

NBFIs can now take deposits for three months

STAR BUSINESS REPORT

The central bank has allowed non-bank financial institutions (NBFIs) to take deposits for three months instead of previous six months, according to a notice released on Sunday.

NBFIs have welcomed the BB move saying that it would help them reduce their cost of funds, for which they depend on banks.

"Now we will be able to attract corporate deposits as they don't want to deposit money for a long period," said Asad Khan, managing director of Prime Finance.

More windows for lending will be widened with the BB move, said Mafizuddin Sarker, managing director of BD Finance.

"Now we can finance working capital," said Sarker.

Both the top officials, however, said the initiative would not cut their lending rates significantly.

"We can offer favourable rates for good clients, but it won't be substantial," said Sarker.

Khan, who is also the chairman of NBFIs' association, said lending rates depend on weighted average cost of fund.

Industry people said NBFIs' fund crisis would significantly get down as they offer higher interest rates against deposits than what banks offer.

Most of the NBFIs offer 12.5 percent for deposits, which is maximum 11 percent for banks.

Singapore Airlines increases baggage allowance

STAR BUSINESS DESK

Singapore Airlines is allowing customers more free checked-in baggage from November 15 for all SIA and SilkAir flights.

Checked-in baggage allowances increased by 10kg for all classes of travel. Customers are entitled to free baggage allowances of 50kg in Suites and First Class, 40kg in Business Class and 30kg in Economy Class.

For flights to and from the United States, where a per-piece allowance applies, customers travelling in Suites, First Class and Business Class are being entitled to check in two pieces of luggage of up to 32kg each, up from 23kg previously.

"Increasing baggage allowances across all classes of travel is in response to feedback from our customers and reaffirms our commitment to constantly enhancing customer service," said Chin Yau Seng, SIA senior vice president of sales and marketing.

KrisFlyer Elite Gold and Star Alliance Gold members are continuing to enjoy an additional 20kg of baggage allowance across all travel classes, or one extra piece of checked-in baggage when travelling to or from the United States and Brazil.

PPS Club members are also continuing to be entitled to double the checked-in baggage allowance in their respective class of travel.

China losing lustre for Japanese companies: survey

AFP, Tokyo

China has fallen off the top of a list of Japan Inc's favoured investment destinations for the first time in more than two decades because of higher labour costs and bilateral tensions, a survey said.

Indonesia took the top spot, up from third place on support from sectors ranging from automobiles to electronics, the Japan Bank for International Cooperation (JBIC) said.

China tumbled to fourth after 21 years of being named as the most promising destination for overseas expansion, the governmental bank said in its annual survey released Friday.

The bank asked companies already operating overseas to choose up to five promising nations and regions for their business in the next three years.

Of the nearly 500 companies that answered, 44.9 percent said

Indonesia was a good place to do business while China saw its popularity dive to a lowest-ever 37.5 percent from 62.1 percent.

Among companies that dropped China from their list this year, more than four in 10 said rising labour costs and difficulty in hiring enough workers were a concern.

Other concerns cited were a slowdown in the Chinese economy, intensifying competition with rivals and bilateral political relations, with Japan and China embroiled in a bitter territorial dispute over islands in the East China Sea.

Tokyo's nationalisation of part of the chain last year triggered huge anti-Japanese demonstrations and boycotts of Japanese products in China.

The JBIC survey showed India maintained its second slot although it was cited by just 43.6 percent of firms, down from 56.4 percent, due partly to rising labour



IBCCI

Jahangir Bin Alam, secretary of India-Bangladesh Chamber of Commerce and Industry, speaks at a conference on assessment of Bangladesh-India trade potential, organised by Consumer Utility and Trust Society International in Kolkata recently.

Stocks come out of losing streak

STAR BUSINESS REPORT

Stocks returned to the black yesterday, breaking a four-day losing streak riding on investors' buying spree amid nationwide blockade.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 4,197.92 points, after surging 50.71 points or 1.22 percent.

A total of 0.90 lakh trades were executed with 8.14 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 284 issues that traded on the DSE floor, 207 advanced, 53 declined and 24 remained unchanged.

Turnover, the most important indicator for investors, advanced 0.24 percent to Tk 348 crore from the previous day.

Banking stocks marked a gain of 2.26 percent, followed by non-bank financial institutions 0.63 percent, telecoms 0.59 percent and pharma 0.56 percent.

Delta Life Insurance accelerated the highest turnover with 14.79 lakh shares worth Tk 43 crore changing hands.

Bangladesh Building System was the highest gainer of the day, as it posted a 9.97 percent gain, while Stylecraft was the worst loser, plunging by 9.25 percent.

BB refuses to be loan guarantor for Biman

FROM PAGE B1

Biman lost Tk 600 crore in 2011-12 while the unaudited results for 2012-13 showed a loss of Tk 200 crore, Steele said in a statement on November 28.

The loss was around Tk 200 crore in 2010-11 and Tk 80 crore in 2009-10.

He said the carrier will bring down the losses to around Tk 94 crore in its next budget for the current fiscal year and will become a profitable airline by 2014-15.

He also said he was delighted that Biman's earnings surpassed its target for the four months to October this year by about Tk 46 crore.

Also, most notably, Biman actually made a profit in September and again in October 2013, for the first time in many years, he said.

The national carrier also made a profit of around Tk 21 crore in two fiscal years after it was turned into a public limited company in 2007.

Blockade creates congestion at Ctg port

FROM PAGE B1

The company has more import containers stuck at other wharfs as well.

Frustrated, Chowdhury said he is unwilling to count the additional storage and detention charges that CPA and shipping lines have respectively imposed for overstaying, as it would make him more tensed.

CPA allows containers, normally twenty feet long, to stay at its yards for four days free of charge, after which it charges \$6 per day. Similarly, ship ping firms allow free occupancy on their containers for five days, beyond which they charge upwards of \$5 for each day.

Political risks loom over economy: IMF

FROM PAGE B1

Bangladesh Bank should fully utilise its enhanced supervisory powers to bolster financial stability, while calling for reform programmes at the state-owned commercial banks to be firmly advanced and backed by recapitalisation.

Reforms to achieve sustained and inclusive growth should aim at further removing critical infrastructure bottlenecks, while streamlining the trade regime and foreign exchange regulations to improve the business climate.

Advancing initiatives to strengthen labour and garment factory safety conditions is also critical, while the targeting of social safety net programmes needs to be further improved, the IMF deputy managing director said.



DBCCI

Shahzada Hamid, president of Dutch-Bangla Chamber of Commerce and Industry, attends a programme the chamber organised as part of its corporate social responsibility at T&T Boys High School in Banani, Dhaka on Saturday. The trade body ran awareness campaign on Hepatitis B, donated computers and sports equipment and planted trees.



LANKA BANGLA FINANCE

Nasir Uddin Chowdhury, managing director of LankaBangla Finance, and CM Fazle Sami, managing director of Cygnus Innovation, exchange documents of an agreement for implementation of X-Asset, an asset management back office software solution, at a programme recently.

China to resume IPOs after year-long hiatus

AFP, Shanghai

New share offerings will resume in China as early as next month, the country's stock regulator said, ending a ban in place for more than a year, after leaders vowed to give private firms a bigger role in the economy.

There are 760 firms lined up for initial public offerings (IPO) in the world's second-largest economy, and about 50 are expected to go to market by the end of January, the China Securities Regulatory Commission (CSRC) said.

Despite a decades-long boom that was triggered by the loosening of state restrictions, China's Communist authorities retain strong controls over much of the economy, including the power to decide which firms can launch IPOs and when.

However, the CSRC issued new guidelines at the weekend to give the market a bigger role in the listing mechanism.

The move was in line with a document issued two weeks ago after a key Communist Party meeting at which Beijing vowed to let market forces play a more "decisive role" in its economic reforms.

China suspended approvals for new IPOs in November last year, just before the country's once-in-a-decade leadership transition, in an effort to stabilise the ailing stock market.

On Monday stocks tumbled as

much as 2.16 percent on worries about the imminent relaunch, but the Shanghai Composite Index recovered to close down 0.59 percent at 2,207.37.

The guidelines "sparked worries that a flood of IPOs could divert funds from the secondary market", Zhesang Securities analyst Zhang Yanbing told AFP, but added that they "should be positive to the market in the long run".

"The reform of the listing mechanism will help restore the fundraising function, which is the fundamental function of the stock market, and it's beneficial to the long-term healthy development of the market," Zhang said.

Instead of focusing on firms' profitability, the CSRC said it will focus on whether they can meet requirements for information disclosure and let investors and the market assess the value and risks of the IPOs.

But it stressed that government regulation would continue, saying the changes "cannot be understood as the regulator will have no oversight".

"It doesn't mean stock offerings will not be audited or that junk stocks can be easily issued, but rather the auditing system will be reformed," the statement issued on Saturday said.

The CSRC also said it would start a long-awaited trial for companies to issue preferred shares, offering firms a fresh funding channel.

Global factory growth picks up

REUTERS, London/Beijing

Increasing demand for manufactured goods drove global factory activity higher last month but the spurt in the euro zone masked a widening disparity among some of the bloc's key members.

As year-end approaches, the global economy is showing signs of a more solid recovery, with encouraging signs from some economies, particularly Britain, of an acceleration.

But growth in Europe's 17-nation currency union remains weak and Markit, compiler of the monthly Purchasing Managers' Indexes, said on Monday that there was evidence of a renewed downturn in France and Spain.

Markit's Eurozone Manufacturing PMI rose to 51.6 last month from October's 51.3, a two-year high, just pipping an earlier flash reading of 51.5, and the fifth consecutive month showing growth. The output index nudged up to 53.1 from 52.9.

"It is coming from a pretty low level," said Ben May at Capital Economics. "Signs of weakness in France is clearly a worry and suggests that the divergence between it and Germany remain firmly in place. It would raise more concerns if it were to continue or intensify."

France's PMI fell to a five-month low of 48.4 from 49.1, chalking up its 21st month below 50, while Spain's sank back below the 50 break-even mark after spending the last three months in growth territory.

By contrast, data from Germany, Europe's biggest economy, showed factories there had their best month since mid-2011. Italian figures showed manufacturing there also picked up speed.

The euro zone escaped from its longest-ever recession earlier this year, supported by better-than-expected growth in Germany, but a Reuters poll last month suggested the bloc's economy will grow only moderately though next year.

A similar indicator for Britain, outside the euro zone, was much stronger. At 58.4, it easily topped the highest forecast and is showing the strongest growth in nearly three years.



MTB

Arif Dowla, chairman of Mutual Trust Bank (MTB), poses with the management trainees of the bank at a ceremony at MTB Centre in Dhaka recently. Anis A Khan, managing director, was also present.



MERCANTILE BANK

M Amanullah, chairman of Mercantile Bank, inaugurates the bank's 87th branch at Atibazar of Keraniganj recently. M Ehsanul Haque, managing director, was also present.



FSIBL

Kazi Md Rezaul Karim, senior vice president of First Security Islami Bank, opens a branch of the bank on Gazipur Chowrasta in Gazipur on Saturday. Azam Khan, head of marketing, development and public relations, was also present.