

Islami Bank launches Visa debit card

STAR BUSINESS DESK

Islami Bank Bangladesh launched its next generation Islami Bank Visa debit card yesterday.

IBBL debit cardholders will be able to withdraw cash from all Visa-supported ATM booths, purchase from points of sales along with e-commerce services and e-ticketing.

Dasgupta Asim Kumar, executive director of Bangladesh Bank, launched the card at a ceremony at a local hotel in the capital, IBBL said in a statement.

Bangladesh has achieved a tremendous success in technology-based modern banking within a short span of time, and IBBL's Visa debit card is part of a continuous endeavour for modern banking in Bangladesh, said Dasgupta Asim Kumar.

Visa debit card is another step towards embracing innovative technology to strengthen customer relations, said Mohammad Abdul Mannan, managing director and chief executive of IBBL.



IBBL

Dasgupta Asim Kumar, executive director of Bangladesh Bank, launches the next generation Islami Bank Visa Debit Card at a local hotel in Dhaka yesterday. Mohammad Abdul Mannan, managing director of Islami Bank, was also present.

The Visa debit card will be popular in Bangladesh as one of the safest available for online and standard use with an EMV chip for added security against counterfeiting, he said.

The partnership with IBBL is part of

Visa's aim of building ePayments framework to create opportunities and help economies grow, by providing users increasing value and convenience, said Uttam Nayak, Visa's country manager for India and South

Lafarge posts profit recovery

AFP, Paris

French cement giant Lafarge on Wednesday reported a recovery of net profit last year and said that demand for its products for the construction industry was picking up.

But the net figure was helped by asset sales, and underlying operating profit fell on unfavourable exchange rates.

Lafarge, as a world leader in construction materials is a barometer of the health of building and civil engineering activity.

Net profit amounted to 601 million euros (\$827 million), boosted by asset sales. That was an increase of 65.0 percent from 365 million euros in 2012 but short of analysts' expectations of 644 million euros.

Earnings before interest, tax, depreciation and amortisation (EBITDA) fell by 9.0 percent to 3.1 billion euros, although excluding the effects of exchange rates



BANK ASIA

Md Arfan Ali, deputy managing director of Bank Asia, poses with the recipients of Bank Asia Higher Studies Scholarship from Madhobdi of Narsingdi and Bhairab of Kishoreganj districts at the bank's Madhobdi branch yesterday. Md Sazzad Hossain, head of Scotia branch, was also present.

CSE forms five panels for corporate governance

STAR BUSINESS REPORT

Five separate panels have been formed to ensure corporate governance in the demutualised Chittagong Stock Exchange, at a meeting of the newly formed Board of Directors of the port city bourse in line with the demutualisation scheme.

The scheme was approved by Bangladesh Securities and Exchange Commission in September last year.

Independent Director Shafiul Islam

Mohiuddin will lead the nomination and remuneration committee, Independent Director Moinul Islam Mahmud will head the regulatory affairs committee and the audit and risk management committee will be headed by Independent Director Shawkat Hossain.

The appeal committee will be headed by Independent Director Momtaz Uddin Ahmed and the conflict mitigation committee will be led by Independent Director Nasir Uddin Chowdhury.



BRAC BANK

Tamara Hasan Abed, senior director at Brac Enterprises, inaugurates a service outlet of Brac Bank on Jashim Uddin Avenue in Uttara, Dhaka yesterday. Syed Mahbubur Rahman, managing director of Brac Bank, was also present.

Govt hopeful of winning back GSP: Tofail

STAR BUSINESS REPORT

The government is hopeful of winning back trade privileges from the US if politics does not play any part in the decision-making, Commerce Minister Tofail Ahmed said yesterday.

"If there is no link-up between politics and GSP we will get it back. We hope they do not," he told a group of foreign investors at Sonargaon Hotel in the capital.

Only 0.54 percent of the country's total exports to the US last year enjoyed the Generalised System of Preferences scheme, while the remaining 99.46 percent were subjected to 16.5 percent duty, according to the commerce minister. The country exported \$5.5 billion of goods to the US last year.

"So, it is in the best interest of America as their buyers benefit the most from GSP," he said while speaking at the monthly meeting of the Foreign Investors' Chamber of Commerce and Industry (FICCI).

The Obama administration suspended Bangladesh's GSP status in June last year, citing poor worker rights and factory conditions.

The US government, however, laid out an action plan to get the GSP status reinstated, which includes improving labour, fire and building structural soundness standards, removing obstacles to workers' right to associate and collective bargaining and reforming labour laws.

Ahmed said 12 of the 16 tasks in the roadmap have already been fulfilled, with the remaining four items to be implemented by March. FICCI President Rupali Chowdhury called for consistency and clarity in policies to woo foreign investors, as they plan long-term.

"We see policies are changing without prior notice," she said, referring to tax holidays which companies enjoyed a few years ago.

The entrepreneur requested the government to improve infrastructure, ensure adequate supply of gas to industries and reduce congestion at Chittagong port.

"Whatever the government can do, it should do fast in order to create a conducive environment for businesses."

She also called for the registration procedures to set up industries and businesses be loosened. "If obtaining an environment licence takes 1.5 years, the potential entrepreneurs will only lose competitiveness."

Chowdhury, also the managing director of Berger Paints Bangladesh Ltd, went on to express her frustration over FICCI's continued exclusion from the board of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), although the chamber's 183 members contribute to roughly 30 percent of the country's revenue collection.

The commerce minister, however, spoke in favour of providing the FICCI a place in the FBCCI board, adding that he would set up an advisory committee within the commerce ministry comprising of senior representatives of chambers including the FICCI. "This advisory group will advise me on issues which facilitate trade and investment and remove barriers."

Ahmed said the government is working to address problems that are hindering the flow of foreign direct investment to Bangladesh. "We will solve all those problems."

Jim McCabe, chief executive officer of Standard Chartered Bank in Bangladesh, and MA Matin, executive director of the

ADB forecasts subdued growth

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It also said the brisk industry sector growth seen in fiscal 2012-13 would slow down due to work stoppages and supply disruptions caused by political unrest and subdued external demand. This decrease in industrial activity will likely take wheels off service sector growth.

Private investment is expected to stagnate due to the 'confidence effect'. The slowdown in private sector credit, decrease in industrial term loans, lower import of capital machinery and rise in excess liquidity in the banking system, point to lower private investment performance in fiscal 2013-14, according to ADB.

Agriculture growth, if normal weather prevails, is expected to increase this fiscal year due to lower base in the previous two years.

Still, it will not be as high as the 5.1 percent seen in fiscal 2010-11 and 5.2 percent in fiscal 2009-10 as marketing of non-crop agricultural products was affected by the disruptions in distribution network.

"Ensuring an efficient output price for farmers is vital for encouraging farmers to increase production and help ensure food security," said the bank.

The growth in the service sector, which accounts for 53.9 percent of GDP, will moderate because of slower industry sector growth together with output loss due to the pre-election unrest.

The significant fall in first quarter credit growth in the trade sector, a negative growth in transport and communication, sluggish demand in retail and wholesale trade, hotels and restaurants, transport, education, tourism and a fall in operating profits of commercial banks due to prolonged nationwide political shut-downs, will reflect in slower service sector growth in the first half of the year.

The bank said revenue collection by the National Board of Revenue may not be fully achieved as the July-December collection fell short of the budget target.

As a result, attaining the annual export target of \$30.5 billion, which is 12.9 percent higher over fiscal 2012-13's, will be a challenge.

The construction sub-sector, which accounts for 9 percent of GDP, has been badly affected by the political unrest, with apartment and plot sales dipping by 60 percent last year. The number of new projects undertaken by real estate developers fell by around 75 percent last year.

Meanwhile, Standard & Poor's Ratings Services said political uncertainties would stay elevated in Bangladesh for some time, which could hurt investor confidence and weaken economic activity.

BB launches low-cost loans for publishers

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The loans were extended through two banks and one financial institution, namely Prime Bank, AB Bank and IDLC Finance Ltd.

The low-cost loan will help the publication industry tackle rising production cost in the shrinking book market beset by rampant piracy. "Our publication industry is under threat for various reasons," he said expecting that the initiative would play a pivotal role in saving the creative books publication industry.

He said most publication entrepreneurs are small and the refinance scheme would encourage publication of creative books.

BB will fully refinance banks for giving loans to micro and small publishers and sellers of creative books.

Members of Bangladesh Gayan O Srijonsil Prokashak Samity, an association of creative book publishers, and members of other recognised associations will get the loans. Women entrepreneurs will be given priority in financing.

"We are very much pleased and extend our gratitude for the initiative," said Osman Gani, president of Gayan O Srijonsil Prokashak Samity.



AKHTAR GROUP

Commerce Minister Tofail Ahmed hands an award for the second best premier pavilion to Akhtar Group Chairman KM Akhtaruzzaman at the closing ceremony of Dhaka International Trade Fair 2014 in the capital recently.

ADP spending in slow lane

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The IMED also said the government usually pays contractors in May and June and so the rate of project implementation gets a boost at that time.

More funds will be needed in the revenue budget this fiscal year as the government employees will get 20 percent dearness allowance, which has also slowed down the ADP utilisation.

In this context, the Finance Division has proposed to cut the ADP size by Tk 11,872 crore and set the revised outlay at around Tk 54,000 crore, the planning ministry official said.

However, all the ministries are against bringing down their allocation, instead they want more funds, the official said.

Forex reserves surge past \$19b

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"The high reserves also mean the country's credit rating will get a boost. It will be possible to make foreign borrowings at competitive rates, which will help increase investment," another BB official said.

Despite various crises, both on the local and international fronts, the remittances and exports have been growing continuously, lifting the reserves to a record level.

Export earnings rose 15.04 percent in July-January of the current fiscal year. The country received around \$1.61 billion in foreign direct investment in the first 11 months last year, overwhelmingly surpassing the full-year record of 2012 at \$1.30 billion.

Remittances saw a growth of 3.29 percent

to \$1.25 billion in January compared to the previous month.

Opportunities for the private sector to obtain external loans, fall in oil prices on the global market and sluggish imports of rice and luxury items also played a role in the piling up of the reserves.

India held \$292 billion in reserves in February, which was \$7.1 billion in Sri Lanka in January and \$7.59 billion in Pakistan as on February 7.

Pakistan's central bank governor Yaseen Anwar resigned last month, the third to quit the post in four years, weeks after the International Monetary Fund faulted the bank for failing to stem a slide in foreign exchange reserves.

Regulator directs GP, Airtel to discontinue BlackBerry services

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Originally designed to attract corporate clients, BlackBerry's encryption algorithms are robust to decryption attempts by even supercomputers.

For instance, if intelligence agencies trace messages between two BlackBerry users, they are unable to get any valid information as the messages are coded.

The only way to establish any meaningful interception is to gain access to the BlackBerry handset or the company's servers, which is difficult when the former is in the hands of the user and the latter is in a different country.

The regulator had been communicating the issue with the operators for the last couple of years; BlackBerry authorities also came to Dhaka last year to address the matter.

Grameenphone had asked BlackBerry to set up a server in Bangladesh but the handset company discontinued their cooperation from last year, an official of the operator said on condition of anonymity.

The operator was supposed to set up the

server by March, but that is no longer the case, the official added. The only solution is to swap all the BlackBerry user handsets, said a Grameenphone official. The operator has 4,664 BlackBerry users.

Mahmud Hossain, chief corporate affairs officer of Grameenphone, said the operator will communicate their plans on providing a solution to the regulator. "We need sufficient time to provide a solution."

"We are aware of BTRC's direction to close down BlackBerry services and requested for two weeks time to come up with an alternative solution for the affected customers," Grameenphone said in a statement.

Confirming the BTRC letter, Airtel said in a statement that it is working to find an alternative solution for its BlackBerry users.

In Bangladesh, officials of the Prime Minister's Office, foreign affairs ministry, Economic Relations Division, US Embassy, high commissions of Canada and Australia and some leading corporate houses use BlackBerry services.

French firm plans to set up mobile banking hub

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"A synergy with such a partner will provide a strong base for BDCOM to set up a robust platform to provide an advanced and extensive suite of mobile financial services in the Bangladesh market," Alamgir said.

Currently, Bangladesh is pursuing a bank-led model, where banks have to invest a significant amount of money in IT infrastructure due to a lack of such hub. Banks will be able to use the interoperability platform at a certain fee.

Launched in 2011, the number of mobile banking subscribers in Bangladesh has already crossed 13 million.

Mobile banking registered 186 percent growth in cash transactions last year thanks to the growing popularity of the services, according to Bangladesh Bank. The number of subscribers grew 262 percent to 13.1 million from January to December in 2013.

In 2013, the value of mobile banking transactions stood at Tk 6,642.61 crore in December, up from Tk 2,320.02 crore in January, according to central bank data.

It is observed that person to person money transfer—"cash in" and "cash out"—are the most popular types of transactions.

As part of the government's financial inclusion programme, the central bank allowed 28 banks to provide mobile-banking and 19 have launched the service.

eServGlobal, listed on the Australian Securities Exchange and the London Stock Exchange, offers the full spectrum of mobile wallet, mobile commerce, recharge and agent management features.

The company has also developed a leading international remittance hub, HomeSend, in partnership with MasterCard and Belgacom International Carrier Services, a Brussels-based firm who delivers international wholesale solutions to any communication service provider worldwide.

HomeSend has live deployments in 50 countries and commercial contracts with mobile network operators and money transfer operators that represent more than 1.2 billion subscribers and 200,000 cash agents.

BDCOM, an internet services provider, is already operating in the region. In 2009, the firm acquired SMILE, one of the largest fibre internet broadband service providers in Bangladesh.

A deal will allow BDCOM to extend the