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এসআইবিএল রিটেইল ব্যাংকিং

এসআইবিএল ইসলামিক কনসাল্ট্যান্স ফাইন্যান্স

এসআইবিএল অটো ফাইন্যান্স

যে কোন প্রয়োজনে ০৯৬৯২০০৯৯২২



Star BUSINESS

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Four lakh more to get welfare benefits

REJAUL KARIM BYRON

An additional four lakh poor people may come under the social safety net in the coming fiscal year as the government looks to expand its welfare programmes.

The government will require an additional Tk 200 crore due to the decision taken yesterday at a meeting chaired by Finance Minister AMA Muhith on the budget for social safety net programmes.

At present, 50 lakh people receive benefits under social safety net programmes.

The meeting also decided that the amount of other allowances would not be increased in the next budget; the number of beneficiaries will be raised by 10 percent.

The government is set to double the allowance for freedom fighters above the age of 65 in the upcoming budget to Tk 10,000 a month. However, freedom fighters below 65 years of age will continue to get Tk 5,000 per month.

In the current fiscal year, the allocation for freedom fighters' honorarium has been kept at Tk 1,200 crore, which was Tk 720 crore in the revised budget.

In the original budget for fiscal 2013-14, the allocation was Tk 360 crore.

The number of beneficiaries to be increased are in the categories of old age allowance, allowance for the widows, deserted and destitute women, allowance for the financially insolvent disabled,

maternity allowance for poor lactating mothers and allowance for urban low-income lactating mothers.

Of the new four lakh beneficiaries, 2.5 lakh will be old-age beneficiaries, according to an official of the social welfare ministry.

Some 27 lakh people now get the elderly allowance, 11 lakh widowed and deserted women receive allowance and six lakh the insolvent disabled allowance. Besides, around six lakh lactating mothers also get benefits.

The beneficiaries received between Tk 300 and Tk 400 a month last fiscal year, with the amount increased to Tk 400-500 this year, said a social welfare ministry official.

Since the allocation was increased this fiscal year, it will not be raised further in the coming fiscal year, he added.

The official, however, said an additional Tk 200 crore will be required in the next fiscal year's budget as the number of programmes has increased.

In the current fiscal year, Tk 2,223 crore has been allocated for these programmes, and in the revised budget of last fiscal year, the allocation was Tk 1,566 crore.

Also at yesterday's meeting, it was decided that hermaphrodites and oppressed (dalit) communities will receive allowances in 29 districts.

At present, around 10,000 hermaphrodites and 64 lakh dalits receive educational allowances between Tk 300 and Tk 1,000.

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Robi profits fall on political unrest

STAR BUSINESS REPORT

Mobile operator Robi's net profit declined 11.20 percent year-on-year to Tk 92.7 crore in the first quarter of this year due to political unrest during the period.

"The blockade and shutdowns affected business activities on all fronts," Supun Weerasinghe, managing director of Robi, said at a press meet at the operator's head office in Dhaka yesterday.

During the period, the company recorded revenue growth of 4.1 percent, buoyed by the 171 percent growth in data revenue, compared to the same period last year.

Data revenue growth was propelled by significant investment in network, coupled with innovative data offerings aimed to increase 3.5G and 2.5G data use, officials of the operator said.

However, they declined to reveal the data revenue figure.

After launching the 'internet.org' initiative under the 'free internet' package, Robi is losing Tk 20 lakh every day, but bandwidth use increased 40 percent, said Mahtab Uddin Ahmed, chief operating officer of Robi.

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Taka-linked bonds to attract foreign investors: IFC

REJAUL KARIM BYRON

The International Finance Corporation has now formally proposed to Bangladesh to launch \$1 billion taka-linked bonds, saying they would attract new foreign investors.

Positive investor and media responses to an inaugural IFC issuance could potentially catalyse further investments and dollar inflows into Bangladesh, IFC said in the proposal it recently sent to the finance ministry and the central bank.

"A successful implementation of the bond issuance will signal the confidence offshore investors have in the stability of the Bangladesh economy and the taka."

Not only that, an IFC bond will allow foreign investors to gain easier access to investments in the taka.

Many investors are constrained by minimum rating limits at AA and subsequently are unable to invest in Baa3/BBB-/BB+ rated Bangladesh government bonds even if they wish

BENEFITS OF BONDS

- IFC bonds will allow foreign investors to gain easier access to investments in the taka
- IFC's intent is to build a longer yield curve over time
- As the market matures, investors will gain more comfort with taking risk for longer tenors
- Proceeds from longer tenor bonds could be utilised in infrastructure projects
- BB sent a proposal to NBR to make the bonds income tax-free

banks are likely to be attracted to the taka-linked bonds.

While initial feedback from investors has signalled appetite for shorter tenors (2-5 years), IFC's intent is to build a longer yield curve over time.

"Based on our experience in other countries such as China and India, as the market matures, investors will gain more comfort with taking risk for longer tenors."

For instance, in India the IFC successfully created an offshore rupee yield curve starting from three years issuances of benchmark sizes and gradually extending to longer maturities of five, seven and ten years by regularly tapping the market over a one year period.

Proceeds from longer tenor bonds could be utilised in infrastructure projects within Bangladesh, it said.

Furthermore, by establishing this programme, the IFC can provide a successful benchmark for other issuers from Bangladesh, who could then access the offshore investor base.

Banks' lending rates drop

STAR BUSINESS REPORT

Banks' average lending rate came down to 11.93 percent in March, the lowest in two years, riding on lenders' falling cost of funds and measures aimed at reducing expenditures.

The fall in lending rates will come as a relief to industries and businesses, who have long described the higher bank interest rates as a key barrier to boosting investment.

March's average weighted lending

rate was more than two percentage points lower than a year ago, when it was 13.73 percent, according to the central bank.

The deposit rate also went down to 7.06 percent in March from 8.67 percent two years ago. Thanks to the fall in both interest rates and deposit rates, the spread also fell below 5 percent to 4.87 percent in March.

Bangladesh Bank said the interest rates depend on the banks' cost of funds, operational costs, provisions

and profit margins.

"Banks have rationalised their various services and commissions and cut back on setting up branches and vehicle purchases. As a result, the overall lending rates have fallen," BB said in a statement yesterday.

Golam Hafiz Ahmed, chief executive of NCC Bank, said his bank has already brought down lending rates for good customers, and has also reduced the interest rates for short-term financing

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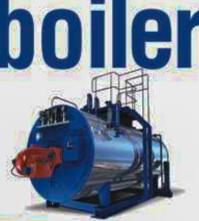


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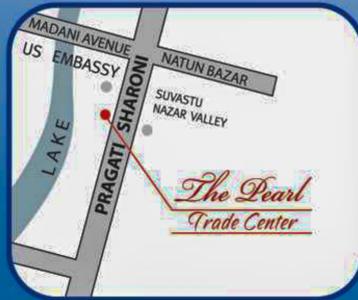
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