

Cut in private credit growth target will hurt investment: DCCI

STAR BUSINESS REPORT

Bangladesh Bank's move to cut the private sector credit growth target for the next six months will result in reduction of private sector credit drastically, Dhaka Chamber of Commerce and Industry (DCCI) warned yesterday.

The chamber said the notable aspect of the monetary policy is the reduction of private sector credit growth target to 16.5 percent, which was 18.3 percent in 2012-13.

"DCCI feels that as a result of this, investment in private sector will be reduced drastically," the chamber said in a statement.

Bangladesh Bank declared the new monetary policy for the first half of 2013-14 on Thursday.

The chamber said Bangladesh needs to foster investment to bolster growth of productive sectors.

"It is essential to increase production of the productive sectors to achieve the targeted GDP growth rate. For this, huge investment and financing is required."

"So, it is essential to increase the private

sector credit flow."

DCCI said if the interest rate on private sector loan is not reduced to a reasonable level, the flow of private sector credit would not be increased, and the idle money lying with the banks can not be invested.

The chamber pointed out that there is no specific guideline to reduce the interest rate, although the monetary policy statement said the spread of interest rate has reduced from 5.6 percent in June 2012 to 4.98 percent in June 2013.

DCCI also said the new monetary policy has projected realistic GDP growth rate of 6.2 percent in light of the partial contractionary policy without looking at the target 7.2 percent growth in the national budget for 2013-14.

The monetary policy thinks the government borrowing from the banking sector to finance budget deficit will remain around the budgetary figure of Tk 26,000 crore, which is a positive aspect, the chamber said.

"But Bangladesh bank should have a role through monetary policy to ensure that this target is not exceeded at any way," the leading trade body said.

Stocks continue to bleed Turnover hits two-month low

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Stocks continued to decline for the second day yesterday, as investors sold shares anticipating another big fall in the market.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 3,919.72 points, after falling 59.47 points or 1.49 percent.

Turnover declined 45.46 percent to Tk 220 crore from the previous day, the lowest in the last two months. Turnover was Tk 237 crore on May 28.

Fear of further decline acted as the catalyst behind huge sell pressure and forced the market to end in the negative territory, commented IDLC Investments in its analysis.

"Volatility surged in line with scrip wise swings from the very beginning and continued throughout the session."

Besides, investors were pursuing meticulous strategy in their trading and continued to remain watchful over the turnaround phenomenon, the investment bank said.

Though bearish trend was visible from the start of the trading, buying support appeared during the later hour as sellers seemed to be exhausted for the time being, stated LankaBangla Securities in its analysis.

Quarterly results of listed companies started to get published, it said.

A total of seven banks published their first quarterly results with mixed trend. One of them has shown positive growth in half-yearly earnings while others have shown negative growth.

An aggregate of 0.63 lakh trades were executed with 4.40 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 284 issues that traded on the DSE floor, 68 advanced, 201 declined and 15 remained unchanged.

None of the sectors ended positive, except for food and allied and tannery with 2.49 percent and 0.11 percent rise respectively.

Power was the biggest loser with 2.38 percent loss, followed by non-bank financial institutions 1.93 percent, banks 0.77 percent, telecoms 0.76 percent and pharma 0.20 percent.

Bangladesh Submarine Cable Company featured in the most traded stocks chart with 5.99 lakh shares worth Tk 17.19 crore changing hands.

Fifth ICB Mutual Fund was the day's highest gainer posting a rise of 7.86 percent, while Nitol Insurance was the worst loser, plunging by 9.97 percent.



Stephen Bird, Citi Asia Pacific chief executive officer, receives the Best Bank and the Best Investment Bank in Asia for 2013 awards by Euromoney at a ceremony in Hong Kong recently.

New office bearers of CMJF

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Touhidul Islam Mintu and Sarwar A Chowdhury have been elected president and general secretary of the Capital Market Journalists' Forum (CMJF).

They were selected at the annual general meeting of the forum in Dhaka on Friday for a two-year term, CMJF said in a statement.

Mintu works for Bangla-language daily Kaler Kantho as a senior reporter, while Chowdhury works at The Daily Star as a senior reporter.

Hasan Imam Rubel, special correspondent of Channel 24, and Munir Hossain, senior reporter of the Bengali daily Jugantor, were also selected vice-president and treasurer of CMJF.

The Dhaka-based journalists, who report on capital market, launched the forum in 2008 with promise to enhance the professional skills of capital market journalists.

Banglalink appoints new marketing director

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Solaiman Alam has recently been appointed marketing director of Banglalink, the mobile operator said in a statement yesterday.

Prior to the appointment, Alam was Banglalink's head of B2B and high value market development marketing division.

Before joining Banglalink, he also worked for British American Tobacco in trade marketing, sales, channel development and brand management.

Alam is a business graduate from the Institute of Business Administration of Dhaka University.

Japan keen to install auto, electronics plants in Ctg

STAFF CORRESPONDENT, Ctg

Japan is interested to set up automobile, electronics and machinery plants in Chittagong, said Kei Kawano, country representative of Japan External Trade Organisation, said yesterday.

The Jetro chief made the comment at a meeting with Mahbul Alam, president of Chittagong Chamber of Commerce and Industry, in the port city, the chamber said in a statement.

Kawano emphasised improving the gas and electricity systems of Bangladesh and easing the investment policy and process to attract more Japanese investors to Bangladesh.

Children's budget next year: Muhith

FROM PAGE B1

The government has allocated 4.1 percent for the children in the current budget, said Meher Afroze, state minister for women and children affairs.

"Investing in children is indispensable for the future of the country," she said.

A national directory for children should be set up to address issues like child trafficking, child abusing and sexual harassment, Afroze said.

During his presentation, Sadiq Ahmed, vice chairman of PRI, said child-focused budgeting is yet to be integrated explicitly into the country's Medium Term Budgetary Framework, leaving an accountability loophole.

He said the child-focused budgeting is important from a whole range of perspectives: equity, poverty reduction, economy, ethical and human rights, good governance, transparency and mutual accountability.

Tariq-ul-Islam, secretary for the women and children affairs ministry, and Siddiqur Rahman Chowdhury, a former finance secretary, also spoke.

Cabinet approves imports of 15 lakh tonnes of petroleum

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The cabinet committee on public purchase yesterday approved imports of 15 lakh tonnes of petroleum products in the first six months of the current fiscal year at a cost of Tk 10,436 crore.

As per the proposal from the energy ministry, 10.28 lakh tonnes of the products will be diesel, 2.6 lakh tonnes furnace oil and the rest kerosene and jet fuel.

The products will be imported from the Philippines, China, Malaysia, Kuwait, United Arab Emirates, Egypt and Indonesia in state-to-state deals.

The purchase panel also approved five more proposals involving the cost of Tk 282 crore.

The proposals include construction of three 16-storey apartment complexes at a cost of Tk 86.87 crore for low-income people at Mohammadpur F Block.

Each building will have 60 flats of 1,000 square feet area each.

According to another proposal, two food laboratories will be set up in Dhaka and Chittagong cities at a cost of Tk 63.87 crore under the urban public and environmental health sector development project.

Operators to get discount for buying more spectrum for 3G: regulator

FROM PAGE B1

The mobile operators will be allowed to buy minimum one block and maximum three blocks.

The floor or base price has already been set at \$20 million for each MHz spectrum.

Bose said the operators who will purchase two blocks will also get the opportunity to install the LTE technology, which offers faster speed in data transfer compared to 3G, over the 2.1 GHz band.

The incentive will be offered as the government is unsure whether the entire saleable spectrum will be sold in the auction, said another BTRC official asking not to be named.

The official said 5 MHz is not enough to offer quality service and so the regulator is encouraging the operators to buy more.

The 3G guideline was finalised in February by the telecom ministry and was sent to the regulator to initiate the auction process.

Toyota, Nissan keen on social business

FROM PAGE B1

During the hectic tour of Yunus, a major shopping-mall chain expressed its interest to initiate a discussion to create a joint venture social business.

In a separate event, the Banker to the Poor addressed nearly 1,000 students coming from universities in Osaka and far away universities.

He also addressed a daylong meeting of top women entrepreneurs in Osaka and discussed their participation in social business.

Shuichi Abe, governor of Nagano Prefecture, met Prof Yunus at his hotel to discuss the academic content of a new university he is setting up in his state.

He invited Yunus to help him design the academic and extra-curricular content by joining the concept development committee. He also requested the Bangladeshi economist to accept the position of its chancellor when the university starts functioning.

Abe wants to place social business at the core of the business school.

Kunihiko Ukifune, founder and chief executive of Jikei Group of Companies, which is known for its network of vocational training colleges in 600 disciplines through 52 colleges, also met the Nobel laureate.

The company is also going to publish a number of comic books to popularise Yunus's concepts of microcredit and social business.

Kaku, a director of the company, informed Prof Yunus that the first book would be launched this year.

Manga is a popular form of comic books in Japan which bring various subjects to Japanese readers, particularly to young people.

Earlier Prof Yunus was in Seoul on invitation of the owner and chairman of SK group to present social business concept to his executives.

SK Group is South Korea's third-biggest conglomerate with annual revenue of \$150 billion.

Before his arrival in Korea, SK group executives received a week-long training on social business. Prof Yunus rounded up the discussions and explained how the leading group can undertake social business initiative in Korea and other countries.

Malindo Air to start Dhaka-KL flight on Aug 28

FROM PAGE B1

The number passengers travelling to Malaysia have been fast increasing. Last year, some 80,000 Bangladeshis visited Malaysia, he said.

Malindo Air is a Malaysian hybrid airline based at Kuala Lumpur International Airport. Commencing operations on 22 March 2013, it is the first airline to operate the brand new Boeing 737-900ER in Malaysia.

Malindo Air's parent company is Lion Group, the largest airline in Indonesia with market share of 54 percent.

The airline's immediate expansion plan includes flights from Kuala Lumpur to Bali, Jakarta, Medan and the island of Batam in Indonesia.

B i m a n B a n g l a d e s h

Airlines, United Airways, Malaysia Airlines and Regent Air now operate five daily flights on this route, said Faruk Khan, Civil and Tourism Minister.

"And the Malindo Air will be the new one. This shows a huge economic and business potential in the country."

Around 7 lakh Bangladeshis now live in Malaysia, he said.

"Besides, business activities between Bangladesh and Malaysia are gradually growing over the last couple of years."

The minister also called upon the airline to introduce Chittagong-Kuala Lumpur route and recruit cabin crew from Bangladesh.

Telco impasse begins to fade

FROM PAGE B1

At least 1,000 of the replaced SIMs from each operator will be selected randomly through a computerised process, according to meeting minutes signed by NBR Chairman Md Ghulam Hussain yesterday.

"We welcome the initiative of the NBR. The decisions will help remove the confusion over SIM replacement," said TIM Nurul Kabir, secretary general of the Association of Mobile Telecom Operators of Bangladesh.

"We hope the committee will start working soon," he said.

ACC approves charges against Oriental Bank officials

FROM PAGE B1

In this connection, ACC filed a case on December 29, 2006 with Motijheel Police Station.

After an investigation of six

and a half years, investigation officer Sheikh Fayaz Alam, deputy director of ACC, submitted the chargesheet to the commission yesterday.



Mohammed Nurun Newaz, chairman of Electro Mart, launches the Forbes Water Purifier in Dhaka recently. Avijit Sarker, Forbes' representative, was also present. Electro Mart represents Forbes in Bangladesh.



AQM Nurul Absar, chairman of Green Delta Insurance Co Ltd, attends the 27th half yearly business conference at its head office in Mohakhali in Dhaka on Saturday. Farzana Chowdhury, chief executive officer (acting), was also present.



Andrew Harding, managing director of Chartered Institute of Management Accountants, attends a press meet in Dhaka on Tuesday.