

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.16%	▲ 0.19%	\$1,949.04	\$39.88	▲ 0.74%	▼ 0.44%	▲ 0.13%	▲ 0.51%	BUY TK 83.95	88.79	107.03	12.16
5100.54	8,739.40	(per ounce)	(per barrel)	39,044.35	23,454.89	2,485.83	3,295.68	SELL TK 84.95	102.59	110.83	12.78

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BUSINESS

DHAKA WEDNESDAY SEPTEMBER 16, 2020, ASHWIN 1, 1427 BS ● starbusiness@thedailystar.net

Economy on path to gradual recovery

Says ADB although it cuts growth outlook

REJAUL KARIM BYRON and MD FAZLUR RAHMAN

Bangladesh might have already started rebounding from the persisting coronavirus pandemic as the Asian Development Bank said the economy would see a gradual recovery in the first two quarters of the fiscal year.

“With the cautious reopening of the economy since May and subdued global economic conditions, recovery is expected to be gradual in the first two quarters of FY2021,” the Asian Development Outlook 2020 Update said.

“Then a strong manufacturing base will enable more rapid recovery in tandem with projected

strengthening of growth in the advanced economies and import demand from them. As factories gradually accelerate production, growth in exports and imports will revive.”

The Manila-based lender has, however, revised down the country’s growth prospects for FY2021 to 6.8 per cent as the impacts of the coronavirus pandemic are lingering longer than expected and the government’s stimulus packages have had little time to take hold.

In April, it had forecast 8 per cent gross domestic product (GDP) growth for Bangladesh. In June, it revised the growth further downwards to 7.5 per cent. If realised, Bangladesh would pull off the fourth-highest GDP growth in Asia in FY2021, behind the Maldives’ 10.5 per cent, India’s 8 per cent and China’s 7.7 per cent.

Finance Minister AHM Mustafa Kamal expressed satisfaction at the forecast of the ADB. He said countries such as South Korea, Indonesia, Malaysia, Pakistan, Vietnam and Thailand are behind Bangladesh.

In the last fiscal year, Bangladesh even posted the highest GDP growth in Asia whereas many other countries contracted

because of the pandemic.

“We hope Bangladesh would remain at the top in Asia this fiscal year as well,” Kamal said in a press release.

In South Asia, Afghanistan is forecast to grow 1.5 per cent this fiscal year, Bhutan 1.7 per cent, Nepal 1.5 per cent, Pakistan 2 per cent and Sri Lanka 4.1 per cent, according to the ADB.

As per the International Monetary Fund’s projection, growth in Bangladesh would be 3.8 per cent, and as per the World Bank’s projection, just 1.6 per cent in FY2021.

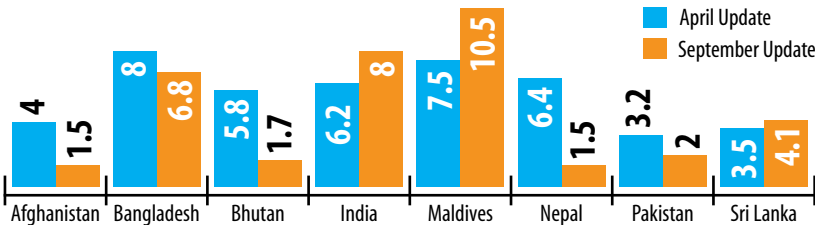
The government is aiming an 8.2 per cent growth rate in FY2021. The economy grew 5.2 per cent in the last fiscal year.

After the slowdown in March-April 2020 remittances started to recover, firming private consumption. The restoration of consumer confidence, along with government stimulus packages, will boost private and public investment, the ADB September update said.

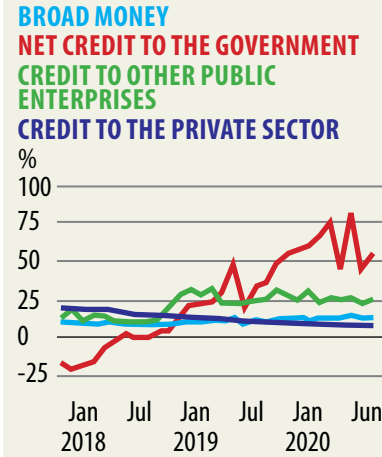
The main downside risk to the forecast would be a prolonged pandemic in Bangladesh or its export markets.

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ADB GDP GROWTH FORECAST FOR SOUTH ASIAN COUNTRIES FOR FY21 (IN %)

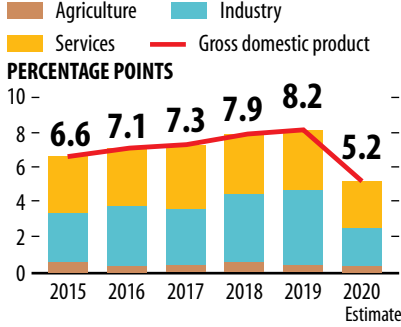


GROWTH OF MONETARY INDICATORS

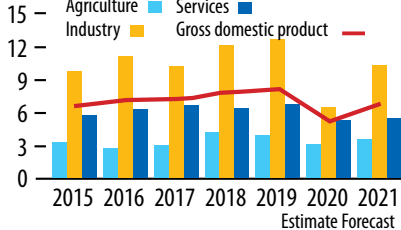


SOURCE: BANGLADESH BANK, 2020. MAJOR ECONOMIC INDICATORS

SUPPLY-SIDE CONTRIBUTIONS TO GROWTH



GDP GROWTH %



Recovering bad loans is top priority: new BASIC Bank chair

MAHMUDUL HASAN

No stone would be left unturned to recover the Tk 7,689 crore default loans and people involved in the scams will be exposed, said the newly appointed chairman of BASIC Bank.

“These are public money and can’t be embezzled or swindled in this manner. Everyone responsible will be brought to book,” Prof Abul Hashem told The Daily Star yesterday.

On Monday, the Financial Institutions Division of the finance ministry sent a letter to BASIC Bank’s Managing Director Rafiqul Alam to take necessary steps to appoint Prof Hashem as the chairman of the lender for three years.

Prof Hashem has asked Alam to submit an assessment report so that he can have a look at the current business status of the bank.

“As the government has appointed me, I have full confidence that they will help me in turning the bank into a stable condition,” he said.

Once a profitable bank, it came on the verge of collapse during former chairman Sheikh Abdul Hye Bachchu’s six years’ tenure running from 2009 to 2014.

During his stint, about Tk 3,500 crore was swindled through irregularities and fraud.



Abul Hashem

The Anti-Corruption Commission has filed five dozen cases against those involved in the fraud.

An investigation report of the Bangladesh Bank uncovered the involvement of the board

members, including Bachchu in the irregularities and fraud.

Alauddin A Majid, a former managing director of Basic Bank, took over as the chairman after the departure of Bachchu. Yet, he was not able to improve the condition of the lender in six years.

The bank incurred a loss of Tk 326 crore in 2019.

Prof Hashem, also the vice-chancellor of Anwer Khan Modern University, said it would take some time to put the bank in the right direction.

“I will increase the revenue of the bank and introduce cost-cutting measures.”

BASIC Bank’s 52 per cent of disbursed loans fell into default category. Prof Hashem plans to divide the default loans into two categories.

“Some will fall in a group whose businesses are really in a bad shape and as a result, they defaulted. They will be treated with flexibility.”

But those who deliberately took away public money through forged documents will be brought under the book, he said.

“They did not take the money by breaking vaults. Rather, some people from the bank helped them do so. They will also be held accountable.”

READ MORE ON B3

BIDA improves services for investors

Brings more public services online

STAR BUSINESS REPORT

Investors seeking to do business in Bangladesh can now avail four more public services from the One-Stop Service (OSS) portal on the Bangladesh Investment Development Authority’s (BIDA) website.

BIDA inked separate deals with four different power distribution organisations to provide new electric supply facilities for factories established by investors through an online application at its office in the city’s Agragaon recently.

And now, the OSS centre has a total of 38 services that investors can avail online.

The recently integrated organisations are: Bangladesh Rural Electrification Board, Dhaka Power Distribution Company (DPDC), Northern Electricity Supply Company and West Zone Power

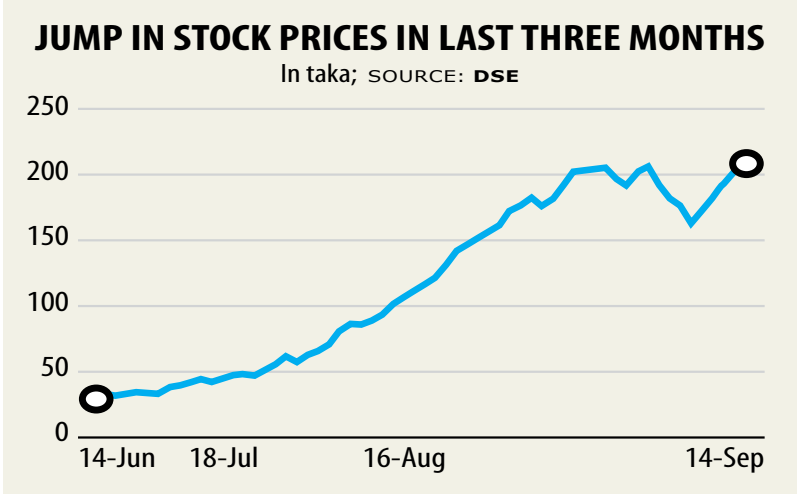
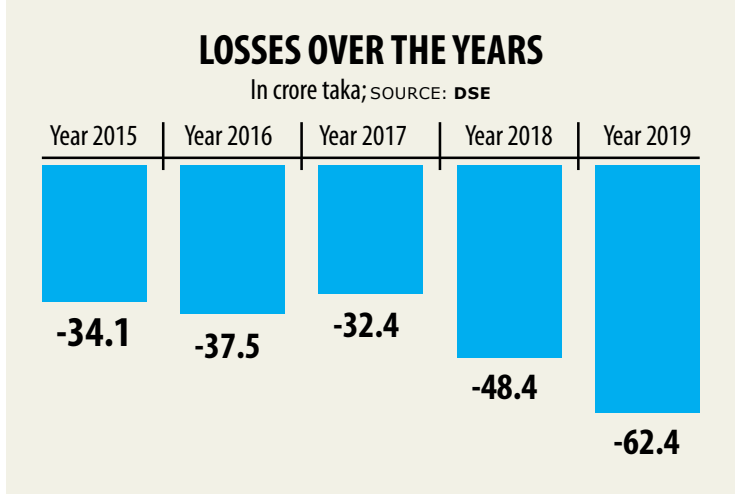


Distribution Company.

Of the 34 information-based services available on the site before, 14 were provided by BIDA while the remainder were handled by the Registrar of Joint Stock Companies and Firms, the National Board of Revenue and Sonali Bank. BIDA aims to incorporate 23 more dedicated services to the OSS platform within September in an effort to improve Bangladesh’s ranking on the World Bank’s Ease of Doing Business Index and attract more foreign investment.

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Zeal Bangla stocks trading halted over suspected gambling



STAR BUSINESS REPORT

Trading of shares of Zeal Bangla Sugar Mills was halted yesterday till further notice after the Bangladesh Securities and Exchange Commission (BSEC) detected unusual transactions and price movements.

The stock price of the state-run company, listed with the bourses in 1988, has skyrocketed over fivefold to Tk 210 from Tk 38 in a span of just one and a half months.

In the past two years, it had remained flat between Tk 35 and Tk 45, according to data from Dhaka Stock Exchange.

The company’s paid-up capital is very low, making it a target for gamblers seeking to manipulate trading, said a top official of the stock market regulator preferring anonymity.

Its paid-up capital stands at Tk 6 crore but the company’s cumulative loss amounts to Tk 370 crore.

The most common form of gambling in the market occurs whenever scamsters are able to get their hands on nearly all of a company’s stocks.

A company having low paid-up capital means the number of shares it has in the market is relatively small. Gamblers target these stocks as it is easier to carry out the manipulation.

They strategically time purchases and sales so that the stocks change hands just among themselves. This causes the price to rise even if the company’s dividend payout keeps very low while the brand value stays limited.

Once the high prices start attracting investors with poor judgement and analytical skills, the fraudsters dump all that they own and exit the market with the loot.

“We detected that stocks of the long-running loss-making sugar mill company were being played with, so we stopped the trading,” the official said.

“At first we will investigate the reason behind the price hike and find the people behind it. And then we will punish them,” he added.

As the company has been incurring losses for many years, the regulator will talk with the company as well and then decide on whether to start the trade again, he said in response to a question. The commission will take immediate steps if anyone is found involved in any wrongdoing with any stock, he added.

“The BSEC has done the right thing,” said a stock broker requesting not to be named.

Gamblers are playing with the company’s stocks but none has been punished yet, he said, adding that the punishment should be exemplary.

If the company has no potential, it could be delisted through the return of investors’ money because it will encourage nothing but gambling in the stock market, the broker added.

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E-mail: info.power@united.com.bd, http://www.unitedpowerbd.com

A concern of

Price Sensitive Information

Board of Directors of the Company in its 94th meeting held on 15th September, 2020 at 7.00 p.m. at “UNITED HOUSE”, United City, Madani Avenue, Dhaka-1212 resolved unanimously on the following investment decisions-

A.

- To acquire **99 (Ninety Nine)** percent Shares of United Anwara Power Limited (UANPL), a 300 MW HFO fired power plant located at Anwara, Chattogram, **effective 1st July, 2020** at Net Asset Value (NAV) based on the Financial Statements as on 30th June 2020 of (UANPL).
- To acquire **99 (Ninety Nine)** percent Shares of United Jamalpur Power Ltd. (UJPL), a 115 MW HFO fired power plant located at Jamalpur, **effective 1st July, 2020** at Net Asset Value (NAV) based on the Financial Statements as on 30th June 2020 of (UJPL).

Above acquisitions are subject to compliance of all related regulatory requirements, including approval of the Shareholders’;

B.

Date of EGM : Wednesday, 28th October, 2020.

Time : 11.00 a.m. (Dhaka Time) through digital platform pursuant to the Bangladesh Securities and Exchange Commission’s Order No. SEC/SRMJC/94-231125 dated 08 July 2020;

Record Date : Tuesday, 06th October 2020. Shareholders, whose names will appear in the Share Register on the Record Date of the Company or in the Depository Register, will be entitled to attend and Vote at the EGM;

NB: The “Price Sensitive Information” will also be available in the company’s website www.unitedpowerbd.com.

By order of the Board
Sd/-
(Badrul H. Khan, FCA)
Company Secretary

Date: 15 September 2020