STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		$USD	€EUR	£GBP	¥CNY
Flat	▼ 0.18%	▲ $1,918.42 (per ounce)	▼ $42.51 (per barrel)	▲ 0.40%	▲ 0.31%	▼ 0.12%	▼ 0.09%	BUY TK	83.95	98.38	107.98	12.44
4,916.85	8,436.03			40,707.31	23,639.46	2,525.61	3,325.02	SELL TK	84.95	102.18	111.78	13.08

Star BUSINESS

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Shariah-compliant bonds by Dec

AKM Zamir Uddin

The government plans to issue Shariah-compliant bonds, commonly known as sukuk, from December as part of its effort to implement infrastructure projects smoothly.

The Bangladesh Bank will act as a special purpose vehicle (SPV) for the issuance of the upcoming government securities to materialise the projects.

The tenure of a single sukuk will be at least five years as the earnings from the tools will be dedicated to implementing the long-term projects.

The central bank has formed a Shariah advisory committee led by its Executive Director Syed Tariquzzaman to select the projects.

The finance ministry issued guidelines on October 8 on the investment criteria of sukuk and the central bank yesterday informed banks and non-bank financial institutions about the development.

A sukuk is an Islamic financial certificate, similar to a treasury bond, which complies with Shariah laws.

Since the traditional interest-paying bond structure is not permissible under the Islamic law, the issuer of a sukuk essentially sells a certificate to a group of investors and then uses the proceeds to purchase an asset where the group has a direct partial ownership interest.

Although the government will borrow from individuals and business entities through sukuk, there are many differences between the Islamic bond and the Treasury bond.

For instance, the government now issues six T-bonds with tenures ranging from 2 years to 20 years to finance deficits. It pays interest to clients based on the rate set by auctions from time to time.

But several sukuks can be introduced as each of them will be designed considering the characteristics of a project, said an official of the central bank and a member of the advisory committee.

The tenure of the profit-based instruments will depend on the implementation and operational period of the projects.

Any resident or non-resident person or organisation will be allowed to invest in the Islamic securities and they have to embrace the profit or loss stemming from the projects.

This means investors will not enjoy any interest on their investment in sukuk. They will be permitted to take profit and the ratio will be higher or lower depending on the success of the projects.

The upcoming instruments will attract small investors as they will able to invest as low as Tk 10,000 in the Islamic instruments in contrast to Tk 1 lakh in the T-bills and bonds.

Since both sukuk and T-bills and bonds are considered to be safer investments than equities across the globe, the Islamic securities will get momentum in the quickest possible time, the central banker said.

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AT A GLANCE

- The tenure of a single Sukuk bond will be at least **5**yrs
- BB formed a **10**-member Shariah advisory committee
- Small investors can invest a minimum of Tk **10,000** in the instruments
- The profit-based govt tool will be considered like treasury bonds
- BB will act as special purpose vehicle
- Features will be different depending on projects

ADB suggests special measures for faster project execution

Star Business Desk

Faster project implementation is key to expediting the post-pandemic socio-economic recovery by delivering enhanced development benefits to the people early and quickly, said Asian Development Bank's Country Director Manmohan Parkash.

"As the economy shows early signs of recovery, concerted efforts, and special measures by line ministries and the project executing agencies can help speed up economic recovery and job creation."

He spoke at a tripartite portfolio review meeting yesterday between the Bangladesh government and the Manila-based lender where they agreed on special actions to further accelerate implementation of ADB-assisted projects.

Economic Relations Division Secretary Fatima Yasmin and Parkash co-chaired the meeting, ADB said in a statement.

Around 300 senior government officials, project directors and ADB staff participated in the second such review meeting in 2020.

In the meeting, Parkash also shed light on the measures that are needed to further improve project implementation.

"Expeditious procurement, engaging good consultants and contractors, effective contract management, properly managing land acquisition and resettlement, sound financial management, and prudent project design can help achieve better project outcomes."

"Today, we have agreed to implement special actions to ensure faster delivery of project results by maintaining highest standards of health and safety protocols to avoid Covid-19 risks in project implementation," he added.

The special actions for enhancing project performance include accelerating approval and paying mobilisation advance for large contracts, implementing health safety guidelines, and offering virtual training opportunities to the project staff and beneficiaries.

ADB's current portfolio has 52 projects with around $11 billion under sovereign portfolio.

Measures ADB suggests for faster project implementation

- Expeditious procurement
- Engagement of good consultants and contractors
- Effective contract management
- Proper management of land acquisition and resettlement
- Sound financial management
- Prudent project design
- Speedy approval/revision of development and technical project proposals
- Virtual training opportunities for project staff and beneficiaries

The regional development bank focuses its cooperation in Bangladesh in six sectors: energy, transport, water and urban/municipal infrastructure and services, education, finance, and agriculture, natural resources, and rural development.

Its cumulative lending to Bangladesh stands at around $36.6 billion in loans and grants, including co-financing.

Established in 1966, ADB is owned by 68 members, 49 from the region, according to the statement.

Dhaka bourse MD steps down

Star Business Report

Kazi Sanaul Hoq

Dhaka Stock Exchange's Managing Director Kazi Sanaul Hoq has stepped down citing personal reasons, eight months after joining for a three-year term through a rather controversial process.

He tendered his resignation on October 8 and the board approved it yesterday.

Hoq's appointment was a long-debated issue because his performance in his previous organisation could not live up to the expectation, said a director of the premier bourse.

Before joining the DSE, he was the managing director of the Investment Corporation of Bangladesh (ICB), the state-run investment bank. During his tenure from 2017 to 2019, the company's profits plunged to a 12-year-low.

What is more, ICB restrained itself from carrying out its main goal of supporting the stock market, a director of the DSE said.

Hoq joined the exchange on February 9 for three years.

The selection process of Hoq, who previously served as the managing director of Rajshahi Krishi Unnayan Bank, Karmasangsthan Bank and Agrani Bank, was not without controversy either.

Three shareholder directors and some independent directors had opposed his appointment.

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Dues of jute mill workers to be cleared by Nov: minister

Star Business Report

The government will clear the dues of laid-off and retired workers of 25 shuttered state-run jute mills by November this year, said Textiles and Jute Minister Golam Dastagir Gazi yesterday.

A total of 34,716 workers, including 24,609 who have been laid-off, have not received their pay even though three-and-a-half months have passed since the government permanently closed the 25 mills in the face of continued losses.

The Ministry of Textiles and Jute estimates that retired and laid-off workers would get a total of Tk 3,800 crore.

Up until now, the finance ministry sanctioned Tk 1,790 crore for Bangladesh Jute Mills Corporation (BJMC), under which the jute mills had been running, to clear the dues of workers of eight mills, according to a press statement.

"The dues are being cleared through savings certificates and worker's bank accounts. The process of clearing dues of workers of two more mills will start from October 25," said Dastagir at a press conference at Bangladesh Secretariat.

The mills are Hafiz Jute Mills in Chattogram and Eastern Jute Mills in Khulna.

The government unveiled this plan at a time when casual and laid-off workers, particularly in the jute industrial belt in Khulna and Jessore, have been demanding the reopening of state-run jute mills.

Apart from permanent workers, the mills provided the means to live for more than 39,000 workers, officials said.

The ministry said the shuttering was a permanent solution to the problems of state-run jute mills. In line with the decision, permanent workers were laid off and they would be provided gratuity, provident fund and other benefits.

The government estimates that permanent workers would get Tk 2,760 crore, the officials added.

BJMC Manpower Reduction

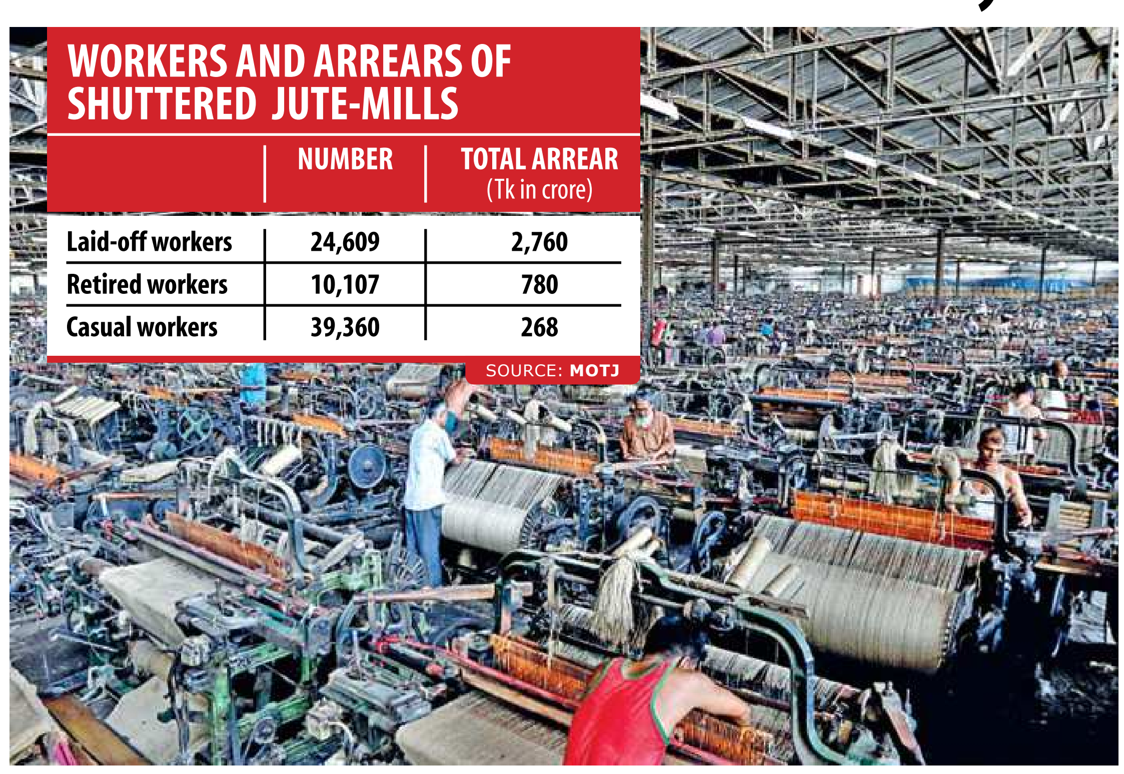
The government also formed two panels in July this year to recommend ways for reopening the units in accordance with national and global market demands and to suggest measures regarding the existing employees of the BJMC.

Additional Secretary to the ministry Mohammad Abul Kalam, who headed the committee to recommend an organogram for the BJMC once the mills were shut down, said the panel submitted its report, recommending a downsize of the existing manpower.

The BJMC has 2,950 employees, including officials, and the committee suggested reducing a good number of employees, said officials. The panel also recommended accommodating a portion of employees in other public agencies.

"As the mills are not running, there is no need to keep so many employees on the payroll. The BJMC also does not have the capacity to do so," he said, declining to give further details.

The downsizing of the existing labour force will be 'large', said a senior official of the BJMC.



WORKERS AND ARREARS OF SHUTTERED JUTE-MILLS

	NUMBER	TOTAL ARREAR (Tk in crore)
Laid-off workers	24,609	2,760
Retired workers	10,107	780
Casual workers	39,360	268

SOURCE: MOTJ

Only authorised dealers can import gold jewellery: BB

Star Business Report

Only authorised gold dealers (AGD) will be able to import gold jewellery, said Bangladesh Bank yesterday, dispelling confusions among banks.

As per the Gold Policy 2018, the AGDs can import both gold bars and jewellery, the central bank said in a notice.

But banks faced confusions as many unauthorised entities have recently tried to import the bullion. Now, banks won't be able to allow unauthorised entities to import gold.

The central bank appoints the AGDs. The dealers could be an authorised bank or an individual-owned firm, or a joint venture or a limited company.

Eighteen entities and one bank have so far been granted approvals to act as the AGDs, a Bangladesh Bank official said.

As much as 25 kilogrammes of gold have been imported through two shipments since the introduction of the policy.

The AGDs need to take prior approval from the central bank for each shipment. The BB has stopped permitting the AGDs to import gold for the time being as it has sought the opinion of the commerce ministry on the pre and post-shipment inspections of the precious metal.

The importers will be allowed to import gold soon after the BB receives the opinion, the central banker said.

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Brazilian envoy praises standards of Eskayef plant

Star Business Desk

Brazil's Ambassador to Bangladesh Joao Tabajara de Oliveira Junior has highly appreciated Eskayef Pharmaceuticals' foresight for Covid-19 management, especially the initiative to launch Remdesivir, which has been approved for treating coronavirus patients.

During a visit to Eskayef's manufacturing facility in Tongi yesterday, Oliveira said he was pleased to see that the plant is being established at a standard similar to that of first world countries.

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Fortis accuses AFC Health of using its trade name without consent

The India-based private hospitals chain urges BSEC to take action

Ahsan Habib

Fortis Healthcare, a chain of private hospitals headquartered in India, has alleged that AFC Health has provided false information and misused the Fortis trade name without consent in order to secure approval for its initial public offering (IPO).

"AFC has made several incorrect statements and representations [in violation of applicable law]," the Gurugram-based multihospital system said in a statement to the Bangladesh Securities and Exchange Commission (BSEC).

"This was done with the dishonest intent to misuse its affiliation with the Fortis Escorts Heart Institute and Fortis Healthstaff to mislead the general investors of Bangladesh," it added.

AFC Health, a local medical company which operates tertiary level cardiac care facilities in Cumilla, Khulna and Chattogram, received approval from the BSEC on September 16 to raise Tk 17 crore from the stock market by issuing 1.7 crore ordinary shares.

In its IPO prospectus, AFC Health said that under an agreement with Fortis Healthcare, the Indian multihospital system would provide efficient and effective operation and management services.

However, in its letter to the stock market regulator, Fortis alleged that this agreement is only applicable for AFC's facilities in certain geographic territories, namely Khulna and Chattogram.

"Therefore, AFC does not have the right to use the Fortis trade name for healthcare facilities at any other location, such as Cumilla and Jessore," it said.

Fortis was only made aware of AFC's Cumilla and Jessore facilities after the company's IPO prospectus was announced.

"This is a material breach of the terms of the agreement on part of the AFC," Fortis said in its letter.

In fact, since 2017, there have been several payment defaults by AFC under each agreement, due to which many now stand inoperative, it added.

AFC has repeatedly assured that the payments would be made and that the terms of each agreement would be mutually revised by the parties.

Believing these assurances to be true, Fortis participated in discussions with the company in good faith until as recently as March this year.

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