

MasterCard extends financial literacy programme

STAR BUSINESS REPORT

MasterCard in association with BURO Bangladesh and NRB Global Bank will provide financial and business literacy training to 10,000 people who have 10-taka accounts.

Under the programme launched by the central bank governor at a function in Dhaka yesterday, the 10-taka accountholders will receive education on the use of financial services in a smart and responsible way.

This is the second phase of a financial literacy programme introduced by MasterCard in Bangladesh in 2013.

In the first phase, around one lakh women entrepreneurs were trained through the network of BURO Bangladesh, an NGO that works on microfinance.

Bangladesh Bank has allocated a Tk 200-crore refinance scheme for financial inclusion, BB Governor Atiur Rahman said at the launch at Hotel Purbani.

The literacy training will help in effectively using Bangladesh Bank's



Bangladesh Bank Governor Atiur Rahman poses at the launch of a financial literacy programme for 10-taka account holders jointly organised by MasterCard, BURO Bangladesh and NRB Global Bank, in the capital yesterday.

refinancing fund, he said.

He said the central bank has asked all banks to provide SME loans to at least one woman entrepreneur at each branch every year.

"These entrepreneurs deserve to be trained to help develop their skills."

MasterCard's global philanthropic efforts are focused on promoting entrepreneurship, said Vikas Varma,

executive director for South Asia of the company.

It will also help people in Bangladesh achieve positive economic outcomes for themselves, their families and communities, he said.

Abdul Quddus, managing director of NRB Global Bank, and Zakir Hossain, executive director of BURO Bangladesh, also spoke.

ADB to finance \$6b for infrastructure projects in Pakistan

AFP, Karachi

The Asian Development Bank on Tuesday approved a \$6 billion loan to help build up Pakistan's dilapidated power network and other key infrastructure, Islamabad said.

Among the projects to be financed by the ADB are a 660MW coal-fired power plant in southern Pakistan, while funds will also be allocated for projects related to health, education and highway construction. "The ADB agreed to finance US\$6 billion for the next five years in Pakistan," an economic affairs ministry statement said.

The funds would help Pakistan tackle a long-running electricity crisis. Along with the 660MW plant, the funds will be used for several hydro-electric dams that will each generate between 100 and 300 megawatts.



Syed Moinuddin Ahmed, additional managing director of Green Delta Insurance, and Mahtab Uddin Ahmed, COO of Robi, pose after signing deals in Dhaka. Robi will provide postpaid connections to Green Delta and Robi's distributor sales workforce and selected retailers will get accident insurance coverage from the insurer. Farzana Chowdhury, MD of Green Delta, and Supun Weerasinghe, MD of Robi, were also present.



Syed Rafiqul Haq, deputy managing director of Mutual Trust Bank, and Sanchia Chowdhury, director of Square Fashions, exchange documents of a payroll banking agreement at a ceremony held in Dhaka recently.



M Nazeem A Choudhury, head of consumer banking at Eastern Bank, and Rajkumar Bhattacharya, country manager of Jet Airways, sign an agreement at a programme in Dhaka recently. EBL cardholders will enjoy 10 percent discount on business and economy class tickets to almost all destinations served by the airline.

Stocks break five-day gaining streak

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Stocks broke a five-day rally yesterday, as investors went on a selling spree to bag profits.

DSEX, the benchmark index of the Dhaka Stock Exchange, declined 22.6 points or 0.51 percent to close the day at 4,326.61 points.

The market observed a setback as investors went for profit booking after experiencing gains for five consecutive days, said LankaBangla Securities.

"The bourse witnessed a natural correction, as some investors intended to realise the profit generated from the previous five days' consecutive gain," IDLC Investments said.

However, the merchant bank said Bangladesh Bank's recent circular on relaxing the provisioning requirement for non-banking financial institutions (NBFIs)

investing in mutual funds encouraged some institutional investors.

Turnover, another important indicator of the market, declined 7.1 percent to Tk 554.4 crore with 17.66 crore shares and mutual fund units changing hands on the DSE.

United Power Generation and Distribution Company topped the turnover leaders' chart with a transaction of 18.51 lakh shares worth Tk 38.02 crore, followed by Khulna Power Company, RAK Ceramics, Beximco and Ifad Autos. Losers beat the gainers 185 to 103, with 18 securities remaining unchanged on the premier bourse.

Among the major sectors, mutual funds gained 3.7 percent in market capitalisation, followed by miscellaneous 1.2 percent. Conversely, NBFIs declined 2.11 percent in market capitalisation, followed by textiles 1.22 percent, bank 0.67 percent and fuel and power 0.59 percent.

Exports fall for first time in six months

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"Moreover, retailers were cautious in placing work orders with factories housed in shared buildings after the Rana Plaza incident."

Earnings in April are also 11.36 percent below the monthly target of \$2.7 billion, data showed.

However, the periodic exports in the July-April period were \$25.3 billion, registering 2.63 percent year-on-year growth.

Earnings from the apparel sector that accounts for 80 percent of exports rose 2.97 percent to \$20.57 billion in July-April.

Muhith defends bigger budget

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The FBCCI said the subsidies for agriculture cannot be reduced by any means. "But monitoring has to be beefed up so subsidies directly reach the farmers. Farmers will have to be given adequate bank credit and fair prices ensured for their produce."

The chamber called for expanding the tax net instead of increasing existing tax rates, so that regular taxpayers do not come under any pressure.

Considering the rising costs of living, the FBCCI called for increasing the tax-free income level to Tk 2.75 lakh a year from Tk 2.2 lakh now.

It proposed to raise the income tax-free threshold to Tk 3.25 lakh from Tk 2.75 lakh for women taxpayers, from Tk 3.5 lakh to Tk 4 lakh for the disabled and to Tk 4.5 lakh from Tk 4 lakh for injured freedom fighters.

The chamber also called for withdrawing the advance income tax, as it clashes with the laws tied to advance taxes levied on capital machinery, raw materials and intermediary raw materials at the import level.

Corporate taxes should go down as it is higher in Bangladesh than in many other countries, which discourages investment, it said.

The FBCCI also demanded withdrawal of the 2 percent advance income tax deducted while opening local letters of credits at banks, which increases business costs for local purchases and sales.

The FBCCI also demanded an extension of the income tax exemption facility until 2019 for sectors that are already enjoying the incentive, which is to expire this year.

It demanded a complete withdrawal of supplementary duties at all stages of manufacturing in order to boost investment, create jobs and help local industries to compete.

It however lobbied to retain the existing supplementary duties for imported goods and products.

NBR Chairman Md Nojibur Rahman, who moderated the meeting, said the government would have to look for internal resource mobilisation as foreign aid from development countries is increasingly drying up.

"However, we are working to ensure that the budget does not raise the tax burden. It will be friendly for taxpayers, businesses, the environment and investment."

Lawmaker Golam Dastagir Gazi said corporate taxes should be brought down.

Abdus Salam, a businessman from Old Dhaka, said the businesspeople have no problem in paying taxes, but they have to earn the money first.

"So, the government should expand the tax net, which is an easy way to increase revenue income."

Abdus Salam Murshedy, president of Exporters Association of Bangladesh, said the policy support for the export-oriented industries and the incentives to explore new markets should continue for another three years.

Dewan Sultan Ahmed, another businessman, said untaxed money should be allowed to be invested in the sick industries.

Abdul Matlub Ahmad, chairman of Nitol Niloy Group, also spoke. The budget will be announced on June 4.

Farmers never get fair prices: Shykh Seraj

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He said the issue comes to the fore only when the national budget is announced every year, but nothing changes.

"A fair system is yet to be established to help farmers sell rice and paddy at government-fixed prices at state warehouses."

He was talking to reporters after submitting a set of recommendations for the betterment of the farmers to Finance Minister AMA Muhith at the secretariat.

He compiled the suggestions for the upcoming budget, to be placed in parliament on June 4, by organising meetings with farmers in Khulna, Panchagarh and Tangail.

This was the eleventh time Seraj held field-level meetings with farmers to listen to their problems and expectations. About 12,500 farmers took part in these discussions this time.

While submitting the 57-point demand to the minister, Seraj said the government needs to take stringent steps to curb irregularities in farm loan disbursement.

"Special measures should be taken for thousands of entrepreneurs and farmers who have gone broke as they could not sell their produce for political instability."

The award-winning agriculture activist called for a special incentive package for poultry farmers affected by the recent political turmoil.

He said hundreds of fruit farmers also

need support from the government, as many of them have been incurring losses for the last several years.

"They are failing to repay bank loans. Many are facing court cases."

Seraj, also head of news at private TV station Channel i, said farmers have called for setting up effective agriculture cooperatives and introducing crop insurance.

Farmers also urged the government to make Union Information Service Centres effective so they can get better services, he said.

The media personality suggested the government discourage import of fruits during the peak season of local fruits as the country's farmers have to count losses because of such permissions.

He said mango farmers of Bangladesh cannot make profit, as a section of traders import the fruit during the peak season.

"The government will have to give policy support to the farmers," Seraj said.

Poultry farmers demanded an extension of the tax holiday facility until 2025 as they are struggling to become profitable. The tax holiday facility will expire this fiscal year.

Fisheries and dairy farmers called for insurance for their respective sectors.

Muhith said the government may offer loan rescheduling facility to farmers as they were affected by the political turmoil.

Bangladesh National Insurance gets go-ahead for IPO

STAR BUSINESS REPORT

The stockmarket regulator yesterday gave the green light to Bangladesh National Insurance Company to raise Tk 17.70 crore from the public.

The insurer is set to float 1.77 crore ordinary shares worth Tk 10 each, the Bangladesh Securities and Exchange Commission said in a statement.

Bangladesh National Insurance will use the funds from the initial public offering (IPO) to invest in fixed deposit receipts and treasury bonds.

The company's earnings per share (EPS), excluding extraordinary income, as

of July 2014 stood at Tk 1.07 with a net asset value per share of Tk 15.65. Prime Finance Capital Management is the issue manager of the IPO.

Presently, 46 insurance companies, both general and life, are listed on the Dhaka Stock Exchange, accounting around 3.5 percent of the total market capitalisation.

The BSEC also took a decision that the investors who trade on credit will not receive cash dividends or receivables from sales of bonus shares in their bank accounts directly.

Instead the cash will be deposited through a stockbroker or a stock dealer after adjusting the loans in the beneficiary owner's accounts of the investors.

Pran Dairy farmers to get collateral-free loans

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"It is undoubtedly an innovative and praiseworthy initiative. Such a partnership will benefit the three parties involved, as well as the national economy," Atiur Rahman, governor of Bangladesh Bank, said at the signing ceremony at Hotel Purbani.

Karmasangsthan Bank will finance the dairy scheme out of a Tk 100 crore fund it borrowed from the central bank at 5 percent interest.

The farmers can use the loans to buy cows, prepare sheds, buy cattle feed and carry out other farm-related development activities, said Uzma Chowdhury, director of corporate finance at Pran-RFL Group.

Karmasangsthan Bank will disburse

loans among 100 dairy farmers based on their capability, under the first phase of the scheme, she said. Other dairy farmers will be added on at a later time, she said.

More than 9,000 registered dairy farmers are rearing 16,000 cows at three Pran Dairy hubs in Natore, Pabna and Rangpur. Pran Dairy currently has 123 milk collection and chilling centres where 1.5 lakh litres of liquid milk is collected a day, she added.

Karmasangsthan Bank aims to serve the agricultural, small industry and other potential sectors through lending activities, said Obayed Ullah Al Masud, managing director of the bank. The bank will lend to the farmers as per Pran's recommendation, and the farmers will have 1 to 5 years to pay back the loans.

Alibaba's special service for healthcare goods

REUTERS, Beijing

Chinese online shopping giant Alibaba Group Holding Ltd is rolling out a three-hour delivery service for healthcare goods, mimicking rival JD.com Inc.

The service will launch in five Chinese cities, including Beijing and Shanghai, and expand to 19 by the end of 2015, Alibaba said on Tuesday.

Products beyond healthcare will be added in the future.

Telenor names Brekke new CEO as Baksaas retires

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"Telenor's strategy, including our financial priorities, form a solid platform for value creation for our shareholders and continued growth in Norway, Europe and Asia," Brekke said in the statement.

Under Baksaas' 13 years at the helm, the state-controlled carrier expanded its business in Russia, increasing its stake in VimpelCom Ltd, entered India in 2009 and began building a mobile network in Myanmar last year. The company's stock price has increased almost six-fold since the 60-year-old started as CEO. Telenor's shares

fell 1.2 percent to 180.5 kroner at 11:04am in Oslo, paring this year's gain to 19 percent.

Brekke's annual base salary will be 5.9 million kroner (\$780,000) and he will also be entitled to a long-term incentive grant of 30 percent of that amount. His maximum annual bonus is 50 percent of annual base salary.

Brekke served as deputy minister of defence from 1993 to 1996. The former Norwegian Labour Party politician holds a master of public administration from the John F Kennedy School of Government at Harvard University.



Mostafizur Rahman, head of cards at Midland Bank, and SM Salam, head of branch, pose at the opening of an ATM booth of the bank at its Panchor branch in Madaripur recently.

Regulator scraps two IGW licences

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They are Telex, Vision Tel, SM Communication and Bestic Telecom. The regulator is awaiting a response from the government to take a decision on them.

Except these six companies, there are 23 IGWs currently in business.

Grameenphone also filed cases against eight IGWs, including Ratul Telecom and Kay, as the gateways failed to pay their outstanding amounts to the mobile operator.