

# SME Foundation to hold national, regional fairs

STAR BUSINESS REPORT

SME Foundation will organise national and regional fairs in the current fiscal year to help create markets for products made by small and medium enterprises and promote them.

The national body responsible for promoting SMEs will organise a weeklong National SME Fair in the capital's Bangabandhu International Conference Centre in February next year. The foundation will also organise three-day Regional SME Products Fair in seven divisions and districts, it said in a statement yesterday.

The fairs in Rangpur and Rajshahi will take place on October 23-25 and on November 20-22 this year respectively.

The shows in Cox's Bazar will be organised in January next year, in Barisal and Jessore in March and in Sylhet and Gopalganj in April. Besides, a separate fair will take place in Ramgati in December this year which will exclusively showcase products made by the SMEs in the hilly areas.

During these fairs, the SMEs will only be allowed to display and sell locally made products in the categories such as jute, food and agro-processing, leather, electrical, electronics, light engineering, plastics, synthetic, handicraft, jewellery and fashion-wears.

A stall at the national fair will cost Tk 8,000 and at regional fairs Tk 1,000, according to the statement.

# BB opens refinance scheme for Islamic lenders

*Sharia-based lenders can make renewable investment in the fund*

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Bangladesh Bank has decided to form a refinancing scheme for Sharia-based banks and other financial institutions to provide agro-processors, small enterprises, renewable energy and environment-friendly initiatives with funds.

The refinance scheme aims to encourage the Sharia-based lenders to be involved more in the sectors such as agro-processing, small enterprises, renewable energy and environment-friendly efforts, the central bank said in a circular yesterday.

Islamic banks and other lenders hold more liquidity than they require as per the central bank regulations.

Bangladesh Bank has opened Islamic Refinance Fund Account to direct the excess liquidity to economic activities, according to the notice.

Under the scheme, the Sharia lenders

can make a three-month renewable investment in the fund.

The lending rate will be the Mudaraba savings account rate of the lenders or 5 percent or which one is lower.

The profits from the fund will be distributed among participating lenders based on their investment ratio. The central bank will not take any profit even if it manages the fund, the banking regulators said.

Sharia-based lenders will have to repay the central bank the principal amount of the loan and the profits on it every three months. The lenders, however, will be able to borrow until their investment period lasts.

The circular came on the back of a huge growth in Islamic banking in the country. There are seven full-fledged shariah-compliant banks. Most other banks have also launched their Islamic banking wing in recent years.



EBL

**Nazeem A Choudhury, head of consumer banking at Eastern Bank, and Priyabrata Chowdhury, group general manager of Aamra Companies, exchange documents after signing a zero instalment plan agreement at Aamra Holdings' head office in Dhaka recently. EBL cardholders will enjoy interest free instalments for a period up to two years in purchasing mobile phone sets from Aamra's e-store.**

## Alibaba in talks with Snapdeal to enter India

REUTERS, Mumbai

Chinese e-commerce giant Alibaba is in talks with online retailer Snapdeal to enter India, the Economic Times reported on Thursday, citing two people aware of the development.

Alibaba, whose shares are set to debut on the US market on Friday in what could be the world's largest ever initial public offering, has discussed with Snapdeal a possible investment in the Indian company, but a decision has not been reached

yet, the daily reported.

Snapdeal, in which Ratan Tata, the former chairman of salt-to-steel Tata conglomerate, holds a stake, is also attracting attention from Japan's largest e-commerce company Rakuten Inc and telecommunications firm SoftBank Corp, the report said, citing investment banking sources.

Snapdeal spokeswoman said the company does not comment on speculation, while Alibaba was not available for immediate comment when reached by Reuters.



ROBI

**Mahtab Uddin Ahmed, chief operating officer of Robi Axiata, and Mohammed Haider Ali Miah, managing director of Exim Bank, sign a deal at Gulshan in Dhaka yesterday. Robi will offer different corporate postpaid and prepaid packages along with some other value-added services to Exim Bank.**



BATA

**Employees of Bata Bangladesh cut a cake to celebrate 120 years of the global shoe-maker, at its Tongi corporate office recently.**

## Air France scraps 60pc of flights as unions reject strike offer

AFP, Paris

French flag carrier Air France was forced to scrap around 60 percent of flights Thursday, as unions rejected a fresh offer to end a strike now in its fourth day.

Pilots' union SNPL slapped down as "largely insufficient" an offer from Air France to limit the operations of its low-cost subsidiary Transavia France, whose planned expansion has sparked the strike.

Unions fear the company will seek to cut costs by running more low-cost Transavia flights, where pilots are paid less, at the expense of Air France operations.

Pilots are also worried that the plans will entail job losses as the company sets up bases outside of France and hires pilots locally. Air France has already offered to limit the Transavia France fleet to 30 planes -- instead of the 37 previously expected.

And management has now offered to ring-fence Transavia France from the rest of its European operations in a bid to protect pilots employed in the country.

But SNPL boss Jean-Louis Barber countered that the offer was "largely insufficient to protect French jobs."

He said the union would meet on Saturday morning to decide whether to extend the strike beyond Monday.

A week-long strike would already be the longest since 1998. French politicians have tried in vain to bring the strike to an end, with Prime Minister Manuel Valls saying it was "incomprehensible." Valls told French radio on Wednesday: "We have to stop this strike."

"It is regrettable that a single category of employee, in this case pilots, can bring air transport in the country to a standstill."

## IMF irked by slow VAT reforms

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The business community came down hard on the government as their recommendations were ignored during the drafting of the law.

The Federation of Bangladesh Chambers of Commerce and Industry said it would be difficult for businesses to comply with various provisions of the new law.

FBCCI questioned the practice of framing a new law without an impact assessment. The new VAT law stipulates a flat 15 percent rate for all areas.

The government had earlier taken up a Tk 551.52 crore project to implement the new VAT law. Of the amount, the World Bank will provide \$60 million (about Tk 470 crore) as interest-free credit to help modernise VAT administration and increase tax revenue.

## Rice export to Sri Lanka gets a go-ahead

FROM PAGE B1

Bangladesh exported aromatic rice in the past, but this will be the first-ever shipment of non-fragrant rice as Colombo has expressed interest to import rice from Dhaka on an emergency basis.

The food ministry said the government has a stock of 11 lakh tonnes of rice as of August -- 2.5 lakh tonnes higher than the stock in the same month last year.

Bangladesh can emerge as a rice exporter if the current stock is taken into account, the proposal said.

The government has not imported rice since last fiscal year. It bought 6.66 lakh tonnes from local millers in fiscal 2013-14, up from 2.19 lakh tonnes in the previous year.

## IFAD Autos gets the IPO nod

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission yesterday gave the green light to IFAD Autos to raise Tk 63.75 crore from public.

The automobile dealer plans to float 2.12 crore of ordinary shares of Tk 10 each at an offer price of Tk 30, including Tk 20 as premium.

Banco Finance and Investment and Alpha Capital Management will manage the initial public offering, the proceeds of which would be used for business expansion and bank loan repayment.

The company's earnings per share as of June stood at Tk 5.16 and revalued net asset value per share Tk 44.12.

The approval came at a meeting presided over by BSEC Chairman Khairul Hossain, said a statement.

The BSEC also found the recently-listed Shahjibazar Power Company have violated securities rules by not disclosing price-sensitive information on its two subsidiary firms, where commercial operation commenced before listing.

The commission sent the issue to the enforcement department for the next course of action against Shahjibazar Power Company, which was listed on the market on July 15.

Meanwhile, the regulator put a bar on trading of the company's shares from August 11 following unusual price hike since its debut. Shahjibazar's share price soared 61 percent in just nine trading sessions to Tk 58.7.

Subsequently on July 31, the BSEC formed a two-member probe panel, which found involvement of four stockbrokers -- PFI Securities, Sharp Securities, Galaxy Capital and Mona Financial Consultancy and Securities -- behind the irrational price hike.

The regulator has also referred the stockbrokers to the enforcement department for the next course of action.

Located in Habiganj, Shahjibazar Power raised Tk 31.7 crore through initial public offering, which was approved by the BSEC in January. The company floated 1.26 crore ordinary shares of Tk 10 each at an offer price of Tk 25, including Tk 15 as premium.

## European parliament wants Bangladesh to be labour law compliant

DIPLOMATIC CORRESPONDENT

The European parliament yesterday called on the Bangladesh government to ensure that labour laws are enforced and brought in line with International Labour Organisation standards.

The members of the European parliament in their debate said workers in Bangladesh continue to report harassment and intimidation intended to stop them from joining or forming unions.

Acts of violence against trade union organisers continue to be reported, and the Labour Act of 2013 continues to fall short of international standards with regard to freedom of association, including the right to strike and collective bargaining, they said.

Although the European parliament resolution took note of the reform

programmes in the garment industry, it urged the government to fully implement the action plan it agreed on and signed with the ILO in May 2013, including the recruitment and training of inspectors and thorough inspections, with public records, of its factories.

It also urged the signatories to the Bangladesh Accord on Fire and Building Safety to live up to their commitments.

In the resolution adopted in the European parliament yesterday, the parliament members asked that the Donor Trust Fund mechanism be made mandatory, as voluntary company donations have only reached \$17 million, leaving \$23 million outstanding.

Rana Plaza Coordination Committee created the mechanism to help the victims and survivors of the Rana Plaza factory collapse.

## State banks get poor scores in first-half review

FROM PAGE B1

In reality, save for Rupali Bank, all the banks saw their default loans creep up. Sonali's rose 1.32 percent, Janata's 11.05 percent and Agrani's 8.82 percent.

Their loan growth remained within limits set by the central bank. The loan growth ceilings for Sonali, Janata, Agrani and Rupali this year are: 6, 10, 10 and 12 percent respectively.

But in the first six months, Sonali's loan portfolio grew 0.53 percent, Janata's 3.83 percent, Agrani's 0.98 percent and Rupali's 5.63 percent.

Though the banks' loans did not cross

the ceiling, the quality of the fresh loans was very poor, BB said at the meeting. Furthermore, the central bank also detected many irregularities and cautioned the banks about them.

The banks were also given a target of cutting the number of loss-making branches and they floundered in that regard as well. At present, Sonali has 65 loss-making branches, Janata 93, Agrani 75 and Rupali 28.

In the meeting, the central bank also expressed serious dissatisfaction over the slow progress in automation of the banks and risk management.



TOTALGAZ

**Dennis Michael Cuaycong, managing director of Totalgaz Bangladesh; Muhammad Taif UI Islam, energy project manager of IFC, and David Hancock, SED programme coordinator of GIZ, attend a programme recently when Totalgaz Bangladesh and IFC signed a deal to develop a market for off-grid lighting products in Bangladesh.**



RADIO FOORTI

**Officials of Radio Foorti launch its mobile app at a press meet yesterday. The Foorti App will help listeners tune in to the private radio station live from anywhere, anytime.**



CROWN CEMENT

**Mizanur Rahman Molla, director of Crown Cement Group, receives a trophy and certificate for being the highest taxpayer in Narayanganj district, from the officials of the National Board of Revenue, at a programme on Tuesday.**