

New platform on cards to boost capital market

STAR BUSINESS REPORT

Six associations related to the equity and money markets will form a new platform, Bangladesh Financial Market Forum, for the development of the economy.

The forum will primarily work for the stabilisation, expansion and vibrancy of the ailing capital market.

"Later more related associations will be the members of the forum, so it can also work for the growth of the economy," Sheikh Kabir Hossain, president of Bangladesh Insurance Association (BIA).

He spoke at a press briefing yesterday where the announcement of forming the forum was made.

Initiated by the Brokers Association of Bangladesh, the six associations sat on the Dhaka Stock Exchange premises yesterday to discuss the remedies for the stockmarket.

Along with the BIA, five other members of the forum will be the Association of Bankers, Bangladesh, Brokers Association of Bangladesh, Bangladesh Merchant Bankers Association, Bangladesh Leasing and Finance Companies Association, and Association of Asset Management Companies.

The forum will work for creating a mutual understanding between the money market

and equity market, which is the need of the time, said Md Fayekuzzaman, president of the Association of Asset Management Companies. However, details of the forum which are yet to be finalised will be set in another meeting in the next one month.

Just after a couple of days' gains, stocks returned to the red again yesterday with DSEX, the benchmark general index of the premier bourse, sliding 48.79 points or 1.07 percent before closing at 4,509.28 points.

The day's turnover declined 19.9 percent to Tk 314.94 crore upon transaction of 6.46 crore shares and mutual fund units.

Almost all the major sectors declined in market capitalisation with the engineering sector taking the highest hit of 1.9 percent.

Losers beat the gainers, as 198 stocks declined, 76 declined and 32 remained unchanged on the DSE floor.

At yesterday's meeting, the associations' leaders also recommended the central bank to extend the deadline for bringing down banks' investment exposure in the stockmarket, create a special refinancing fund at a soft interest rate for merchant banks and stockbrokers and redefine the calculation of market exposure. They also discussed how to increase the institutional participation in the secondary market.



Rubel Aziz, chairman of City Bank, inaugurates the bank's branch at Kanaipur in Faridpur on Sunday. Syeda Shaireen Aziz, director, was also present.

Rich nations' fossil fuel export funding dwarfs green spend

REUTERS, Brussels

Rich nations provided around five times as much in export subsidies for fossil-fuel technology as for renewable energy over a decade, according to OECD data seen by Reuters.

The Organisation for Economic Cooperation and Development (OECD) figures on export credits are central to a debate on targeting funding ahead of UN climate talks in Paris at the end of the year.

Just when the European Union is leading the push for a new global deal on curbing emissions and is phasing out domestic coal subsidies, the documents underline the scale of the developed world's investment in exporting technology for the most polluting fossil fuel.

Earlier this year, a document seen by Reuters provided the closest yet to official figures on coal export credits.

Further documents give the context of all energy export subsidies.

One, dated March 4, when the OECD held closed-door talks on the issue, shows OECD governments provided preferential loans and state-backed guarantees worth \$36.8 billion between 2003 and 2013 for exporting fossil fuel power-generation technology, including almost \$14 billion for coal.

A document from October 2014 shows another \$52.6 billion in export credits was allocated for the extraction of fossil fuels, including coal, taking the fossil fuel total to \$89.4 billion. Export credits for technology for renewable energy, which has no extraction costs, were \$16.7 billion.

An OECD spokesman said he could not comment on documents marked confidential. But the documents themselves say the data should be public.

"There would seem to be a pressing need to issue coherent, complete and accurate figures on official export credit support that is relevant to climate change issues," the March 4 document says.

EU officials, speaking on condition of anonymity, said the March talks made little progress and the issue would be raised again at OECD level in June.

The OECD has said it wants a decision on how export credits can help tackle climate change in time for the U.N. summit that begins on Nov. 30 in Paris.

A debate within the EU, which accounts for two thirds of OECD nations, is deadlocked because Poland has blocked as too ambitious a compromise to allow export funding for only the most efficient coal technology, the EU officials said. Britain and France objected, saying the compromise was not ambitious enough.

Germany, the biggest EU user of export credits both for coal and renewables, the data shows, is planning measures to make operators of coal plants, such as RWE, curb production at their oldest and most-polluting power stations as part of efforts to achieve climate targets.

A letter to the European Commission from industry associations, the European Power Plant Suppliers Association, EU Turbines and Germany's VDMA, said halting coal export credits would lock developing nations into less-efficient technology and curtail European industry's competitiveness. Environment campaigners dismiss those arguments. Sebastien Godinot, an economist at WWF, said the industry had "failed to bring any concrete evidence that the OECD export finance policy drives more efficient technology".

Emirates adds two more flights from Bangladesh

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Emirates stepped up services from Dhaka with two additional flights that became operational on Sunday, taking the airline's total number of weekly flights to 21.

The new service will boost inbound and outbound passenger traffic and cargo flow between Bangladesh and Dubai, and Emirates' worldwide network, the airline said in a statement yesterday.

With the new flights, Emirates SkyCargo will offer more than 15 tonnes of belly-hold cargo capacity per flight, providing more space to Bangladeshi exporters, it said.

Passengers from Chittagong and Sylhet can also enjoy complimentary air-conditioned bus service to and from Dhaka. Due to growing local demand, Bangladeshi passengers can now enjoy greater flexibility in their travels, allowing them to seamlessly connect to destinations in Europe, Middle East and North America with three flights every day of the week, said Khalid Hassan, Emirates' country manager in Bangladesh.

HSBC's top retail banker due in Dhaka today

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Anurag Mathur, HSBC's head of international retail banking and wealth management for Asia Pacific, will arrive in Dhaka for a two-day visit today.

He will meet a number of the bank's clients, stakeholders and local colleagues during his visit, HSBC said in a statement yesterday.

Mathur is currently responsible for over eight markets in Asia Pacific region, including Bangladesh, Brunei, Macau, Mauritius, New Zealand, the Philippines, Sri Lanka and Vietnam, it said.

He joined HSBC in Hong Kong in 2009, and has also served as the regional head of business performance in retail banking and wealth management in Asia Pacific.



EU warns Greece reform push 'not there yet'

AFP, Brussels

The EU warned Monday that Greece and its creditors had yet to hammer out a new list of reforms despite talks lasting all weekend aimed at staving off bankruptcy and a euro exit. "We're not there yet," European Commission spokesman Margaritis Schinas told reporters when asked about the progress of the talks.

"This is why the talks should benefit from further fact-finding in Athens that should continue."

Experts from the IMF and the EU are scrutinising reform plans that Greek Prime Minister Alexis Tsipras agreed earlier this month to provide, in a bid to receive the last 7.2 billion euros (\$7.8 billion) of Greece's 240 billion euro bailout. Tsipras -- whose hard-left government was elected in January with a vow to roll back austerity -- said last week that the reforms would be ready by Monday, but Greek officials and experts from the creditors were still negotiating towards a final list.

"The fact that experts worked through the entire weekend and continue today is a positive sign that shows the willingness and seriousness of both sides to engage with each other," Schinas said.

The final list must be accepted by the 19 finance ministers of the eurozone, who would then decide whether to release bailout funds to cash-strapped Greece.

Leave us alone

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Chowdhury, who is also the managing director of Berger Paints Bangladesh, said most multinational companies are making profits in Bangladesh because of the people they employ. She called for a change in the mindsets of the state institutions to serve the business in the twenty-first century.

Kazi Akram Uddin Ahmed, president of Federation of Bangladesh Chambers of Commerce and Industry, said the apex trade body is working with the government to set up a one-stop service for facilitating the business community.

David Meale, deputy mission chief of the US embassy in Dhaka, said the business climate in Bangladesh is very important to American investors.

"The question everybody is asking right now is: how do we do business in this environment?"

"In answering the question, the business chambers are key, because they serve as information clearing houses, are hubs for networking and provide match-making services and have roles in policy advocacy."

He said the country has great potential given its population of 160 million and 6 percent average annual growth. But, it faces numerous challenges too, particularly on the political front, and the foreign investors are very concerned.

Apart from strikes and blockades, the American investors are also talking about infrastructure and bureaucracy routinely. "So, we should not lose sight of long-term issues while discussing short-term problems."

The diplomat also said trade and investment increases between countries when they acknowledge the challenges of doing business. "In order to move forward you will have to discuss the hard stuff."

AmCham President Aftab Ul Islam said the private sector could go far ahead if it had appropriate political leadership.

"The biggest hindrance that the private sector is facing at the moment is not the labour unrest, the port mismanagement or the lack of adequate electricity and gas, it is the fear, threat, killing, missing and uncertainty, which have slowed down trade and investment in the country."

He said the lack of enthusiasm among local investors is apparent, which sends out wrong signals to the foreign investors. "Today, the stakes are too high but time is too short. So, an improvement in law and order is necessary from the party that is now ruling the country and the others who are hoping to rule in future."



Iqbal Ahmed, chairman of NRB Bank, inaugurates the bank's GEC Mor branch in Chittagong recently. Muklesur Rahman, managing director of the bank, was also present.



Rashed A Chowdhury, chairman of Mutual Trust Bank, and Anis A Khan, managing director, attend the bank's 15th extraordinary general meeting and 16th annual general meeting yesterday. The bank announced 20 percent stock dividends for 2014 and also approved issuance of Tk 300 crore coupon-bearing non-convertible redeemable subordinated bonds.



Md Rezaul Haque, chairman of Social Islami Bank, attends the bank's 20th annual general meeting at Savar Golf Club on Monday. Md Shafiqur Rahman, managing director of the bank, was also present. SIBL approved 18 percent cash dividends for 2014.

Taiwan to apply to join China-led infrastructure bank

AFP, Taipei

Taiwan said Monday it would make a formal application to join the Asian Infrastructure Investment Bank, becoming the latest economy to express interest in the Beijing-backed institution.

It was not immediately clear if the island could actually join the AIIB, since China has long opposed allowing Taiwan to join any international organisations that appear to confer sovereignty upon it. Taiwan will present a letter of intent to the AIIB preparatory committee, said a statement from the presidential office following a national security meeting chaired by President Ma Ying-jeou.

Membership of the AIIB would assist Taiwan's push for regional economic integration "and increase the odds of the country participating in international affairs and international economic and trade organisations", Ma's spokesman Charles Chen said in the statement.

Ma voiced a desire to join the bank in an interview with a local newspaper last week, saying: "We should not stay on the sidelines. (We) should actively participate in it."

Britain, Germany, France and Italy have

all said they intend to join the \$50 billion bank, despite scepticism about the AIIB in Washington and Tokyo.

South Korea on Thursday became the latest country with close ties to the US to say it would seek membership.

Last week China's vice finance minister Shi Yaobin said it "welcomes all countries" to join the bank, which it has touted as a tool for financing regional development alongside other lenders such as the US-led World Bank and the Japan-led Asian Development Bank. Taiwan's involvement in international agreements is often curtailed by China, which considers the island part of its territory awaiting reunification. They split in 1949 at the end of a civil war.

Taiwan has, however, joined international organisations in the past under different names. The International Olympic Committee refers to it as "Chinese Taipei" and it is known as the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu at the World Trade Organization.

Ties have improved rapidly between China and Taiwan since Ma and his Beijing-friendly Kuomintang (KMT) party came to power in 2008.

Revenue collection in slow lane amid blockade

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Various business chambers and associations have come up with different figures on the economy's loss during the blockade.

Every day, the economy lost about Tk 2,277.86 crore alone due to the blockades and the strikes. The amount would stand at Tk 2,500 crore if the daily loss is calculated by taking into account the 25 percent loss in total industrial production, said Dhaka

Chamber of Commerce and Industry. Prime Minister Sheikh Hasina said the country had incurred a loss of over Tk 1.2 lakh crore in the first 52 days of the unrest.

Finance Minister AMA Muhith also said the target for the gross domestic product would be revised down for the current fiscal year because of the political unrest.

The development partners have already trimmed their growth targets for 2014-15.



Alamgir Kabir, chairman of Southeast Bank, and Shahid Hossain, managing director, attend the bank's 20th annual general meeting at Bashundhara Convention Centre in Dhaka on Sunday. The bank approved 15 percent cash dividends.



Ahmed Saifuddin Chowdhury, chief executive of Bangladesh General Insurance Company, attends the company's workshop on anti-money laundering and terrorist financing activities recently.