

HSBC voted as best domestic cash management bank

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HSBC has recently been voted as the best domestic cash management bank for non-financial institutions in Bangladesh in the Euromoney Cash Management Survey for 2015, the bank said in a statement yesterday.

The bank also retained the "best global cash management bank" title in the category consecutively for the fourth year and was once again named as the best regional cash management bank for Asia, Australasia and the Middle East.

In total, the bank won 29 country awards, including those for its operation in Bangladesh, according to the statement. "This recognition reaffirms HSBC's commitment to deliver unparalleled cash management solutions to corporates in Bangladesh by leveraging our global platform," the bank quoted Francois de Maricourt, chief executive officer of HSBC Bangladesh, as saying in the statement.

The Euromoney customer survey annually recognises leadership in cash management across a range of markets and criteria. Corporate cash managers, treasurers and finance officers worldwide vote to nominate the cash management banks they use the most and subsequently rate the services provided by their lead cash managers.

Mainetti USA chief in town to visit factory of Bengal Plastics

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Steve Regino, president of Mainetti USA, is now in Dhaka to visit the factory of Bengal Plastics Ltd, a concern of Bengal Group and one of the largest plastic processors and exporters in Bangladesh.

Bengal Plastics is the licensee manufacturer of the Mainetti Group, which is a leading global manufacturer of apparel hangers and accessories with operations in more than 34 countries, Bengal Plastics said in a statement yesterday.

During his visit, Regino will visit the production facilities of Bengal Plastics at Zerabo, Savar, and Bengal Windsor Thermoplastics and Bengal Petrochem and Synthetic Textiles at Dhaka Export Processing Zone. He will leave Dhaka tomorrow, according to the statement.

Bengal Plastics supplies apparel hangers to the garment factories which export their products to the USA, Canada and European markets.

The company produces an extensive line of hangers for men's, women's and children's wear and has a daily production capacity of 1.5 million pieces of hangers.



Steve Regino



AKM Abdul Awal Mazumder, rector of Bangladesh Public Administration Training Centre, and Masih Malik Chowdhury, president of the Institute of Chartered Accountants of Bangladesh, pose at a daylong workshop on integrity practices and strategy, organised by the training centre in Savar.

Tarana satisfied with her division's 90-day performance

FROM PAGE B1

State-owned Telephone Shilpa Sangstha Ltd assembled 1,768 laptops in the last three months, up from the target of 1,700.

The company also produced 18,370 mobile chargers and 15,300 mobile batteries in the time. The ministry will now set the next agendas, said Tarana.

The state minister said 750 e-post

centres are going to begin operation from the end of this month.

She sought cooperation from the industry people to make the Digital Bangladesh campaign a success.

"All the targets that were fixed were pretty ordinary and achievable, and whoever failed to fulfil those will have to be answerable," Tarana said, in response to a query. "Next time, I will

give them targets that will also be approved by the prime minister."

BSCCL targeted to increase use of 15 Gbps of bandwidth in the country, but failed; Teletalk targeted to sell 6.8 lakh new SIMs, but they hardly sold 5 lakh, she added.

Both the managing directors of the companies tried to justify their positions at the press meet.



Sophie Aubert, French ambassador; SA Samad, executive chairman of the Board of Investment; and Manzurul Islam, president of France Bangladesh Chamber of Commerce and Industry, attend a luncheon meeting of the chamber in Dhaka on Sunday.

India to buy more cotton from farmers as China trims imports

REUTERS, Mumbai

India will be forced to make large-scale government cotton purchases from farmers for a second straight year, following a cut in imports by top buyer China that has depressed prices, industry officials said.

India spent 160 billion rupees (\$2.5 billion) to buy 8.7 million bales of cotton at a government-set minimum support price (MSP) in the marketing year that ended on Sept. 30, up from just 400,000 bales in the previous year.

"During the peak supply season, prices will drop below the MSP (minimum support price) level since demand is negligible from China," said Dhiren Sheth, president of the Cotton Association of India (CAI).

Government buying, aimed at support-

ing farmers, will prevent the dumping of cotton in overseas markets by the world's biggest producer at a time when global prices are near six-year lows.

China has in recent years taken more than half of India's cotton exports, propping up prices despite record output, but last year began cutting import quotas to stimulate demand for domestic cotton after it halted a state stockpiling programme. China's imports fell 42 percent in the first nine months of the year to 1.16 million tonnes.

Indian farmers have begun the cotton harvest, but prices are already running below the MSP in some southern spot markets, forcing the state-run Cotton Corporation of India (CCI) to start buying at the support price of 4,100 Indian rupees (\$63.15) per 100 kg.

Govt targets 8pc GDP growth by 2020

FROM PAGE B1

Building a deep-sea port and the Payra seaport, and the liquefied natural gas terminal will be given emphasis under the plan. For investment, getting energy easily is a precondition.

In the next five years, 12,584 megawatts of electricity will be generated, 61 percent of which will come from the public sector and 39 percent from private sector.

Electricity will be produced from the big public sector plants instead of signing agreements with the new quick rental ones.

In future, the energy demand for household consumption will be met from coal and liquefied natural gas.

The contribution of agriculture to the GDP will be brought down to 12.99 percent in 2020 from 16.1 percent in 2014. The industries' share will increase from 27.6 percent to 33 percent in 2020, while that of the services sector will drop to 54.1 percent from the existing 56.3 percent.

In the new five-year plan, the target for new employment generation has been set at 1.29 crore.

Kamal said the new plan will achieve its target of GDP growth by creating huge employment, and at the same time, steps will be taken to ensure that income inequality does not widen.

However, the targets set out in the plan came under criticism at the National Economic Council meeting yesterday, according to a planning ministry official.

Finance Minister AMA Muhith criticised the 16.1 percent revenue-GDP target. "There is no way of achieving it," he said at the meeting.

In the last six years, the revenue-GDP ratio increased only 3 percent. "How can it grow by 5 percent in five years?"

He also said the target of bringing in \$9 billion in foreign direct investment by 2020 is impractical and unrealistic. The FDI at present is \$1.5 billion, he said.

Hoping to increase foreign assistance to 3 percent of the GDP is also unrealistic, Muhith said, adding that it can be 2 percent of GDP at best.

The planning ministry official said the prime minister also made some criticism about the plan document. She said it used some old data, and instructed using updated information before releasing it.

Hasina said the document has been prepared in an academic style and does not convey a political philosophy.

Subsequently, a committee has been formed, which will be led by Kamal and include the cabinet secretary and other concerned secretaries, to address the observations made in the meeting.

The committee will soon incorporate the suggestions and release the document.

ILO team calls for trade unions in EPZs

FROM PAGE B1

Some 428 operational units in the EPZs invested \$402.58 million last fiscal year, while their investments amounted to \$328.53 million in fiscal 2012-13, according to Bangladesh Export Processing Zones Authority (Bepza).

Bepza runs eight EPZs and facilitates investments by local and foreign firms to produce goods for exports.

The ILO team also held meetings with trade union leaders and leaders of the Bangladesh Garment Manufacturers and Exporters Association during their three-day visit to Bangladesh.

Pran aims to gain a foothold in cake, pastry market

FROM PAGE B1

"That's why we see rising demand," he said. Mr Baker currently operates 28 outlets in Dhaka. In 2003, when Alam joined the firm, Mr Baker had only two outlets and demand was low at the time. "It is good that more firms are coming. We are registering higher sales than in the past as the market expands," said the official of Mr Baker, which registers Tk 4 lakh in sales a day, up from Tk 26,000 in 2003.

"Lifestyles are changing and people love cakes and pastries more now than before."

Kamal of Pran said: "In comparison to other firms in the market, we are offering our products at 10 to 20 percent lower prices."

Pran is now concentrating on the domestic market. "But we have plans to spread our brand in different countries through franchises." However, Alam of Mr Baker said Pran's entry would not affect its market because their target consumers are different. "We make fancy items. But it appears that Pran will make commercial items."

Brac Bank makes account opening easy

FROM PAGE B1

Both the initiatives were taken to bring more people under the financial system using the latest technologies, Rahman said. "The bank will continue to bring in more IT-enabled and innovative services for the comfort and convenience of customers." The bank has more than 1.7 million customers and it is the largest SME financier in Bangladesh.

Firoz Ahmed Khan, head of retail banking, Zara Jabeen Mahub, head of communication and service quality, and Moshleh Saad Mahmud, head of customer experience and retail products, were also present at the launching ceremony at the bank's head office.

Despite a number of steps aimed at financial inclusion in Bangladesh, only 31 percent of Bangladesh's adults have bank accounts, according to World Bank data of 2014.

The rate is higher than the average of the low-income countries, standing at 27.5 percent, but lower than the South Asian average of 46.4 percent.

BB plays vital role to promote green financing: report

FROM PAGE B1

Loans are provided at 5 percent with interest chargeable to bank customers capped at 9 percent. In addition, there is a \$50 million refinancing programme, financed by the Asian Development Bank, for more efficient brick kilns.

In February 2015, the central bank announced its intention to create a new long-term refinancing window to provide \$500 million of funding. Of the amount, \$200 million will be allocated specifically for green initiatives.

The report said innovations in policies, regulations and norms to shape a greener and more inclusive financial system are emerging in many places, but particularly in developing and emerging economies.

Bangladesh has been a leader in this regard, as part of a sustained drive to ingrain a socially responsible institutional ethos in the financial sector, it said.

The report said Bangladesh has sought to align regulation and policy to national goals, while avoiding negative unintended impacts.

The approach has not been to force financial institutions, but to encourage and develop the business case.

As part of recommendations, the report said the practice of environ-

mental risk management should be reviewed and continually strengthened, and a protocol could also be developed to support assessment of clean energy and energy efficiency investments.

"Further advancements in information disclosure by listed companies and development of standards for green bonds would widen green finance beyond the banks."

It said the refinancing scheme should be assessed to establish where course corrections or new approaches might be warranted.

Fiscal incentives might also be targeted to encourage the creation of long-term savings product and to provide credit enhancement to kickstart the development of a green bond market.

According to the report, there is potential for greening SME credit policies and tightening green credit quotas to target specific areas such as solar energy and energy efficiency loans.

It said networks of green banking competency should continue to be built up. Further opportunities include exploring the linkages between Islamic banking and sustainable development and promoting a green investor's network.

The opportunities could include aligning monetary targets with

sustainability objectives, integrating green finance in the seventh five-year plan and establishing a green finance committee, the report said.

"These measures, concentrated on the financial system, would be complementary to real economy measures such as environmental regulations and fossil fuel subsidy reform."

"It is a bold and exciting agenda...Broadly speaking, action in the banking sector might be implemented most rapidly, with measures for debt and equity markets, institutional investment and insurance being developed as part of the broader growth in these markets."

It said a national roadmap could be developed with leadership and involvement not only of Bangladesh Bank but also of other financial regulators, financial institutions, the microcredit industry, civil society, stock exchanges, credit ratings and private standard setters.

In the report's foreword, Bangladesh Bank Governor Atiur Rahman said: "We are convinced that our actions have delivered considerable gains for Bangladesh, and can provide insights relevant elsewhere. Likewise, we have much to learn from others, and look forward to engaging with our counterparts."



Md Sohrab Uddin, a lawmaker from Kishoreganj, and Shaikh Abdul Aziz, managing director of Uttara Bank, open the bank's Mothkhola branch in Kishoreganj on Sunday.

External, domestic risks loom large over economy: World Bank

FROM PAGE B1

The widening trade deficit from \$6.8 billion in fiscal 2013-14 to \$9.9 billion in fiscal 2014-15 reflects eroding external competitiveness, according to the report. It said the period witnessed weak export growth and strong import growth.

Despite remittance recovery, the current account went into a deficit of \$1.65 billion last year from \$1.4 billion in the surplus a year earlier.

Amid this situation, the WB said Bangladesh's policymakers should plan to tackle macro slippages such as the large current account deficit,

exchange rate volatility and rising inflation. The WB also suggested the government prioritise the completion of ongoing reform initiatives so that the risks can be mitigated.

The Washington-based multilateral lender projected the country's gross domestic product growth to be 6.5 percent in fiscal 2015-16 and termed the outlook stable.

But it questioned the preliminary growth figure for fiscal 2014-15.

GDP growth came to 6.5 percent last fiscal year, according to the Bangladesh Bureau of Statistics, but the WB said the figure could not

have accounted for losses due to political disruptions.

Furthermore, there is some disconnect with proxy indicators like private credit, revenue growth and imports in BBS's growth estimate.

The report found growth momentum has regained with political stability. But structural impediments, for which the economic growth is hampered, are yet to be addressed.

"Uncertain politics is a problem, but it is not the main one. Investment-friendly environment is the main issue," Hussain said.

"Whatever initiatives Bangladesh has so far taken to improve the transportation system, ports and special economic zones are yet to be implemented. So, investors are not getting confidence."

He said public spending has increased without resulting in a noticeable bridging of the infrastructure deficit. The report also noted that prices rise faster than they fall in Bangladesh.

Prices increase promptly whenever international prices increase, but take longer to decrease after international price falls, it said.