

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
1.02%	0.80%	\$1,681.80	\$56.16	1.96%	Closed	1.22%	0.28%	83.95	90.00	107.95	11.79	
4,650.89	8,656.18	(per ounce)	(per barrel)	40,363.23		3,142.20	3,031.23	BUY TK	84.95	93.80	111.75	12.39

আপনার বিআরটিএ ফি এবং সকল ইউটিলিটি বিল এসআইবিএল এর যে কোন শাখার মাধ্যমে জমা দিন



ফ্রি অনলাইন সেবা  
যে কোন প্রয়োজনে ০৯৬৯২০০৯৯২২

# Star BUSINESS

DHAKA TUESDAY FEBRUARY 25, 2020, FALGUN 12, 1426 BS starbusiness@thedailystar.net

## BB formally asks banks to set single-digit lending rates

STAR BUSINESS REPORT

The Bangladesh Bank yesterday instructed banks to set a maximum 9 per cent interest rate on all loan products except credit cards, in a move that suggests single-digit lending rate would actually be materialising.

But borrowers will have to cough up an additional two per cent in penal interest along with the new rates if they default on their instalment payments, according to a central bank notice.

The new rates will come into effect on April 1.

On December 30, Finance Minister AHM Mustafa Kamal said that banks

would have to fix the interest rate on lending at 9 per cent from the first day of April as per Prime Minister Sheikh Hasina's instruction.

The central bank, however, kept unchanged the interest rate of 7 per cent for exporters who take loans before shipping products.

In many cases, exporters take out loans to purchase raw materials in order to produce export-oriented items.

From this year, banks will also not be allowed to lower the disbursement of funds flowing to the industrial sector below their average credit growth in the last three years.

The provision came as central bankers fear that banks may cut loans to industries because of the new ceiling on the lending rates.

The existing high interest rate on loan products for

small, medium and large industries has created a barrier for the expansion of the country's business and service sector, the central bank notice said.

Under such scenarios, the cost of production cost goes up, creating hurdles for businesses to market products.

This also creates indiscipline in the banking sector and hampers economic development in the country as a whole, the BB said.

"The single-digit lending rate will help the country achieve the desired economic growth."

The central bank, however, will not issue any notice on fixing the interest rate on fixed deposit schemes at 6 per cent as banks have already started to do so in preparation for the 9 per cent lending rate, said a BB official.

On January 28, the Association of Bankers, Bangladesh, a forum of managing directors of banks, took the decision to provide not more than 6 per cent on fixed deposit receipts (FDRs) from February 1.

As of February 14, 21 banks brought down the interest rate on FDRs to 6 per cent.



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## Japanese firms to invest \$6.4b

Six infra projects will be implemented under the PPP model

REJAUL KARIM BYRON

Major Japanese large firms are to invest about \$6.4 billion to implement six infrastructure projects in Bangladesh under the public-private partnership model.

The implementation timeline for the projects to be implemented by groups such as Kajima, Sojitz and Marubeni will be set at the fourth Bangladesh-Japan Joint PPP Platform meeting in Dhaka next month.

The feasibility study, the construction period and other issues will also be fixed at the meeting, said officials of the Prime Minister's Office and the planning ministry.

The government had submitted a list of 18 projects to the Japanese government in December 2017. But Shinzo Abe's administration picked the six projects from the list that it deemed suitable for investment through Japanese private investors.

The ministry of land, infrastructure, transport and tourism (MLIT) of Japan has selected a consortium of private investors for each project to be led by a major company. The consortium is known as the sub working group (SWG).

The Japanese companies, which have set up their offices in Dhaka to start the construction of the projects, will invest under the government-to-government system without participating in any bidding.

At the meeting, Dhaka will seek investment for four more projects, which include the Bhola-Barishal bridge and the deep water container terminal at the Payra port.

SECOND METRO RAIL

the project.

The metro rail is expected to go on commercial operation in 2030.

"Japan SWG will make best efforts to secure MLIT's fund from next fiscal year's budget starting from April 2020

### Japan-Bangladesh PPP projects at a glance

PROJECTS	LEAD COMPANY	AMOUNT
Multimodal hub at Kamalapur Railway Station	Kajima Corp.	\$310m
Multimodal hub at Airport Railway Station	Sojitz Corp.	\$200m
Inland Container Depot in Dhirasram	Sojitz Corp.	\$500m
Improvement of Ctg-Cox's Bazar Highway	Marubeni Corp.	\$1.7b
Outer Ring Road Dhaka	Marubeni Corp.	\$273m
Metro Rail Line-II	Marubeni Corp.	\$3.5b

The proposed route of the MRT Line-2 is Gabtoli-Mohammadpur-Jigatola-Science Lab-New Market-Azimpur-Palashi-Shaheed Minar-Police Headquarters-Motijheel-Kamalapur-Demra-Chattoogram Road covering around 40 kilometres.

The cabinet committee on economic affairs has already approved

for the basic study of the project," said an official of the PMO.

The lead company of the project is Marubeni Corporation. The other participating companies are: Oriental Consultants Global, Katahira & Engineers International, Sojitz and Sumitomo Mitsui Construction Corporation.

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## Imports from China tumble 21pc for coronavirus

NBR suggests exploring alternative markets to source apparel raw materials

SOHEL PARVEZ

Imports from China slumped 21 per cent year-on-year in volume in the one and a half months to February 15 amid supply disruption caused by the coronavirus pandemic, official data showed.

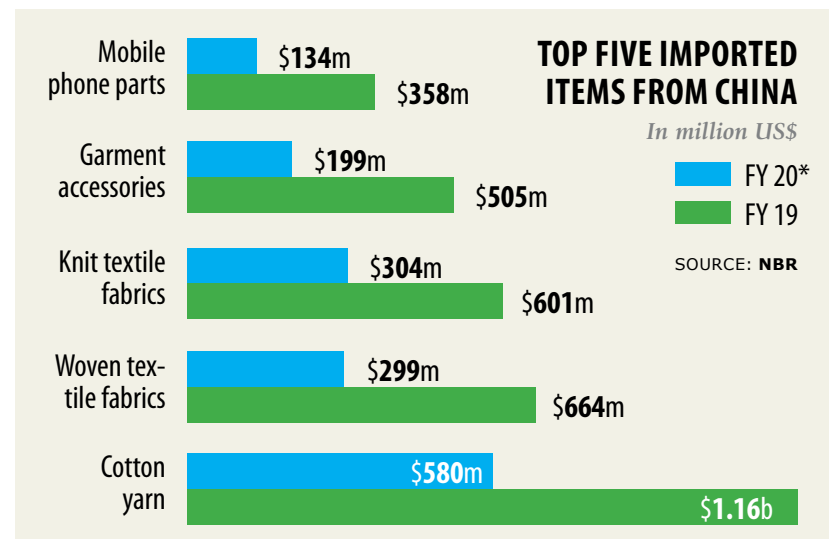
Businesses imported 36 lakh tonnes of products in the first seven months of fiscal 2019-20, down 19 per cent from a year earlier, according to the National Board of Revenue (NBR).

In monetary terms, imports also declined this year compared with the same period a year ago, said the revenue administration in a report on the possible impact of the coronavirus outbreak in the world's second largest economy.

Bangladesh's main export earner apparel and textile industry is highly dependent on China for cotton yarn and fabrics, textile fabrics and garments accessories.

"Alternative sources should be actively considered to import the raw materials of garments if the coronavirus outbreak disrupts supply from China," the report said.

It also suggested considering alternative sources to import parts of mobile phones to support the



budding mobile handset assembling sector.

China is the biggest trading partner of Bangladesh and the biggest source for imports. The world's second largest economy accounted for more than a fifth of the country's imports of \$56 billion in fiscal 2018-19, Bangladesh Bank data showed.

The NBR report comes amid growing concerns among businesses about potential supply disruption of

raw materials, intermediate goods and other materials brought about by the coronavirus outbreak in December last year.

The deadly disease has already claimed more than 2,500 lives.

The NBR report assessed the possible effects of the coronavirus pandemic on export and imports by taking seven top-ranked inbound and outbound items to and from China.

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## Beximco Pharma to sell global drug maker Mylan's products

STAR BUSINESS REPORT

Generic drug manufacturer Beximco Pharmaceuticals yesterday penned a deal to begin the sale of medication for cancer, rheumatoid arthritis and other diseases made by US-based Mylan, in what can be viewed as a stroke of good news for the country's healthcare sector.

Under the agreement, Beximco Pharma will be allowed to launch Mylan's portfolio of key monoclonal antibodies for different types of cancer, rheumatoid arthritis, Crohn's disease, ulcerative colitis and other medical conditions, said the listed company in a press release.

The news of this tie-up though failed to boost Beximco stock: it closed 0.41 per cent lower at Tk 73.30 yesterday.

The first product, a breast cancer drug called Ogivri, will become available to the public in the first quarter of the current year.

Cancer is now one of the leading causes of death in Bangladesh: more than 50,000 women have tested positive for breast cancer.

Ogivri, which is approved by the US Food and Drug Administration (FDA) and also received marketing authorisation from the European Medicines Agency, is biosimilar to Roche's blockbuster drug Herceptin. Its global sales in 2018 exceeded \$7 billion.

The growing rate of breast cancer patients is a major public health concern in developing markets, said Rakesh Bamzai, president of Mylan's India and emerging markets operations.

"As a global leader in the

At present, Beximco Pharma produces more than 300 generics.

With an international footprint spanning more than 50 countries, the company has been accredited by leading global regulatory authorities, which include the FDA, Malta



development of complex pharmaceuticals, Mylan, through its commercial agreement with Beximco Pharma, is pleased to make its products accessible for patients in Bangladesh," he added.

With one of the most diverse portfolios of biosimilar medicines that are approved in over 80 countries, Mylan is an ideal partner for Beximco, according to Nazmul Hassan, managing director of Beximco Pharma.

Medicines Authority (EU), TGA (Australia), Health Canada, GCC (Gulf) and TFDA (Taiwan).

Mylan offers a growing portfolio with more than 7,500 of their products being marketed across 165 countries and territories.

The US-based company also provides antiretroviral therapies, which approximately 40 per cent of the world's HIV/AIDS afflicted population depend on.

## Grameenphone's mini victory against telecom watchdog

Getting away by furnishing one-sixth the sum demanded

STAR BUSINESS REPORT

The Supreme Court yesterday directed Grameenphone to pay another Tk 1,000 crore to the Bangladesh Telecommunication Regulatory Commission (BTRC) within the next three months, in a development that can be viewed as a mini-victory of the country's leading mobile operator.

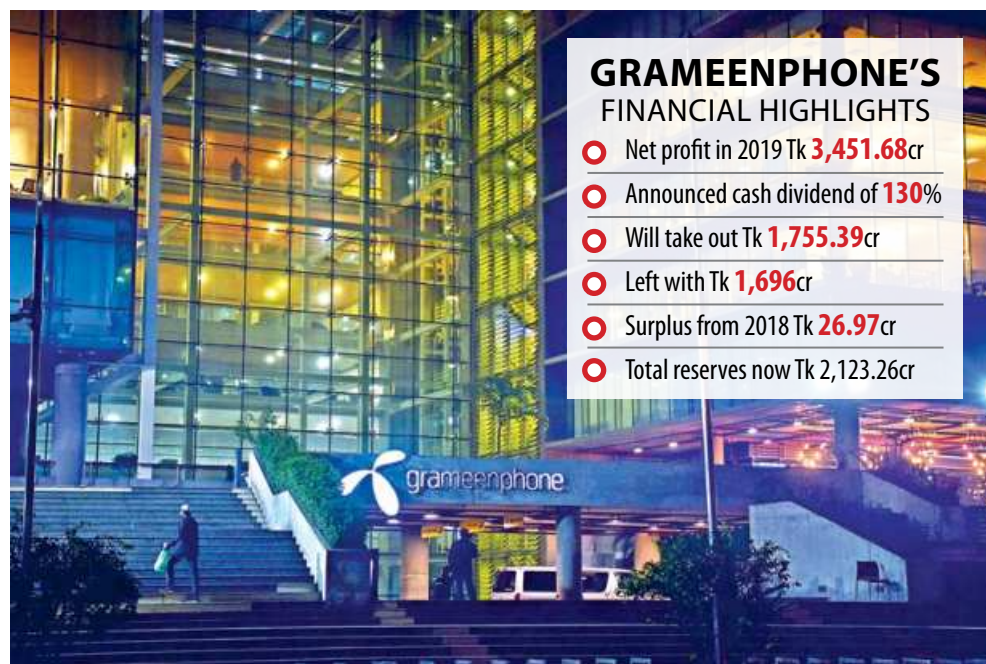
The Norwegian Telenor Group subsidiary has been locked in a locked in a bitter tug-of-war with the telecom regulator for the best part of the past 12 months over unpaid dues amounting to Tk 12,579.95 crore.

The regulator had tightened the leash on Grameenphone to get it to pay the sum, much to the detriment of the operator's business.

Now, it is bringing the matter to a possible close by paying just one-sixth the sum the telecom regulator was holding out for. On Sunday, the operator paid Tk 1,000 crore to the telecom watchdog.

The development though disappointed stock market investors: Grameenphone, which is the largest listed company on the Dhaka Stock Exchange, saw its share price slide 7.38 per cent after two consecutive days of rise. Grameenphone shares closed at Tk 299.40 yesterday.

Insiders of the telecom ministry said Grameenphone is now on a compromise mode and wants to avoid conflict with the



**GRAMEENPHONE'S FINANCIAL HIGHLIGHTS**

- Net profit in 2019 Tk 3,451.68cr
- Announced cash dividend of 130%
- Will take out Tk 1,755.39cr
- Left with Tk 1,696cr
- Surplus from 2018 Tk 26.97cr
- Total reserves now Tk 2,123.26cr

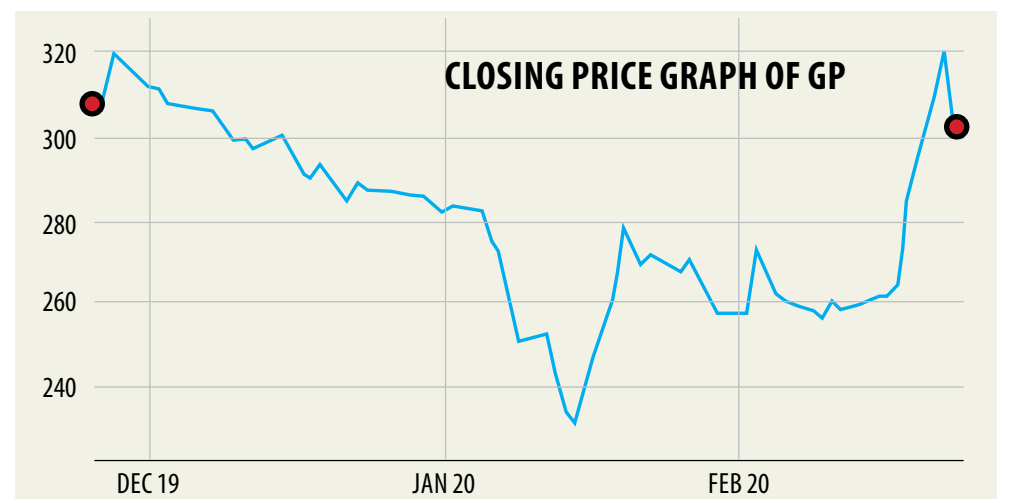
telecom regulator to save its business here.

While Tk 2,000 is a huge amount, it will not impact their financials much, they added.

"It is a tiny amount for them," said Md Jahurul Haque, chairman of the telecom

regulator, adding that had Grameenphone agreed to furnish the sum as per the court order two months ago all the furore seen in the past few weeks could have been avoided.

Earlier on November 24 last year, the SC



directed Grameenphone to pay Tk 2,000 crore within three months.

"Tk 2,000 crore is not a matter for them as they are making about Tk 4,000 crore every year and they have also taken preparations for this claims settlement," Haque told The Daily Star yesterday at his office.

Also at yesterday's review petition hearing filed by Grameenphone, a six-member bench of the Appellate Division of the SC headed by Chief Justice Syed Mahmud Hossain also fired

a round of warning to foreign companies: they must abide by the law of the land when operating in Bangladesh.

GRAMEENPHONE'S OPTION TO ARRANGE THE SUM

According to Grameenphone's annual report for 2019, its reserve and surplus amount stands at Tk 2,123.26 crore after disbursing 130 per cent cash dividend against their 135.03 crore shares for the year.

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