

India adds \$62m to line of credit

STAR BUSINESS REPORT

India is set to increase its first credit line to \$862 million from \$800 million for Bangladesh to meet extra expenses of two projects.

The extra \$62 million funding will be required to finance an increased expenditure on the Khulna-Mongla and the Kalaura-Shabazzpur railway line projects, the Indian High Commission said in a statement yesterday.

Both India and Bangladesh agreed on the deal.

EXIM Bank of India and Economic Relations Division signed an agreement to raise the amount of the first credit line, according to the statement.

Earlier, India extended \$1 billion-line of credit to Bangladesh in January 2010 for a range of projects in the railways, communications, infrastructure and other sectors.

Of the amount, \$200 million was converted to grant which has been fully disbursed, according to the statement.

EU's Juncker hopeful of Greek debt deal by August 20

AFP, Brussels

European Commission head Jean-Claude Juncker believes an agreement on a third bailout for Greece is likely this month, hopefully by August 20 when Athens must make a key debt repayment.

"All the reports I am getting suggest an accord this month, preferably before the 20th," when Greece must repay some 3.4 billion euros (\$3.7 billion) due to the European Central Bank, Juncker told AFP in an interview on Wednesday.

Officials from the Commission, the ECB, the EU's bailout fund and the International Monetary Fund are currently in Athens working out the details of the new rescue worth up to 86 billion euros.

The Greek government said Tuesday it expected an agreement by August 18. The negotiations in Athens, which took some time to organise, are now making "satisfactory" progress, Juncker said.

He said if an agreement is not reached, "then we will have to arrange another round of bridge financing" similar to July, when Juncker scraped together an emergency loan of 7.0 billion euros so Athens could pay the ECB and make up arrears due to the IMF.

After two bailouts costing 240 billion euros plus a private sector debt writedown of more than 100 billion euros, the IMF has been pressing its European partners hard to reduce Greece's debt mountain of more than 320 billion euros.

Greek debt is not sustainable, the IMF argues, and another bailout must allow for some reduction if the economy is ever to get back on track after six years of recession and austerity.

Juncker however played down any differences with the Washington-based fund, saying: "I think people exaggerate a bit ... the IMF is there in Athens and the understanding

between the institutions is very good."

Germany in particular has taken a hard line on Greece, warning against any debt reduction before Athens implements more tough austerity measures and even then not offering much leeway.

At the July 12-13 Brussels summit of eurozone leaders which agreed to talks on a third bailout, Berlin even raised the possibility of Greece taking "time out" from the single currency

The proposition was discussed but then dropped.

Juncker said he had "always excluded" a Greek eurozone exit, or Grexit, even if the Commission had drawn up plans for such an eventuality as a matter of caution.

"That does not mean I wanted it, not at all, I did everything to avoid it," the former Luxembourg premier who took over as Commission president in November, said.



Akhtar Kamal Talukder, deputy managing director of Eastern Bank, and Md Nasiruzzaman, general manager at Bangladesh Bank, attend a training session on anti-money laundering and combating terrorism financing, for all commercial banks of Tangail district at BURO Bangladesh Conference Hall in Tangail recently.

GP star subscribers to get free ticket of new Mission Impossible movie

STAR BUSINESS DESK

Grameenphone has partnered with Star Cineplex to provide the Star subscribers of the mobile operator with free tickets of the new Hollywood movie, Mission Impossible: Rogue Nation.

The customers will receive a free ticket

with the every ticket purchased, the telecom operator said in a statement yesterday.

The offer will be valid for Bangladeshi audiences only for a week after the release of the movie tomorrow, according to the statement.

GP is Star Cineplex's strategic partner for the movie.



AKM Saifuddin Ahamed, deputy managing director of Jamuna Bank; Mohammed H Rashid, chief financial officer of Placid NK Corporation; and Harun Ar Rashid, senior executive vice president of SBAC Bank, attend the signing of a remittance agreement recently. Jamuna Bank will use SBAC Bank's channels to distribute foreign remittance for Placid NK Corporation.

Threats of e-waste loom large

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Globally, 40 million tonnes of e-waste are produced each year, said Moinalul Islam Sharif, senior fellow of BCAS, in a presentation.

"We have global numbers, even numbers from our neighbouring countries, but we have never worked on it. We have never estimated our position," he said.

The US tops the chart of e-waste producers, generating 10.32 million tonnes, while the EU produces 10 million tonnes, China 7.99 million tonnes, India 3.03 million tonnes and Japan 3.02 million tonnes.

"Without an estimate on the amount of e-waste, how can we plan?" said AKM Mamunur Rashid, climate change specialist of the

United Nations Development Programme. "Before we solve the problem, we need to do a proper study immediately."

A Atiq Rahman, executive director of BCAS, said, "We are generating more e-waste than other countries given the size of our economy. We have no estimation on it either. That's why we are facing a serious threat."

There are some companies working to manage e-waste in different places in the city, but it is not being done in a proper manner, speakers said.

In another presentation, Naureen Shafinaz Mahboob, project manager of EHS Business Solutions, said the country

imported 6.3 crore mobile handsets and 3.92 lakh air conditions in the last three years.

Quazi Sarwar Intiaz Hashmi, additional director general of the Department of Environment, said in Japan and Korea, different departments of their city corporation manage and recycle e-waste.

"We can take lessons from them but we need to solve our problems in our own way," he said.

"In developing countries, waste is mostly managed under private initiatives and we can do that in our country as well," said the environment and forests minister.

Mohammad Shahidul Haque, legislative and parliamentary affairs division secretary, said a single

organisation cannot manage it; a combined initiative is needed.

Mahsin Habib, managing director of a local recycling company -- Radiant Renewable Energy Ltd, said if the government gives them some incentive, they can play a role.

Khandakar Rakibur Rahman, additional secretary of the environment and forests ministry, said they have been trying for the last four years to formulate a policy for waste management and within a short time, they will present it.

Brig Gen Shahedul Anam Khan (retd), editor of Op-Ed and Strategic Affairs at The Daily Star, and Rowshan Mamta, a teacher of Bangladesh University of Engineering and Technology, also spoke.

India's service industry returns to modest growth in July

REUTERS, Bengaluru

India's dominant services industry bounced back to growth in July, a private survey showed on Wednesday, but the improvement was modest and unlikely to change expectations that the Reserve Bank could cut interest rates again before year-end.

For the first time in three months, the Nikkei Services Purchasing Managers' Index, compiled by Markit, nudged above the 50 mark that separates growth from contraction, coming in at 50.8 in July. It was 47.7 in June.

The Reserve Bank of India kept its policy rate on hold at 7.25 percent on Tuesday, while leaving the door open for further easing depending on the inflation outlook.

But as economic growth prospects have dimmed in Asia's third-largest economy due to delays in key reforms, the RBI is predicted to make its fourth cut to interest rates this year in the last few months of 2015.

"While it was welcome news to see a return to growth of activity in the Indian service sector during July, we are still looking at a modest improvement at best," said Andrew Harker, senior economist at survey compiler Markit.

"When looking at the manufacturing and service sectors together, weak inflationary pressures and modest growth tend to support a more accommodative monetary policy environment."

A sister survey on Monday showed manufacturing sector growth was also fairly modest.

Still, firms reported they were hiring more workers as new orders also returned to growth after two months of decline, contrasting with continued job shedding at factories.

The services employment sub-index reached a two-year high of 51.4 in July, up from 50.4.

Services companies continued to raise prices, though the rate of change was the weakest since April.

Singapore's Sembcorp to build 400MW power plant

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So, the power division has now sought to separately import the 30 to 50 MW electricity lost for Tk 57 crore to Tk 231 crore. Besides, the purchase committee gave approval to three packages of around Tk 2,050 crore for elevation of the Joydevpur-Chandra-Tangail-Elanga highway to four lanes.

Kyeryong-Spectra Joint Venture, AML-HCM JV and Samwhan-Mir Akhter Joint Venture won the bids for work of the three packages.

Another tender is pending for the project, the total cost of which has been fixed at Tk 3,066.80 crore.

The highways division in its proposal said the project is part of the South Asia Sub-regional Economic Cooperation Link Road that is mostly being financed by the Asian

Development Bank, Abu Dhabi Fund for Development and Opec Fund for International Development.

Once the project is completed, road communication between the northern part of the country and Dhaka will be safer and smooth, according to the proposal.

Besides the meeting of the cabinet committee on purchase, another meeting of the cabinet committee on economic affairs was held yesterday at the same venue with the finance minister in chair.

A proposal for purchase of modern equipment worth more than Tk 200 crore to step up mobile phone, email and social network surveillance for the National Telecommunication Monitoring Centre (NTMC) was placed by the home ministry at the meeting.

After the two meetings, Additional Secretary Mustafizur Rahman briefed reporters about the purchase committee proposals but refused to disclose anything about the home ministry's proposal.

The home ministry has sought relaxation of the Public Procurement Regulations for direct purchase of the equipment, ministry officials said.

Modern equipment is required to assume more control over obstructing or recording users' telephonic or online communications such that intelligence activities could be conducted more smoothly, according to the proposal.

The NTMC, which has been working under the home ministry since February 2014, conducts lawful interception to help intelligence and law enforcement agencies ensure state security.

BB starts talks with banks on Basel III

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A BB team will hold meetings with other banks that have capital shortfall.

As on June 30, 2015, the CAR of Sonali was 2.44 percent of its risk weighted assets, much lower than the required minimum ratio of 10 percent, according to the central bank. In December 2014, the bank's CAR was 7.37 percent, which fell to 5.26 percent in March.

BB has calculated the ratio by taking the value of Sonali's goodwill into consideration, said Pradip Kumar Dutta, managing director of the bank. When Sonali was corporatised in

2007, its goodwill value was estimated at Tk 6,574 crore with a condition of monetising the total amount in 10 years. In 2014, the goodwill value of the bank stood at Tk 1,972 crore.

In June this year, as per Sonali's calculation, the bank's CAR was 7.25 percent, Dutta said.

He said they have sent a letter to the BB in this regard and the next steps would be taken based on the decision of the central bank. Dutta said his bank has taken a number of steps and he hopes their capital will increase further by December.

A high official of the central bank

said their next meeting will be with Janata Bank.

At present, the banks maintain CAR as per Basel II standards. Last year, the central bank decided to implement the Basel III framework and conducted a quantitative impact study.

On the basis of the study, they also sent a roadmap to the banks on how they would implement the framework.

In December 2014, the average capital adequacy ratio of banks in Bangladesh was 11.4 percent, while it was 16.9 percent in Sri Lanka, 17.1 percent in Pakistan and 12.8 percent in India.

UK services growth slips in July, hiring hits 16-month low

REUTERS, London

Growth in British services companies slowed more than expected last month as hiring eased to its slowest pace since March 2014, suggesting the economic recovery weakened as it entered the second half of this year.

Wednesday's Markit/CIPS services purchasing managers' index (PMI) fell to 57.4 in July from 58.5 in June, undershooting a Reuters poll forecast for 58.0 but still indicating expansion among services businesses.

Taken together with manufacturing and construction surveys earlier this week, the PMI pointed to economic growth of around 0.6 percent per quarter, slightly slower than the 0.7 percent officially

reported for the three months to June.

The findings will give Bank of England policymakers plenty to chew over as they prepare a slew of announcements for Thursday about the economic outlook and interest rates.

BoE Governor Mark Carney said last month it would take sustained growth of more than 0.6 percent per quarter to take up any remaining slack in the economy, a key factor behind any increase in interest rates.

And survey compiler Markit suggested the upturn was relying on financial services companies, which in July enjoyed their best month since 2013. By contrast, business services like architects and accountants suffered their weakest growth in almost three years.



Kh Sanaul Haque, chief executive officer of MJL Bangladesh, donates furniture and ICU and NICU beds for the under-construction hospital of the Centre for Women and Child Health to MQK Talukder, chairman of the centre, at a programme recently. Tanjil Chowdhury, managing director of East Coast Group, was also present.

Tribunal moves on 1996 stock scam

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These clearly indicate an act of manipulation and these dealings come within mischief under a section of the Securities and Exchange Ordinance, the report had said.

Although the cases on the 1996 scam were filed 18 years ago, there were no major developments.

After recommendations from another probe report on the stockmarket crash of 2011, the Securities and Exchange Ordinance 1969 was amended in parliament in November 2012, empowering the government to set up special tribunals to try such cases.

The much-awaited special tribunal for the capital market began its judicial functions last month to quickly dispose of the stockmarket related cases.

Justice Humayun Kabir, judge of the tribunal, in a landmark verdict on August 3 sentenced Mahbub Sarwar, a manipulator, to two years in prison for illegally influencing the stockmarket through blogs and websites.