

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
0.03%	0.05%	\$1,109.30	\$47.92	0.38%	2.51%	1.37%	1.45%	BUY TK	77.25	85.01	117.24	0.63
4,760.14	8,865.87	(per ounce)	(per barrel)	25,622.17	18,299.62	2,888.03	3,196.22	SELL TK	78.25	89.01	121.24	0.66

জীবনে প্রয়োজন আরো বেশি স্বাচ্ছন্দ্য
 সর্বাধুনিক প্রযুক্তি সজ্জিত ব্যাংকিং সেবায় মাসিক আয়ের সাথে বাড়তি আয় যোগ করুন আর জীবন করুন সুসমৃদ্ধ।

যে কোন প্রয়োজনে ০৯৬১২০০১১২২
 ইসলামাবাদ শ্রীআহাব মিনার নিতিতে পরিচালিত

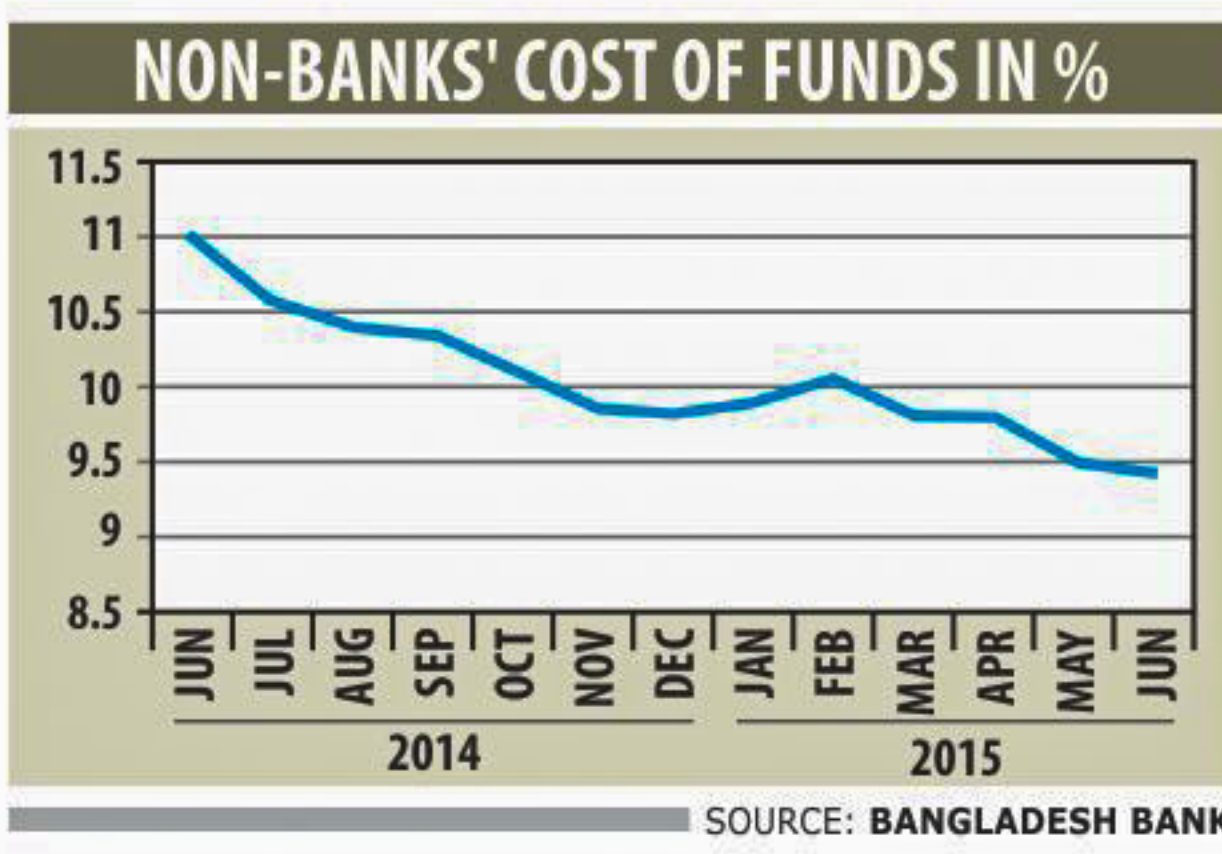


star BUSINESS

DHAKA FRIDAY SEPTEMBER 11, 2015

NBFIs' cost of funds falls to record low

SAJJADUR RAHMAN
 The cost of funds for non-bank financial institutions has dropped to a record low, due to excess liquidity and poor demand for money, said industry insiders. They attributed the low demand for credit to sluggish economic activities as new businesses are struggling to get gas and electricity connections. The average cost of funds for the non-banks dropped by more than 14 percent in June from the same month last year, according to Bangladesh Bank data. The cost of capital was 9.41 percent in June, down from 10.99 percent in June last year. It was 12.46 percent in June 2013, a drop by nearly 25 percent in just two years. The poor demand for money has also discouraged banks from taking deposits from customers. Banks are now offering less than 7 percent for a three-month fixed deposit, down from around 10 percent a year ago. "The market has high liquidity because of low investment demand," said Selim RF Hussain, managing director of IDLC Finance. The situation is worse for many other NBFIs as they cannot diversify business or the sources of funds, unlike IDLC



Finance. Non-banks extend lease, loans and asset management services and their clientele base is anywhere from small and medium enterprises to large corporates. The 31 NBFIs operating in Bangladesh have to compete with 56 banks for business. However, NBFIs' sources of funds are banks, individuals and corporate bodies. A majority of the non-banks still rely on banks for their funds; IDLC and United Finance (formerly UIC) collect around 80 percent of their funds directly from individual depositors. "The demand for credit is sliding," said Asad Khan, managing director of Prime Finance. Even though political uncertainties have subsided, the demand for credit by the businesses is still low due to a crisis of gas and electricity, said Khan. "I know a paper mill that is ready for operations, but it cannot do so, as it does not have gas and electricity connections." The situation is pushing the cost of doing business up for NBFIs as they have to pay back the depositors with interest, but they cannot invest the money.



Thursday, September 10, 2015 | Le Meridien Dhaka
EDMOND DE ROTHSCHILD
 Julien Pitton, managing director of Edmond de Rothschild Corporate Finance, speaks at a meeting attended by a group of entrepreneurs at Le Meridien hotel in Dhaka yesterday. Sohail RK Hussain, managing director of City Bank, Biru Paksha Paul, chief economist of Bangladesh Bank, and Jogishwar Singh, managing director of Rothschild Group Switzerland, were also present.

Rothschild Group looks to link up with Bangladesh businesses

STAR BUSINESS REPORT
 Edmond de Rothschild Group, the family-owned European banking group, has expressed willingness to help Bangladesh's family-run businesses connect with enterprises abroad to expand their footprint internationally as well as attract investors. Speaking to a group of entrepreneurs in Dhaka yesterday, Julien Pitton, managing director of Edmond de Rothschild Corporate Finance, said the group has been Europe-centric for more than three centuries. Now, the company, based in Switzerland, is increasing its focus on Asia as the continent is growing. "Hopefully, Bangladesh's family-run businesses and their peers in

Europe will be able to connect each other and benefit. Our aim is to create a sustainable link between them," he said during an event organised by the City Bank at Le Meridien. Pitton and Jogishwar Singh, another managing director of Rothschild Group, are now in Bangladesh for a four-day tour to establish contacts with prominent entrepreneurial families and business houses. During their tour, they will meet with top ministers and visit a number of established family-run enterprises. The de Rothschild family traces its banking roots seven generations back to Mayer Amschel Rothschild. He started a banking business in Frankfurt in the 18th century, which

expanded to the financial centres of Europe. The company has about \$168 billion in assets under management and about 2,800 employees. Singh said: "Someday, Bangladesh's family-run businesses might plan to look beyond the physical boundary of Bangladesh, acquire businesses abroad or sell their businesses. We can help you. We can give you quality network through our customer base." Sohail RK Hussain, managing director of City Bank, said Bangladesh offers tremendous opportunities for investment in areas such as energy, ICT, telecom, infrastructure, healthcare and education.

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Telcos asked to send subscribers' database to EC

STAR BUSINESS REPORT
 The government has asked mobile phone operators to send their subscribers' database to the Election Commission to find which SIMs were purchased without using National Identity (NID) cards. After verification, the commission will inform the operators which SIMs were bought without NID cards or with the fake ones. The operators will then notify the users with an SMS to re-register. The Telecom Division took the decision yesterday after separate meetings with the EC and the mobile operators, retreating from its previous stance that all mobile connections will have to be re-registered. The mobile operators have said they will send their subscribers' database to the EC by today. "We have changed our decision to reduce hassles of the users," Tarana Halim, state minister for telecom, said after the meeting.

Female labour force could drive economy further: WB

STAR BUSINESS REPORT
 Bangladesh misses out on significant economic growth by keeping its female labour force out of work, the World Bank said in a report yesterday. The country can add 1.8 percentage points to potential gross domestic product growth each year by increasing its female labour force participation rate from the existing 34 percent to 82 percent, the current rate of male participation, it said. Titled Women, Business and the Law, the report examines the laws that impede women's employment and entrepreneurship in 173 economies. It is published every two years and this year's edition is the fourth of this kind. The 2016 edition has expanded coverage in South Asia from five to eight economies, adding Afghanistan, Bhutan and the Maldives. It has expanded data coverage to 30 more economies from the previous edition to enhance the global understanding of laws that affect

women's economic opportunities. The outcome of the report was based on seven indicators: accessing institutions, using property, getting a job, providing incentives to work, building credit, going to court and protecting women from violence. The previous edition of the report found that 90 percent of the economies measured had at least one law impeding women's economic opportunities. This still holds true, even though this edition covers over 20 percent more economies. Gender gaps in women's entrepreneurship and labour force participation account for an estimated income loss of 27 percent in the Middle East and North Africa, 19 percent in South Asia, 14 percent in Latin America and the Caribbean, and 10 percent in Europe. Worldwide, if all women were to be excluded from the labour force, the income per capita would be nearly 40 percent lower, according to

the report. In South Asia, widows do not have equal inheritance rights in Afghanistan, Bangladesh, Nepal and Pakistan. Several economies from the South Asia region are among the most restrictive in the world in matters affecting women's entrepreneurship and employment. The region as a whole has been lagging in enacting reforms in the areas measured by the report, with only three reforms made in two economies in the past two years. Afghanistan, one of the most restrictive economies in the world, imposes more than 20 legal barriers to women's economic inclusion. The report finds that in Afghanistan, married women cannot choose where to live, apply for a passport, or obtain a national ID card in the same way as married men. Women also cannot work in the same jobs as men.

KDS Accessories to set up new unit IPO lottery held in Chittagong

STAR BUSINESS REPORT
 KDS Accessories, a unit of Chittagong-based KDS Group, will set up a new packaging unit at an estimated cost of Tk 28 crore to expand its capacity to produce corrugated cartons to meet growing demand. Of the fund for expansion, Tk 15 crore will come from IPO proceeds and the rest from equity and bank loans. The total IPO size is Tk 24 crore, of which Tk 7 crore will be spent for loan repayment and Tk 2 crore for IPO expenses. "We have a major plan for business expansion based on the IPO proceeds," Salim Rahman, managing director of KDS Accessories, said after the IPO lottery in Chittagong yesterday. The electrical and electronic engineering department of Bangladesh University of Engineering and Technology conducted the lottery. The event was held to allocate 1.2 crore ordinary shares of Tk 10 each, in addition to Tk 10 per share as premium among the successful subscribers, including general investors, affected small investors, mutual funds and non-resident Bangladeshis. The IPO results will be available on the websites of Bangladesh Securities and Exchange Commission, Dhaka and Chittagong stock exchanges, KDS Accessories and on the website of the issue manager, Alliance Financial Services.

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