

StanChart to identify new growth areas for Bangladesh

MD FAZLUR RAHMAN

STANDARD Chartered Bangladesh will continue to support sectors that have driven the country's economic growth for decades and will also identify new areas that can take the economy to newer heights, its chief executive said.

Abrar A Anwar, the new CEO for the Bangladesh operations of the London-based bank, said the company has been in the country for over 110 years, so its understanding of the market and the fabric of the economy is probably better than any other institution.

"For instance, we opened the country's first letter of credit," Anwar told The Daily Star in an interview last week.

"We particularly cater to the growth drivers of the economy -- we see where the growth is coming from and what will sustain the momentum. We want to do more, as we strongly believe we can really play a major part in the growth of the country."

Anwar, who took the reins from Jim McCabe in the first week of January, is the second Bangladeshi to lead Standard Chartered Bangladesh.

SCB handles more than \$3 billion a year in garment exports. It also finances backward linkage and textile sectors so that the apparel manufacturers can expand their reach.

The bank has also arranged financing for 30 percent of the country's more than 10,000 megawatts of installed capacity of electricity, which is crucial for the economy.

The 46-year-old said it also wants to finance projects relating to power distribution and transmission.

SCB is also a major player in the telecoms sector financing. The sector, boosted by nearly 100 percent mobile phone network coverage across the country, has already become a key sector of the economy by way of digitalisation and rising popularity of e-



Abrar A Anwar

commerce.

Anwar said the bank is also financing infrastructure-related industries such as steel and cement, apart from the commodity and agriculture sectors. It is also looking at growth potential in real estate sector.

"We will stay with the growth drivers of the economy."

He also touched upon the ongoing political uncertainty, which has started to eat into the banking sector's profits.

"The bank was probably on the brink of getting affected in the first quarter because of the blockade. So far we have not faced any problems with our portfolio. We could have done better in terms of more investment. Still, our business has grown even during the tough times."

He said the businesses across the country suffered mainly in January, and the situation has started to improve in February and March to a large extent.

Over the years, political uncertainties have not impacted the economy that much. However, new businesses have not come about in the way the country was expecting, he said.

"People and investors think Bangladesh is losing opportunities. Nevertheless, the country has been able to sustain because of the economy's resilience and entrepreneurship."

Standard Chartered, despite being headquartered in the UK, is predominantly an emerging market bank, with almost 90 percent of its earnings coming from Asia, Africa and the Middle East.

Bangladesh is one of the top 10 markets of the bank among the 70 countries it operates in.

"So, our clients get access to the latest products, ideas and resources. This is one of the reasons we have become successful in this country," Anwar said, adding that the bank's business typically grows at twice the rate as the country's gross domestic product.

"We are actually hopeful of growing further," Anwar said the country has got good entrepreneurs who are committed to supporting banks even during ups and downs.

"It is very important that banks pick up the right clients. If not, wrong borrowers will come into the market and pose a risk for the entire banking sector."

Foreign banks in many cases are the gateway for foreign investors to Bangladesh. And as the largest foreign bank in the country, SCB is also playing the role.

"Bangladesh has seen many ups and downs in its 44-year history. I would say things were much worse in the past. I tell investors that our door was not closed for a single day. We have grown every year. They can get an idea about Bangladesh just by looking at us."

"I don't have to make up stories about Bangladesh. I can tell the potential about the country by just using facts and figures. We can say with credibility that this is the country to be in."

Anwar said the country's macroeconomic fundamentals are good and very conservatively managed, and the country has never defaulted on its payment to the international lenders -- which should be enough to woo in foreign investors.

He said the country has been growing at 6 percent on average in the last one decade. "We definitely have the potential to grow faster."

"Emerging markets often face the situation that Bangladesh does every now and then. At the same time, we will have to keep in mind

that Bangladesh is growing despite all the challenges."

SCB also organises road shows to tell outside investors about the potential of Bangladesh. The bank is also working with state-run Board of Investment to get the right kind of audience such that they bring in global investors to Bangladesh, he said.

"We want to do more as the country's biggest challenge now is to efficiently mobilise the capital it needs to power growth."

A well-known corporate banker, Anwar started his banking career with ANZ Grindlays Bank in 1991. He joined Standard Chartered as the managing director of its wholesale banking arm in January 2011, after nine years in the country office of Citibank NA.

About his new role, he said a CEO has to lead by example. "You will have to give a viable vision to your employees so that they rally around you and work for a common objective and take the business to the next level in a responsible manner."

He believes in sustainability, saying an organisation will only be sustainable if it is a responsible organisation, brings positive changes to the society, adds value and does not hanker after profit only.

"The role of the CEO is to add value to all groups of stakeholders. To me, it is an exciting role."

He went to Saint Placid's High School, Chittagong College and Government College of Commerce in Chittagong before his MBA from Dhaka University's Institute of Business Administration, the country's most respected business school.

"If you are focused, sincere and stay on your course, you can achieve your goals. Learning everyday is also important and you can learn from anybody, even from the youngest person that you just met."

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India eases rules for foreign investment in government bonds



A private money trader counts rupee currency notes at a shop in Mumbai.

REUTERS, Mumbai

India's market regulator has allowed foreign investors to reinvest in government bonds the same day, according to a emailed circular seen by Reuters, hoping to sustain outside interest in the country's debt market.

India limits the amount of government bonds available to foreign investors, and some 90 percent of that allocation was filled in September last year, following the election of Prime Minister Narendra Modi's government earlier in 2014.

Levels of foreign investment have since risen, with the Securities and Exchange Board of India (SEBI) auctioning the remaining portion at frequent intervals.

However, foreign investors who bought government bonds before September had been unable to switch those bonds to different tenors - once debt was sold, they could not buy back in without going through the lengthy auction process.

"This will revive foreign investor interest in government bonds and help investors to switch to longer end bonds from shorter end, given a benign interest rate outlook in India," said Ajay Manglunia, head of fixed

income markets at Edelweiss Securities.

Allowing foreign investors to reinvest in sovereign paper could also indicate that the government has no intention of relaxing overall limits on their investment anytime soon, Manglunia added.

SEBI, in an email sent late on Wednesday to the custodian banks of foreign investors and seen by Reuters, said the facility to buy and sell government bonds the same day would be applicable on the entire \$30 billion ceiling on government debt purchases by foreign investors.

"Upon sale or redemption or maturity of government securities the FPIs (foreign portfolio investors) shall be permitted to buy government securities on the same day," SEBI said in the email, confirmed by four dealers.

Foreign investors have been aggressively buying Indian debt since Modi came to power in May, promising a quicker and stronger economic recovery.

The benchmark 10-year bond yield has fallen by 104 basis points since May last year driven by foreign buying.

Foreign investors have poured in \$7.9 billion so far this year into Indian debt, on top of \$26.2 billion in 2014.

US import prices resume downward trend in March

REUTERS, Washington

US import prices fell in March as rising petroleum costs were offset by declining prices for other goods, a sign of muted inflation that supports the view the Federal Reserve will probably not raise interest rates in June.

The Labor Department said on Friday import prices dropped 0.3 percent last month after a downwardly revised 0.2 percent gain in February.

Economists polled by Reuters had forecast import prices slipping 0.3 percent after a previously reported 0.4 percent increase in February, when prices advanced after declining for seven straight months.

In the 12 months through March, prices plunged 10.5 percent, the largest drop since September 2009. US government debt prices were largely unchanged after the data, while the dollar gained against a basket of currencies. US stock index futures were mixed.

IMF sees Brazil economy shrinking

REUTERS, Goiania, Brazil

The Brazilian economy will likely shrink this year, but the South American country could return to growth in 2016 if it succeeds in boosting investor confidence with its austerity drive, the International Monetary Fund said on Friday.

The IMF lowered its 2015 forecast for Brazil's economic performance to a 1 percent contraction from the 0.3 percent growth it forecast in January due to tighter fiscal and monetary policies and a drop in investment by state-run oil company Petrobras.

The IMF said an "immediate priority" for Brazil's recovery is swift resolution of problems at Petroleo Brasileiro SA, as Petrobras is formally called. A massive political kickback scandal at the company has forced it to cut back investment and has paralyzed work by its construction and engineering contractors.

The IMF said implementation of austerity measures is crucial for Brazil to regain the trust of investors so it can bolster growth.



From left, Mexico's President Enrique Pena Nieto, Brazil's President Dilma Rousseff, Panama's President Juan Carlos Varela, US President Barack Obama and Luis Alberto Moreno of the Inter-American Development Bank talk to business leaders at the CEO Summit of the Americas in Panama City, Panama on Friday.

এসো হে বৈশাখ ১৪২২

ক্রিসেন্ট এর উপহার হাতে থাকুক সবার

বৈশাখ উপলক্ষে বিশেষ ক্রিসেন্ট ডিজাইন



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