

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
4,984.46	9,371.12	\$1,158.06 (per ounce)	\$76.95 (per barrel)	27,940.64	17,392.79	3,304.93	2,485.61	BUY TK 76.90	93.71	119.49	0.66
								SELL TK 77.90	97.71	123.49	0.70

জীবনে প্রয়োজন আরো বেশি স্বাস্থ্য
 সর্বাধুনিক প্রযুক্তি সম্বলিত ব্যাংকিং সেবায় মাসিক আয়ের সাথে বাড়তি আয় যোগ করুন আর জীবন করুন সুস্বন্দ।

যে কোন প্রয়োজনে ০৯৬১২০০১১২২
 ইসলামী শরীআহ'র মুনারাফা নীতির ভিত্তিতে পরিচালিত

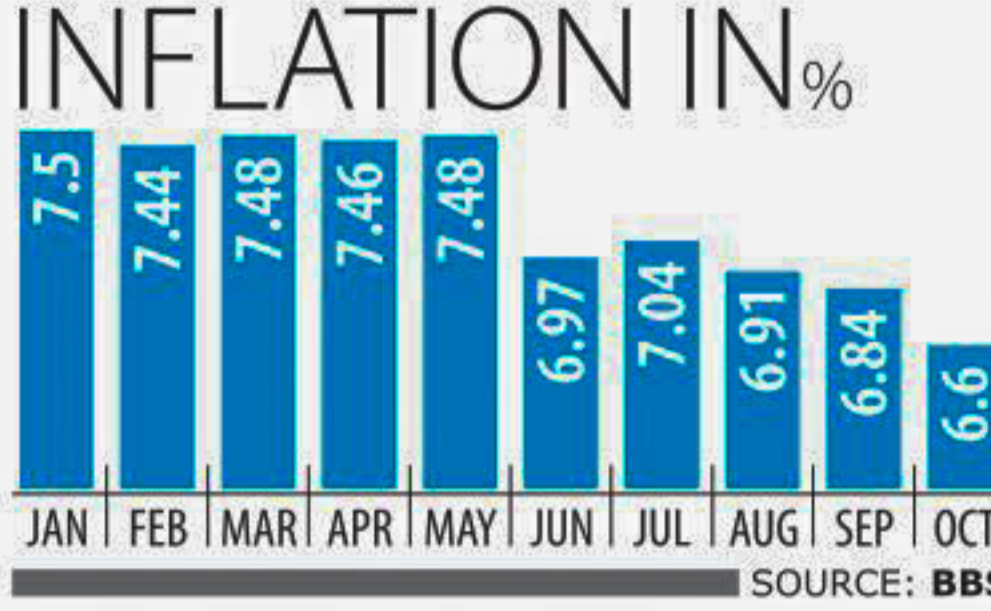


Star BUSINESS

DHAKA FRIDAY NOVEMBER 14, 2014, e-mail: business@thedailystar.net

Inflation the lowest since Dec 2012

STAR BUSINESS REPORT
 Inflation continued its descent in October, coming down to 6.6 percent, the lowest in 23 months, much to the cheer of central bankers.



It came as world food prices tracked by the United Nations fell for the seventh month in October, the longest slide since 2009, as the cost of dairy and meat fell amid outlooks for rising production.

Food inflation was the biggest driver behind the drop last month, sliding to 7.16 percent from 7.63 percent in September. Non-food inflation, however, edged up to 5.74 percent last month from 5.63 percent in September, owing to a rise in house rent, transportation costs, education and medical expenses and other non-food items, the Bangladesh Bureau of Statistics said yesterday.

An index of 55 food items fell 0.2 percent month-on-month to 192.3 points, the lowest since August 2010, the UN's Rome-based Food and Agriculture Organisation wrote in an online report. The index is stabilising, it added.

The recent recovery in activity aided by stability, the revival of income growth in services and slight moderation in remittance decline, all contributed to temporary increase in non-food inflation, the World Bank's local unit said last month.

The sustained fall in food prices in the international market also helped matters. Edible oil prices decreased 19 percent in the international market in the last six months, while the prices of petroleum products went down by \$18 dollar per barrel in recent months, Planning Minister AHM Mustafa Kamal told reporters at the unveiling of the inflation data.

The WB also said achieving the current fiscal year's target on inflation will depend on international price trends as well as domestic demand and supply conditions.

BBS Director General Golam Mostafa Kamal said prices of 16 items, which the country imports, declined substantially in recent months at the international level. Non-food inflation went up in October as two major religious festivals took place at the beginning of the month. "People's movement and consumption of non-food items increased ahead of the festival," he said.

Internationally, despite favourable prospects for cereal supplies, several uncertainties are hanging over the near future, exerting upward pressures on prices, such as weather in the US and possible escalation of geopolitical tensions in the Arab world or Ukraine.

Given the downward trend, both the minister and the BBS chief said they are hopeful of hitting the inflation target this fiscal year.

"What will matter most for Bangladesh are domestic supply-demand conditions and macroeconomic management," said the World Bank.

With the latest reduction, inflation is close to Bangladesh Bank's target for the fiscal year -- 6.5 percent.

In a meeting of the government's Fiscal Coordination Council on Wednesday, chaired by Finance Minister AMA Muhith, the issue of inflation was also discussed. The council also hoped that the inflation target would be achieved.

Inflation declined in both the urban and rural areas last month. In rural areas, it dropped from 6.75 percent in September to 6.49 percent, and in urban areas from 7.02 percent to 6.79 percent.

The continuity in supply-side following disruptions last year due to political turmoil, the high production of rice and the supportive monetary policy, have contributed to the fall in inflation, the council said.

Default loans jump in third quarter

REJAUL KARIM BYRON

Default loans climbed 11.4 percent in the third quarter (July-September) of the year to Tk 57,200 crore as old loans became bad.

In the second quarter, the total default loans were Tk 51,345 crore, according to data from the central bank.

As of September, default loans as part of total outstanding loans stood at 11.60 percent. It was 10.07 percent at the end of June.

A central banker said default loans increased because of the rise in bad loans at state-run banks, including BASIC Bank.

Last year, Bangladesh Bank relaxed rules for loan rescheduling, which many state banks interpreted liberally and de-classified large amounts of loans.

The central bank later classified many of these loans back as they failed to meet the criteria it had set.

Meanwhile, BB recently submitted a report on state banks to the parliamentary standing committee on the finance ministry. The report said that large amounts of default loans are the main problem of the state banks.

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Current account caves into deficit after two years

REJAUL KARIM BYRON

The current account balance plunged to deficit for the first time in more than two years in the July-September period on the back of falling exports and rising imports.

The deficit stood at \$357 million in the first quarter of the current fiscal year, according to statistics from the central bank. In contrast, the current account was \$666 million in the surplus in the same period last fiscal year.

Until the first quarter, the current account had been in the black since 2011-12.

On the development, a central banker said: "We are cautious but not worried. We will observe the situation for a few months. Then we will decide whether we will have to take any corrective measures."

Another central banker said any step that discourages imports would not be taken at the moment. The rise was brought by capital machinery and industrial raw material imports, he said.

"So, we will not take any step that stifles this trend as such imports are a boon for the economy."

Imports went up 13.62 percent in the first quarter. During the same period last



fiscal year, the import growth was 7.77 percent. Capital machinery imports soared 22 percent during the first quarter, according to settlement statistics of letters of credit.

Imports of petroleum leapt 53 percent in the first three months of fiscal 2014-15. In the same period last fiscal year, it plummeted 25.69 percent. Exports have been on a downward trend since the start of the current fiscal year. In the first four months, exports slid 0.97 percent, according to figures from Bangladesh Bank.

The central bank officials said if exports do not make a turnaround in the coming months, there would be some pressure on the balance of payments.

But the positive side is that the remittance growth is still encouraging, he said. Remittance grew 11.54 percent in the first four months of the current fiscal year, reversing the trend from a year ago when it dropped more than 10 percent.

The deficit in the current account balance has already started to affect the exchange rate of taka against the US dollar. The average exchange rate stood at Tk 77.47 on November 11, which was Tk 77.40 on October 30.



Prime Minister of Albania Edi Rama takes a selfie with Nobel laureate Professor Muhammad Yunus during the launch of Social Business Week in Tirana, Albania from November 3-8.

Albania hosts social business week

STAR BUSINESS REPORT

Albanian capital Tirana organised boot camps, workshops, conferences and field trips as it hosted a social business week recently.

Nobel laureate Prof Muhammad Yunus and Albanian Prime Minister Edi Rama jointly inaugurated the event on November 3.

Two senior ministers and two deputy ministers of the Albanian government were also present at the social business conference, Yunus Centre said in a statement yesterday.

Rama and Prof Yunus made field visits to the social business sites to see their operations.

They visited three new social business ventures, including a coffee house run by disabled people, as well as a senior citizens' home that offers high quality services to promote independence, dignity and quality of life for the elderly in Albania.

The opening of the conference was followed by a high-level consultation session on the future of social business with the participation of bilateral and multilateral organisations.

During the week, the economics and social welfare and youth ministries of Albania, the Austrian Development Agency and a network of Albanian entrepreneurs signed three memoranda of understanding with the Yunus Social Business Albania.

The Yunus Social Business Albania was created in mid-2012 with the aim to promote and support development of social businesses in various sectors.

Till today, the initiative has supported over 150 entrepreneurs, provided seed financing for five companies and has received over 250 business plans for its Accelerator Programme this year, according to the statement.

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Upgrade technologies to ensure quality of products

Energy adviser tells solar tech companies as show on renewable energy products begins in Dhaka

STAR BUSINESS REPORT

Solar tech companies have to standardise their technologies to boost consumer confidence on renewable energy products, Prime Minister's Energy Adviser Tawfiq-e-Elahi Chowdhury said yesterday.

"Technology standardisation is important to ensure quality products," he said, adding that some photovoltaic panels used in renewable energy in the country do not meet international standards.

The private sector should come forward to address this issue, he said at the inauguration of a three-day fair on power, renewable energy products, and construction materials at Bangabandhu International Conference Centre in Dhaka.

There has been a revolution in the installation of solar home systems as the country has set up more than three million such systems under a programme by Infrastructure Development Company Ltd (Idcol), he said.

These systems are currently generating 135 megawatts of electricity in the off-grid areas, where electricity may not reach soon, and benefiting more than 15 million people.

Idcol, the state-owned non-bank financial institution, has now set a target to finance six million such systems by 2017.

The government is focusing on solar irrigation pumps at present,



Solar panels are on display at a three-day fair that began at Bangabandhu International Conference Centre in Dhaka yesterday.

as it will save huge amounts of fuel consumption as well as foreign currency, Chowdhury said.

Affordability of solar energy is a key challenge to adopting the technology and the government is assessing whether it can introduce independent power producer (IPP) models in renewable energy, he said. An IPP is an entity, which is

not a public utility, but owns facilities to generate electric power for sale to utilities and end-users.

Renewable energy is a vibrant sector in the country, said Munawar Misbah Moin, managing director of Rahimafrooz Renewable Energy.

Public and private companies have invested around \$300-\$500 million on renewable energy in the

last several years and the amount is expected to reach \$1 billion in the next 3-5 years, he said.

Aftab-ul Islam, president of American Chamber of Commerce in Bangladesh, stressed the need for more regional cooperation in the power sector among neighbouring countries.

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Roadshow starts today to promote regional tourism

DIPLOMATIC CORRESPONDENT

A four-day tourism roadshow will begin in Dhaka and Agartala today to promote tourism between Bangladesh and India.

Bangladesh Foundation for Tourism Development (BFTD), Bangladesh Inbound Tour Operators Association, Tripura Tourism Development Forum in collaboration with Tripura Tourism Development Corporation are jointly organising the show.

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Microfinance not enough for women empowerment: Inu

STAR BUSINESS REPORT

Microfinance alone will not be enough to break the cycle of gender inequality in the society, Information Minister Hasanul Haq Inu said yesterday.

Conscious planning and efforts are needed to empower women and eradicate gender inequality, he said at the opening of a two-day international conference on Gender and

Women Empowerment at the capital's Lakeshore Hotel, organised by the Institute of Microfinance.

Gender inequality is a major problem not just in Bangladesh but all over the world, according to the information minister.

For women empowerment and gender equality, equal opportunity is needed in nutrition, education, employment prospects, workplace, political

responsibilities and property rights. "In Bangladesh, women do not have equal opportunities in these aspects."

"Women need to be empowered to take decisions for themselves, for the wellbeing of their families including economic matters." The problem lies in the socio-economic system, which does not provide parity between men and women, rich and poor.

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