annual current account balance, the gap between total overseas income (export receipts and net earnings like remittances) and outflow of fund (import payments and profit repatriation by multinational companies and local people), registered a deficit of $1.48 billion in FY17 for the first time in last five years.

According to the latest Bangladesh Bank data released on Sunday, trade deficit — the gap between import payments and export earnings — increased to $3.65 billion in July-September of FY18 against that of $1.56 billion in the corresponding period of FY17.

During Q1, import payments grew by 28.38 per cent while export earnings increased by only 7.7 per cent, the central bank data showed.

The gap between export earnings and import payments has been on the rise this fiscal year due to sharp increase in import of rice and other consumer goods due to the loss of rice in flood, officials of the central bank said.

As the prices of rice has increased sharply in the local market due to shortage of the staple food in government stock after the flash floods in the country's north-eastern haor areas, the imports of the item has been on the rise to contain prices and to meet-up future demand, they said.

Total import payments, which also include items like industrial raw materials and capital machinery, increased to $12.19 billion in Q1 of FY18 against that of $9.50 billion in the same period of FY17.

On the other hand, export earnings increased to $8.54 billion during the period against $ 7.93 billion in the same period of last year.

The trade deficit hit an all-time high in the last FY17 standing at $9.47 billion, up 46.62 per cent compared with that of the FY 2015-16.

BB officials said huge trade deficit is not a good sign for the country as it may put an adverse impact on the macroeconomic situation.

The government should restrain import of unnecessary and luxury goods and take initiative to increase export earnings through diversification of export items to reduce the trade deficit, they said.

During Q1 of the FY18, the country's current account balance also registered a deficit of $1.79 billion against a surplus amount of $539 million in the same period of FY17 due to a lower growth in inward remittance, trade balance, services and primary income.

Annual current account balance, the gap between total overseas income (export receipts and net earnings like remittances) and outflow of fund (import payments and profit repatriation by multinational companies and local people), registered a deficit of $1.48 billion in FY17 for the first time in last five years.

The BB data also showed that the country's net foreign direct investment increased by 11.62 per cent to $490 million during July-September this year against $439 million in the same period last year.

Balance of payment of the country's financial account, foreign direct investment, portfolio investment, and medium-and long - term loans, posted a surplus of $1.57 billion in Q1 of FY18 from a surplus amount of $868 million during the same period of FY17.

Overall balance, however, posted a deficit of $360 million during the period compared with that of a surplus amount of $1.79 billion during the same period a year ago.

Source: http://www.newagebd.net/article/27759/trade-deficit-balloons-by-133pc-in-q1

FBCCI urges Chinese businesses to invest in infrastructure

The Federation of Bangladesh Chambers of Commerce and Industry on Sunday urged Chinese business people to invest in the infrastructure, light industry, electronics and textiles sectors in Bangladesh.

In a meeting with the visiting Chinese delegation from Jilin Province, the FBCCI president Md Shafiul Islam Mohiuddin said the investment opportunity in Bangladesh is now open for all and the government offered very lucrative policy for the investors.

He said that the two countries can take advantage of the global opportunity as Bangladesh is the gateway of ASEAN and South Asian countries and close to China through Kunming while China occupies a unique geographic position bridging the parts of South Asia.

Sun Guohua, deputy director of the commerce department of Jilin Province, invited Bangladeshi businesses to invest in the province in agriculture, automobile and electronics sectors saying that in recent years the economic relation between the two countries has increased manifold.

The 21-member Chinese delegation comprised of the representatives of agriculture, automobile, solar power panel and medical equipments sectors.

FBCCI first vice-president Sheikh Fazle Fahim, vice-president Md Muntakim Ashraf and the directors of the apex trade body spoke at the meeting held at Federation Bhaban in the city.

Source: http://www.newagebd.net/article/27764/fbcci-urges-chinese-businesses-to-invest-in-infrastructure

Bangladesh, WB ink $457 million loan deals to promote trade, investment

The government on Sunday signed two financing agreements totaling $457 million with the World Bank to help develop private sector-led infrastructure projects, as well as diversify exports in labor-intensive and globally competitive industries.

Economic Relations Division (ERD) Secretary Kazi Shofiqul Azam and World Bank Country Director Qimiao Fan signed the agreements on behalf of the government of Bangladesh and the World Bank, respectively, at the Economic Relations Division.

The credits are from the International Development Association (IDA), the World Bank's grant and no or low interest credit arm.

The credits are interest-free and repayable in 38 years, including a 6-year grace period, and carry a service charge of 0.75 percent. The IPFF II also includes $100 million credit from IDA's scale-up facility that has a 30-year term, including a nine-year grace period.

The $357 million Investment Promotion and Financing Facility Project II (IPFF II) will build local financial institutions' capacity to provide long-term financing to private companies to undertake infrastructure projects in diverse sectors, including power and energy, ICT, waste management, water treatment, energy saving equipment, container terminals, land ports, roads, and bridges.

Built on the success of an earlier project, IPFF II will help local financial institutions to lend to private sector infrastructure ventures through the Bangladesh Bank for a longer term of 8 – 20 years, beyond the usual term of 5 to 7 years.

"Bangladesh can seize the opportunity to accelerate growth and reduce poverty by leveraging private sector financing for much-needed infrastructure development, as well as by diversifying exports beyond the garment sector," said Qimiao Fan, World Bank Country Director for Bangladesh, Bhutan, and Nepal.

The other project signed today, a $100 million Export Competitiveness for Jobs Project will help create 90,000 more jobs by focusing beyond the ready-made garment sector and diversifying exports in other labor-intensive sectors.

The project will help firms access international markets, overcome technology, infrastructure and skills shortfalls, and enable them to comply with international quality standards. These improvements will help Bangladesh increase the number of exporting firms in target sectors by around 30 percent.

Nine out of 10 Bangladeshis work in the informal sector, often in poor working conditions. The project will provide industry-specific training to students, workers, and particularly women. By the end of the project, average wage is expected to grow by 33 percent.

Source: http://www.theindependentbd.com/post/122305

Land ports record steady rise in revenue earnings

The land ports run by the Bangladesh Land Port Authority (BLPA) generated revenue worth Tk 89.09 crore in FY2016-17, up from Tk 64.05 crore the year before.

According to the BLPA, this growth has been largely possible due to the increase in the trade volume with neighbouring countries. It has happened because of improvements in capacity and efficiency over the last three years.

According to BLPA data, it earned Tk 64.05 crore in FY 2015/16, and Tk 51.59 crore in FY 2014/15.

“The BLPA-run land ports are providing good services and have developed the necessary infrastructure. Exporters and importers are getting timely services from the ports,” said BLPA chairman Tapan Kumar Chakrabarty.

Over the last three years, the revenue of the five BLPA-run land ports has increased significantly as the import and export volume has increased, he added.

The BLPA runs the land ports of Benapole, Bhomra, Burimari, Nakugaon and Akhaura.

Among the BPLA-run land ports, the highest revenue has come from Benapole (Tk 109.15 crore) in the last three years, followed by Burimari (Tk 51.41 crore) and Bhomra (Tk 49.19 crore).

The revenue earnings from the country’s 23 other land ports have maintained a steady rise too in FY2016/17. These ports earned Tk 100 crore, up by Tk 17 crore or 20.44 per cent from Tk 83 crore in FY2015/16.

Chakrabarty told The Independent that the development of the infrastructure of two more land ports and the expansion of Benapole and Bhomra ports are progressing fast with financial assistance from the World Bank (WB).

He said the BPLA built a modernised passenger shed at Benapole, and the capacity and efficiency of the other ports are being improved. Export and import through the land ports will increase when the development programmes are completed, he added.

Chakrabarty said that in FY 2016/17, the land ports handled 2,427,910 tonnes of goods in all. Of that, 2,148,960 tonnes were in import and 278,950 tonnes were in export.

He expressed optimism that the land ports would be able to handle over 1 crore tonnes of export and import in FY18.

According to the BLPA, 88 per cent of the total revenue comes from the three land ports of Benapole, Burimari, and Bhomra.

Akhaura, which mainly deals with export goods, earned Tk 6.36 crore in FY 2016/17, Tk 3.14 crore in FY 2015/16 and Tk 2.45 crore in FY 2014/15. Nakugaon earned Tk 68 lakh in FY 2016/17 and Tk 57 lakh in FY 2015/16.

The BLPA chairman said Bangladesh would earn more in the future as the national economy develops. The BLPA is developing the infrastructure of the ports as well as increasing their capacity and efficiency, he noted.

“We plan to introduce automated services to reduce the loading and unloading time and the hassles of red tape,” he added.

Source: http://www.theindependentbd.com/post/122399

শীর্ষ ২০ ফার্মার ১৫টিই পুঁজিবাজারে নেই

পুঁজিবাজারে দেশের সবচেয়ে সম্ভাবনাময় খাত ওষুধ শিল্পের উপস্থিতি তেমন জোরালো নয়। ওষুধ বিক্রির দিক থেকে শীর্ষ ২০ কোম্পানির মধ্যে মাত্র পাঁচটি পুঁজিবাজারে তালিকাভুক্ত হয়েছে। বাকী ১৫ কোম্পানির মধ্যে একটি পুঁজিবাজারে আসার প্রক্রিয়ার মধ্যে আছে। অন্য কোম্পানিগুলো পুঁজিবাজারে আসবে কি-না, এলে কখন আসবে তা মোটেও স্পষ্ট নয়। ওষুধ শিল্প খাতের বিভিন্ন সূত্রের সাথে আলোচনা করে এ তথ্য জানা গেছে।
ওষুধ ও স্বাস্থ্য খাতে বিশ্বের সবচেয়ে বড় তথ্যসেবা ও প্রযুক্তি গবেষণা প্রতিষ্ঠান আইএমএস এর তথ্য অনুসারে, দেশের শীর্ষ পাঁচ ওষুধ কোম্পানির মধ্যে তিনটি পুঁজিবাজারে তালিকাভুক্ত। কোম্পানি তিনটি হচ্ছে-স্কয়ার ফার্মাসিউটিক্যালস, বেক্সিমকো ফার্মাসিউটিক্যালস ও রেনাটা লিমিটেড। পুঁজিবাজারের বাইরে থাকা কোম্পানি দুটি হচ্ছে ইনসেপ্টা ফার্মাসিউটিক্যালস ও অপসোনিন ফার্মা।

আইএমএসের পরিসংখ্যান অনুসারে, গত বছরের জুলাই-সেপ্টেম্বর সময়ে সবচেয়ে বেশি ওষুধ বিক্রি করেছে স্কয়ার ফার্মাসিউটিক্যালস লিমিটেড; বিক্রির পরিমাণ ৮১৩ কোটি ১০ লাখ টাকা। দেশের ওষুধের বাজারে স্কয়ারের অংশ ছিল ১৭ দশমিক ৯৯ শতাংশ। আলোচ্য সময়ে স্কয়ার ফার্মার প্রবৃদ্ধি হয়েছে ২৭ দশমিক ৩২ শতাংশ।

দ্বিতীয় অবস্থানে থাকা ইনসেপটা ফার্মসিটিউক্যালস লিমিটেডের বিক্রির পরিমাণ ছিল ৪৬৯ কোটি ৮৫ লাখ টাকা। যা এখাতের মোট বিক্রির ১০ দশমিক ১৮ শতাংশ। এ সময়ে কোম্পানিটির প্রবৃদ্ধি হয়েছে ৪৬ দশমিক শূণ্য ৬ শতাংশ।

বাজার শেয়ারের দিক থেকে তৃতীয় অবস্থানে রয়েছে বেক্সিমকো ফার্মাসিউটিক্যালস। আলোচ্য সময়ে কোম্পানিটির বিক্রির পরিমাণ ৩৭৪ কোটি ৫ লাখ টাকা। যা এ খাতের ৮ দশমিক ২৪ শতাংশ শেয়ার। আলোচ্য সময়ে প্রবৃদ্ধি হয়েছে ৩১ দশমিক ৪৪ শতাংশ।

বাজার শেয়ারের দিক থেকে চতুর্থ অবস্থানে রয়েছে অপসোনিন ফার্মা। আলোচ্য সময়ে কোম্পানিটির প্রবৃদ্ধি হয়েছে ৪৭ দশমিক ৯১ শতাংশ। এ সময়ে কোম্পানিটির বিক্রির পরিমাণ ছিল ২৬৪ কোটি ২১ লাখ টাকা। যা বাজারের মোট বিক্রির ৫ দশমিক ৮৫ শতাংশ।

পঞ্চম অবস্থানে থাকা রেনেটা লিমিটেডের ওষুধ বিক্রির পরিমাণ ছিল ২১৯ কোটি ৮৬ লাখ টাকা। যা মোট শেয়ারের ৪ দশমিক ৮৭ শতাংশ। এ সময়ে কোম্পানির প্রবৃদ্ধি হয়েছে ২৩ দশমিক ৪৭ শতাংশ।

অন্য কোম্পানিগুলোর মধ্যে এসকেঅ্যান্ডএফের শেয়ার রয়েছে ৪ দশমিক ৫২ শতাংশ, এরিস্টো ফার্মার ৪ দশমিক ৩৮ শতাংশ, হেলথকেয়ার ফার্মার ৪ দশমিক ৩৫ শতাংশ, এসিআই লিমিটেডের ৪ দশমিক ২৯ শতাংশ, একমি ল্যাবরেটরিজের ৪ দশমিক ১৪ শতাংশ, জেনারেল ফার্মাসিউটিক্যালসের ২ দশমিক ৪৮ শতাংশ, সনোফি-এভেন্টিস বাংলাদেশ লিমিটেডের ২ দশমিক ১৩ শতাংশ, রেডিয়েন্ট ফার্মার ১ দশমিক ৯৮ শতাংশ, পপুলার ফার্মার ১ দশমিক ৮৯ শতাংশ, নভোনরডিস্কের ১ দশমিক ৭৩ শতাংশ, ড্রাগ ইন্টারন্যাশনালের ১ দশমিক ৬৮ শতাংশ, ইউনিমেড অ্যান্ড ইউনিহেল্থের ১ দশমিক ৫৮ শতাংশ, নুভিস্তা ফার্মার ১ দশমিক ৩৪ শতাংশ, নোভারটিস ফার্মার ১ দশমিক ২৮ শতাংশ, সান ফার্মার ১ দশমিক ২২ শতাংশ।

শীর্ষ ২০ ওষুধ কোম্পানির প্রতিটিরই রয়েছে ভালো প্রবৃদ্ধি। এর ছোঁয়া লাগছে না পুঁজিবাজারে। কোম্পানিগুলো তালিকাভুক্ত হলে বাজারে ভালো শেয়ারের সরবরাহ বাড়তো। বাজার আরও গভীর হতো। বিনিয়োগকারীরা ওষুধ খাতের উচ্চ প্রবৃদ্ধির ভাগ পেতে পারতো। অন্যদিকে কোম্পানিগুলোও পুঁজিবাজার থেকে সাশ্রয়ী মূলধন সংগ্রহ করে ব্যবসা সম্প্রসারণ করতে পারতো।

Source:
http://www.arthosuchak.com/archives/322027/%E0%A6%B6%E0%A7%80%E0%A6%B0%E0%A7%8D%E0%A6%B7-%E0%A7%A8%E0%A7%A6-%E0%A6%AB%E0%A6%BE%E0%A6%B0%E0%A7%8D%E0%A6%AE%E0%A6%BE%E0%A6%B0-%E0%A7%A7%E0%A7%AB%E0%A6%9F%E0%A6%BF%E0%A6%87-%E0%A6%AA%E0%A7%81/

Low-cost WB funds for entrepreneurs

Bangladeshi entrepreneurs in the power, energy and bridges sectors can access low-cost funds for up to 20 years thanks to a new credit from the World Bank.

The funds became available after the government signed two agreements with the Washington-based lender involving $457 million yesterday.

Of the amount, $357 million will be used to help develop private sector-led infrastructure projects under the Investment Promotion and Financing Facility Project II (IPFF II).

The project will build local financial institutions' capacity to provide long-term funds to private companies to undertake infrastructure projects in sectors such as power and energy, ICT, land ports, roads, and bridges, said a WB statement.

“By bringing private sector provision for infrastructure development and expanding exports to sectors where the country has already shown comparative advantages, Bangladesh can create more and better-paid jobs and boost prosperity for its citizens,” said Qimiao Fan, WB's country director for Bangladesh.

Due to limited capacity and market constraints, local financial institutions traditionally could not meet the longer-term financing demand for building infrastructure.

Built on the success of an earlier project, the IPFF II will help local financial institutions to lend to private sector infrastructure ventures through the Bangladesh Bank for a longer term of 8 to 20 years, beyond the usual term of 5 to 7 years, according to the statement.

The other one—the $100 million Export Competitiveness for Jobs Project—will aim in diversifying exports in labour-intensive and globally competitive industries such as leather goods, footwear, plastics and light engineering.

“Both the projects will help Bangladesh create more and better jobs for its population,” the World Bank said.

The WB said it will help create 90,000 more jobs by focusing beyond the garment sector and diversifying exports in other labour-intensive sectors.

The project will help firms access international markets, overcome technology, infrastructure and skills shortfalls and enable them to comply with international quality standards.

These improvements will help Bangladesh increase the number of exporting firms in target sectors by about 30 percent.

Nine out of 10 Bangladeshis work in the informal sector, often in poor working conditions. The project will provide industry-specific training to students, workers, and particularly women.

By the end of the project, average wage is expected to grow by 33 percent, the WB said.

“These two projects will contribute to the country's vision of achieving upper-middle income status by its 50th birthday,” said Kazi Shofiqul Azam, secretary of the Economic Relations Division.

Both the agreements were signed by Azam and Fan.

The credits came from the International Development Association (IDA), the WB's credit arm for grant and no or low interest.

The credits are interest-free and repayable in 38 years, including a six-year grace period, and carry a service charge of 0.75 percent.

The IPFF II also includes $100 million credit from the IDA's scale-up facility that has a 30-year term, including a nine-year grace period.

Source: http://www.thedailystar.net/business/low-cost-wb-funds-entrepreneurs-1486897

International News

Lebanon PM forced to resign by Saudi Arabia: Hezbollah

In this photo released on Monday, Oct. 30, 2017 by Lebanon's official government photographer Dalati Nohra, showing Saudi Crown Prince Mohammed bin Salman, right, meets with Lebanese Prime Minister Saad Hariri in Riyadh, Saudi Arabia. Hariri resigned from his post Saturday, Nov. 4, 2017 during a trip to Saudi Arabia in a surprise move that plunged the country into uncertainty amid heightened regional tensions. (Dalati Nohra via AP)

- The head of Lebanon's powerful militant group Hezbollah accused Saudi Arabia Sunday of forcing the country's prime minister to resign after less than a year in his post, as Bahrain ordered its citizens in Lebanon to "leave immediately" and banned travel there.

Prime Minister Saad Hariri stunned Lebanon and its leaders Saturday when he announced his resignation in a televised statement recorded in Saudi Arabia, citing Iranian and Hezbollah meddling in Arab affairs.

Hezbollah Secretary-General Hassan Nasrallah, one of Lebanon's most powerful figures, said the statement was "dictated and forced upon" Hariri and called for calm as Lebanese leaders consult over next steps.

Hariri's abrupt resignation has set off anxious chatter about Lebanon's unstable political configuration and put it at the center of a spiraling regional rivalry between Saudi Arabia and Iran.

It has also raised worries that the Gulf kingdom, under the leadership of its increasingly bullish Crown Prince Mohammad bin Salman, will squeeze Lebanon as a way to get to Iran's proxy Hezbollah.

"We need to wait and see why Saudi Arabia obligated the head of the government to resign," said Nasrallah.

Bahrain's travel ban against Lebanon portends broader prohibitions by Gulf states against the tiny Mediterranean country, which depends on Gulf investment and tourism to keep its economy running.

A harsher package of sanctions would be in line with the Gulf Cooperation Council's abrupt trade boycott with Qatar over what Gulf states see as Doha's unfavorably warm ties with Tehran. The boycott has been in place since June. GCC member states warned against travel to Lebanon in 2012 and again in 2016.

Hariri, who read his statement haltingly and glanced frequently off camera, has not been seen in Lebanon since Saturday, prompting speculation he may be held in Saudi Arabia against his will.

He posted a photo on Twitter Sunday night from the Gulf kingdom with the newly sworn in Saudi Ambassador to Lebanon Walid Yacoub.

Still, Nasrallah said Hariri could return Thursday to meet with President Michel Aoun who by law must accept the Prime Minister's resignation in order for it to be valid. Aoun has not indicated how he will rule.

Hariri first ascended to the Lebanese premiership in 2009 with Saudi Arabia's backing, until Hezbollah and its allies withdrew from his Cabinet in 2011 and forced the government's collapse. The Iranian-sponsored Hezbollah is now the chief political rival of Hariri's Future Movement.

The 47-year old leader was appointed to the post again in 2016, ending a two-year power vacuum at the top of Lebanon's government and raising the possibility of parliamentary elections for the first time since 2009, four years behind schedule.

Lebanon has weathered waves of assassinations and terror blasts and numerous political crises since emerging from a 15-year civil war which ended in 1990. It also survived a war with Israel in 2006 and a protracted Israeli occupation of its southern territories until 2000.

Hariri's resignation came on the same day as a stunning lock up of over three dozen Saudi princes, ministers, and businessmen, in a move seen as squashing the internal rivalry to ascendant Crown Prince Mohammad bin Salman.

Hezbollah and its allies have been given veto power in Lebanese politics since Hezbollah forces seized the streets of Beirut in brief clashes in 2008. Their political bloc controls the largest shares of seats in Lebanon's parliament.

Hezbollah was founded with Iranian support in 1982 to resist the Israeli invasion of Lebanon and has since emerged as a regional power in its own right.

Lebanon, once one of the key flashpoints of the Saudi-Iran rivalry, officially declared itself neutral with respect to the civil war in neighboring Syria.

But Hezbollah fighters have poured into Syria, angering Saudi Arabia. They have been fighting alongside Iranian advisers and militias in the Syrian war, providing crucial support to President Bashar Assad's forces as a crackdown on anti-government demonstrations morphed into full-fledged war.

Dozens of rebel factions in Syria are or have been backed by Turkey, Saudi Arabia, and Saudi Arabia's Gulf allies.

Assad and his Iranian-supported allies are now firmly in command of the war in Syria, in a humiliation to Saudi Arabia and the Gulf.

Source: http://www.theindependentbd.com/post/122425

Saudi prince's detention may affect his global investment

The detention of Saudi Arabia's Prince Alwaleed bin Talal, known for his big bets on Citigroup and other top Western companies, could have an impact on billions of dollars of investments around the world.

For many foreigners, Prince Alwaleed - whose net worth has been estimated by Forbes magazine at $17 billion - is the face of Saudi business, appearing frequently on international television and in articles on his investments and lifestyle.

A 2013 Forbes magazine profile described his marble-filled, 420-room Riyadh palace, a private Boeing 747 equipped with a throne, and his 120-acre resort on the edge of the Saudi capital with five homes, five artificial lakes and a mini-Grand Canyon.

He is also known for his outspoken views on politics - making headlines in 2015 when he called Donald Trump a “disgrace” on Twitter during the US election campaign.

Prince Alwaleed's investments, current and future, may now be in doubt after he was detained in an investigation by a new Saudi anti-corruption body.

“There will be questions on what this all means,” said a senior executive at a European financial institution, who visited Riyadh late last month to attend a big international conference promoting Saudi Arabia as an investment destination.

“People will be looking at any kind of international holdings of the people who have been arrested, to see what will be the impact.”

Aside from a stake in Citigroup, Prince Alwaleed, 62, owns significant stakes in Twitter, ride-hailing firm Lyft and Time Warner.

His investment firm Kingdom Holding 4280.SE - whose share price plunged 10 percent on Sunday in response to news of his detention - recently bought about half of a 31.1 percent stake in Saudi lender Banque Saudi Fransi 1050.SE from France's Credit Agricole.

Prince Alwaleed's father was the kingdom's finance minister during the 1960s. Prince Alwaleed formed Kingdom Holding in 1979, initially pouring money into real estate in Riyadh; in the 1990s he ventured into Wall Street, investing heavily in Citigroup.

He had a close relationship with former Citigroup Chief Executive Sanford “Sandy” Weill, and has nurtured close ties with other Wall Street leaders including Goldman Sachs CEO Lloyd Blankfein.

Prince Alwaleed increased his stake in Citigroup at the height of the global financial crisis a decade ago and he has held on to the stake, saying as recently as last month that he was very happy with the investment.

“He's always been a colorful and unofficial public face of Saudi Arabia, though he has never been a key decision-maker in the kingdom,” a Gulf-based businessman said.

During the US election campaign, Prince Alwaleed demanded that Trump withdraw from the election campaign after the candidate pledged to ban Muslims' entry into the United States.

Source: http://www.thedailystar.net/business/saudi-princes-detention-may-affect-his-global-investment-1486867