



# Star BUSINESS

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## Remittance grows 10pc in six months

STAR BUSINESS REPORT

Inward remittance grew at double-digit rates to reach \$7.47 billion in the first half of this fiscal year, data from Bangladesh Bank showed.

The growth rate was 10.3 percent between July and December, compared to the same period a year ago, according to data released yesterday.

Bangladesh received \$6.77 billion in remittance in the July-December period of fiscal 2013-14. Remittance grew 3.96 percent year-on-year in December to nearly \$1.26 billion.

Remittance -- the money sent home by Bangladesh's migrant workers overseas -- plays a key role in reducing the overall incidence of poverty in the country. The poverty rate at present has come down to almost half of 48 percent in 2000.

Bangladesh received nearly \$14.23 billion in remittance in 2013-14, down from \$14.46 billion a year ago. If expatriates continue to send money as they have done so far, Bangladesh may receive \$15 billion in the current fiscal year.

## Money launderers invent new ways

### Bangladesh Bank Financial Intelligence Unit reveals ten cases in a report

REJAUL KARIM BYRON

Money launderers are coming up with new and inventive ways to go about their financial crimes, the Bangladesh Bank Financial Intelligence Unit (BFIU) found.

The central bank's anti-money laundering arm depicted a total of ten such cases that took place last fiscal year in its latest annual report, which was unveiled yesterday by Bangladesh Bank Governor Atiur Rahman.

The case studies and typologies presented in the report would work as high-quality training materials for bankers, he said. "If we can perform the responsibilities given to the BFIU properly, the siphoning-off of money will come down."

In one of the case studies, a gang of Bangladeshi human traffickers used the mobile banking platform to collect ransom.

The gang lured some young men, mostly from Dubai and Sharjah, and flew them in to Iran upon promise of lucrative jobs in Saudi Arabia, Iraq and Greece. They confined the men in a house and took away their passports and other belongings.

The traffickers then forced the hostages to contact with their families in Bangladesh and instruct them to pay ransom, which ranged from Tk 1.5 lakh to Tk 3 lakh, through a popular mobile financial service provider in Bangladesh for their release.

The BFIU investigation found that a

total of 23 mobile banking accounts were used to collect ransom amounting to Tk 21.52 lakh.

Some of the accounts were opened using fake IDs, while some of the transactions were done using 20 unique mobile banking customer accounts under the agent's name within a short period of time.

As per rules, an agent is not permitted to open mobile banking customer accounts on behalf of others under his/her name and is not allowed to transact to others through either his/her mobile banking agent account or personal mobile banking account.

The case was forwarded to the Criminal Investigation Department of Bangladesh Police, who filed a case in this regard. And with the help of the Iranian authority, 13 of the kidnapped persons were rescued.

In another case study, one official of a government project and a businessman, both relatives, opened six accounts in two branches of a commercial bank in seven months.

The accounts were opened in different names and they were shown to be students or housewives.

The accounts did not have any significant transactions save for some IPO (initial public offering) investments. But suddenly over a three-month period, large amounts were deposited in the six accounts through electronic fund transfer.

This alerted the bank and they started to keep an eye on the accounts.

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Indian Prime Minister Narendra Modi (L) greets Nobel Peace Prize winner Muhammad Yunus during the inaugural function of the Indian Science Congress in Mumbai on Saturday. Modi presented a gold medal to Yunus for "giving the poorest a life of hope, opportunity and dignity".

## Yunus honoured by Indian PM

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Indian Prime Minister Narendra Modi honoured Prof Muhammad Yunus with a gold medal for "giving the poorest people a life of hope, opportunity and dignity".

The microcredit pioneer received the medal at the opening ceremony of the 102nd Indian Science Congress in Mumbai on Saturday, Yunus Centre said in a statement.

Prof Yunus, along with four other Nobel laureates and five scientists from India, was felicitated in the presence of more than 12,000 audience members, including ministers, chief ministers, scientists, vice chancellors of dozens of Indian universities and delegates from India and abroad.

Modi said: "We have here with us Nobel laureates whose work in science has given new hope against dreaded diseases."

"We also have one whose own understanding of social science gave the poorest a life of hope, opportunity and dignity," he said, referring to the work of Prof Yunus.

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## Funds from rights shares jumped 11 times last year

COMPANY	RIGHTS OFFER RATIO	ISSUED SHARES Crores	RAISED CAPITAL In crores of taka
Aramit Cement	1R:1	1.69	25.41
BIFC	1R:2	3.36	33.56
BRAC Bank	1R:2	22.16	443.30
Delta Spinners	2R:1	9.17	91.72
First Security Islami Bank	1R:2	20.57	205.71
Generation Next	2R:3	11.24	112.47
ICB	1R:2	2.10	1,054.68
Midas Financing	1R:1	6.01	60.13
Rupali Life Insurance	1R:1	1.20	36.02

SARWAR A CHOWDHURY

Funds raised by listed companies from rights shares rose more than 11 times in 2014 from the previous year.

Nine listed firms netted about Tk 2,000 crore from 77.5 crore rights shares, with state-run Investment Corporation of Bangladesh accounting for half of the fund, according to data from Dhaka Stock Exchange.

Regulatory requirements and a better situation in the secondary market were the main factors behind the record jump in capital raised through rights shares.

The DSEX, the key price index of the premier bourse, gained around 14 percent to close last year at 4,864.96 points. The average daily trade also stood at around Tk 500 crore in 2014, up 25 percent from the previous year.

In 2013, six listed companies raised Tk 180 crore through 15.51 crore rights shares, according to DSE statistics.

A rights issue is an issue of additional shares by a listed company to raise capital from existing shareholders.

With a rights issue, existing shareholders get the privilege to buy a specified number of new shares from the firm at a particular price within a specified time. A rights issue is in contrast to an initial public offering, where shares are offered to the general public through a stock exchange.

"Financial sector companies issued rights shares to fulfil their capital adequacy ratio and strengthen their capital structure in line with regulatory requirements," said Md Moniruzzaman, managing director of IDLC Investments, a merchant bank.

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## Fear of violence curtails business

### Dhaka trade fair passes a dull day

GAZI TOWHID AHMED

Business activities in the bustling capital city suffered a blow yesterday, as people remained indoors for fears of violence and a shortage of transports.

The government's move to block the BNP-led alliance's rally for fresh elections created a fear of violence that kept many public vehicles off the roads.

Most of the usually busy streets were empty and only a few people managed to move about by auto-rickshaw or rickshaw or on foot.

Financial institutions saw meagre transactions compared to the previous day, as the presence of clients at the banks remained low, said Nazmul Hossain, a junior officer of Pubali Bank in Motijheel. "We had a very slow day."

The stockmarket was no different, with fears of violence keeping many investors away, said Faruk Ahmed, manager at a brokerage house in Motijheel.

Stocks lost 15 points yesterday as investors did not actively participate in trade.

Stalls at the ongoing Dhaka International Trade Fair (DITF), the country's biggest trade fair, were almost empty.

Runner Automobiles, a local motorcycle manufacturer, did not sell any bike at their pavilion yesterday; they sold seven bikes the day before.

Visitor participation was down by almost 90 percent compared to the previous day as people were scared to get out of their homes, said Aleque Khandakar, senior executive of Runner Automobiles.

Around 500 visitors came to the Runner pavilion on Sunday, according to Khandakar.

Akhtar Furnishers, a furniture



Sales executives sit idle behind counters at the Dhaka International Trade Fair as fears of political violence kept visitors away yesterday.

maker, made no sales yesterday as there were almost no visitors at the fair.

"We had expected good sales this year with a seemingly stable political atmosphere, compared to the previous year, but the experience has been negative so far," said Fahmida Yesmin, senior executive of Akhtar Furnishers.

Only 30 visitors came to the furniture maker's pavilion yesterday, compared to 800 a day since the fair opened on January 1, Yesmin said.

"Our sales dropped 80 percent today from the previous day," said Md Sumon, assistant manager of Esquire Electronics Ltd, distributor of Sharp Corporation of Japan.

It recorded sales worth Tk 6,000 yesterday, which was Tk 50,000 the previous day, said Md Wahiduzzaman Rubel, manager of Top Ten, a local fabric maker and tailor.

The number of Top Ten's visitors fell to 100 from 1,000 on Sunday, he said.

Only visitors from nearby

## Biman's new CEO takes charge

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Kyle Haywood, a British national, yesterday took over as the managing director and chief executive officer of Biman Bangladesh Airlines.

Haywood, 48, is the second foreign national after Kevin John Steele to serve as the CEO of the flag carrier. Steele was appointed in 2013 for two years, but he resigned in April last year on health grounds. Biman has been without a full-time chief executive since then, with AM Mosaddique Ahmed, a director of the airline, serving as the acting managing director.



Kyle Haywood

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## Major US retailer seeks refund from local suppliers

REFAYET ULLAH MIRDHA

In an unprecedented move, a major US retailer, American Eagle Outfitters, demanded a 2 percent rebate on a portion of its shipments from Bangladesh last year to help the company deal with falling sales.

"We have always believed partnership to be a two-way street, and we are stronger by supporting each other in times of challenge," the troubled company said in its letter to all suppliers on December 24, 2014.

With that in mind, the company has decided to ask every supplier to extend it a volume rebate for 2014 through a 2 percent rebate on holiday products.



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## Correction

In a news item headlined "Youth must acquire skills for industries: analysts", which was published on Sunday, we mistakenly mentioned the name of the organiser of a seminar as Rotary Club of Dhaka Bangladesh, instead of Rotary Club of Dhaka Buriganga. We regret the error.

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