

Asian Banking Summit kicks off in Dhaka tomorrow

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A banking summit focusing on how the country's banking sector can remain competitive by managing risk along with embracing growth opportunities will begin in Dhaka tomorrow.

Nimai Management Consultants, a consulting and advisory company based in UAE, will host the two-day Asian Banking Summit 2015 at Le Meridien Dhaka.

The summit themed at "Evolving paradigms in risk management" will provide a platform for distinguished national and international banking experts to debate topics ranging from risk management to trade finance, compliance, and IT security.

Key stakeholders within the government and the industry have been expressing a growing interest in risk management due to the challenges of

organisations to globally adapt and strengthen their existing risk management systems to keep pace with evolving paradigms.

Chief executives, managing directors, chief risk officers and senior government officials from Bangladesh, the Middle East and Asia will convene at the summit.

They will discuss issues related to managing risk, enhancing enterprise value, analysing macro-economic trends and assessing its local impact, safeguarding banks and emerging trends in compliance.

The summit will also cover the roles of IFC and EXIM Bank of India in the Bangladesh market, the role and growing importance of the Bangladesh International Arbitration Centre (BIAC) in the financial sector, and finally a CEO's perspective on opportunities and risk management on Bangladesh Vision 2021.

SK Sur Chowdhury, deputy gover-

nor of Bangladesh Bank, will join the event as its guest of honour.

Abrar Anwar, chief executive of SCB Bangladesh; Anurag Mishra, regional lead for IFC, India; and MA Rume Ali, chief executive of BIAC, will also speak.

Other speakers will include Syed Mahbubur Rahman, managing director of Brac Bank; Fahmida Islam, assistant counsel of BIAC; and Sudatta Mandal, general manager of EXIM Bank of India.

Abu Dhabi Commercial Bank of UAE, Integrated Customised Real Estate Advisory of Dubai and RSA Capital will be the gold sponsors of the event.

Geneva-based International Trade and Forfaiting Association and BIAC are the institutional partners.

The credit training partner is Omega Performance - USA, telecom partner is CityCell and the event and PR partner is Concito PR.

China mulls allowing individuals to invest more abroad

AFP, Shanghai

China is considering relaxing limits to allow individuals to invest overseas in stocks and property, the central bank said, which would potentially unleash a flood of money if the government loosens strict capital controls.

The country keeps a tight grip on outflows of funds due to worries capital flight could disrupt the economy and weaken its control.

The People's Bank of China said it was studying letting "qualified" individuals invest abroad in industry, property and financial products through the Shanghai Free Trade Zone, according to a statement released Friday.

"These policy initiatives are another important step toward complete capital account liberalisation," Zhou Hao, a senior economist at Commerzbank in Singapore, was quoted by Bloomberg News as saying.

China's premier free trade zone in the commercial hub Shanghai was set up in 2013 with the promise of a range of financial reforms, but foreign investors especially have expressed disappointment over the pace of change.

Chinese citizens are now only allowed to convert the equivalent of \$50,000 from the domestic yuan currency under an annual quota, state media said, which creates a limit on overseas investment though many evade the barrier.

Zoardar rejoins BICM as executive president

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Mohammad Abdul Hannan Zoardar, former executive director of Bangladesh Securities and Exchange Commission (BSEC), has taken charge of Bangladesh Institute of Capital Market (BICM) as executive president.



He will serve the BICM, a national institute for training on capital market, for a three-year period, according to a statement yesterday.

After serving BICM in the same post for a five-year period, Zoardar went back to the BSEC this year. He then resigned from BSEC on October 27 and joined BICM on October 28 for the second time.

Zoardar joined the securities regulator as executive director in 1998 and headed different functional departments of the commission until 2010.

He completed his masters of commerce in accounting with honours and an MBA from the Institute of Business Administration of Dhaka University.

Nigeria moves to split up delayed oil industry bill

AFP, Lagos

Nigeria looks set to unbundle a long-awaited oil law to speed up its passage through parliament, potentially unlocking billions of dollars in frozen investments.

The Petroleum Industry Bill (PIB) has been gathering dust since 2008 because of disagreements between the government and global oil majors over its terms.

The new head of the Nigerian National Petroleum Corporation (NNPC) Emmanuel Kachikwu, who is likely to become junior oil minister, said recently the delay was hurting the economy.

"The average source of volumes in investments that we are losing on an annual basis because of the lack of PIB is in excess of \$15 billion (13.7 billion euros)," he told senators.

"The non-passage of the bill in whatever form over the years has created a level of uncertainty that no international investor wants to grapple with."

Parliament needs to "find a way of working with us and go ahead and pass those elements of (the) PIB where there's not much contention", he added.

Analysts believe the PIB would help redefine the fiscal terms in the oil and gas industry, increase Nigeria's share of revenue and also help restructure the state-run NNPC.

Kachikwu, a former ExxonMobil executive, was appointed in August as part of President Muhammadu Buhari's drive to overhaul the NNPC and cut down on corruption.

The PIB as proposed would see international oil companies pay 10 percent of their net profits to a "Petroleum Host Community Fund" to benefit oil- and gas-producing areas.

Ollo to provide faster internet outside Dhaka, Ctg by Dec

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LTE, an acronym for Long-Term Evolution, commonly marketed as 4G LTE, is a standard for wireless communication of high-speed data for handset devices.

With the LTE technology, the upload and download speed would be up to 150 Mbps, which is much faster than the current wired connections, according to Ollo officials.

While Ollo's network encompasses major areas of Dhaka, including Uttara, Gulshan, Banani, Mohakhali, Dhanmondi, Motijheel and its surrounding areas, it is unable to provide the LTE service due to interference in signal from other operators. Senior officials of Ollo said they are trying to solve the problem with the help of the regulator.

"We have faced plenty of problems, but now we are on the verge of rolling out the LTE service," Grakovich said.

BIEL, which was awarded the LTE licence in December 2013, developed its network with the help of Chinese ZTE at a cost of \$50 million.

After BIEL, two internet service providers, Banglalion and Qubee, and five 3G mobile operators were awarded the LTE licence, but none of them have started their ground work to roll out the service.



Atiur Rahman, governor of Bangladesh Bank, hands over a certificate to Aminul Islam, managing director (current charge) of Bank Asia, in recognition to the bank's contribution to promoting school banking services, at an event at Bangladesh Bank Training Academy in Mirpur, Dhaka.

China's economy still wobbly: survey

REUTERS, Beijing

Activity in China's manufacturing sector unexpectedly contracted in October for a third straight month, an official survey showed on Sunday, fuelling fears the economy may still be losing momentum in the fourth quarter despite a raft of stimulus measures.

Adding to those concerns, China's services sector, which has been one of the few bright spots in the economy, also showed signs of cooling last month, expanding at its slowest pace in nearly seven years.

As the first major indicators of business conditions in China released each month, the PMIs reinforced the view that the economy remains in the midst of a gradual slowdown which will require Beijing to roll out more support in coming months.

"While the PMI has stabilised, it is too early to confirm a bottoming out," economists at ANZ Bank said in a note.

"As deflation risks intensify, a further RRRR cut before end of this year is still possible," ANZ said, referring to reducing the amount of reserves that banks must hold in order to free up more funds for new loans.

The official Purchasing Managers' Index (PMI) was at 49.8 in October, the same pace as in previous month and lagging market expectations of 50.0, according to the National Bureau of Statistics (NBS). A reading below 50 points suggests an contraction.

New export orders contracted for a 13th straight month, though the sub-index for new orders - a proxy for both domestic and foreign demand - edged up marginally to 50.3, compared with September's 50.2.

Faced with persistently weak demand, factory owners continued to lay off workers and at a slightly faster pace than in September.

"Because of the recent weak recovery in the global economy and downward pressure in the domestic economy, manufacturers still face a severe import and export situation," Zhao Qinghe, a senior statistician at the NBS said in a statement accompanying the data.

Major Chinese construction machinery maker Sany Heavy Industry Co Ltd said on Friday it swung to a loss in the third quarter, affected by a glut of unsold equipment.

As for the services sector, whose growth has helped offset persistent weakness in manufacturing, the official non-manufacturing PMI fell to 53.1 in October from September's 53.4.

Though still a solid pace of expansion, it was the lowest reading since late 2008 during the global financial crisis, a similar survey showed.

Despite authorities' most aggressive policy easing campaign since the 2008/09 global crisis, small- and mid-sized Chinese firms are still starved for funds due to banks' preferences to lend to big, state-owned companies.

Cheap money fuels mega-merger boom

AFP, Paris

A flood of cheap money is financing the biggest boom in mega-mergers and takeovers since the 2008 global financial crisis.

But analysts warn that hastily arranged corporate marriages that seem blissful in good financial times can end in tears, and considerable debts.

Companies have already struck 45 mergers and acquisitions with a value exceeding \$10 billion (9 billion euros) each in the first nine months of the year, according to data provider Dealogic.

The mergers amount to a total of \$1.2 trillion -- up 89 percent from the same period last year.

In the latest example, US pharmaceutical giant Pfizer, the Viagra maker, this week announced its intention to buy Allergan, which makes Botox, and has a market value of more than \$110 billion.

The return of the big merger started in the United States and moved to Europe in 2014, said Tangi Le Liboux, analyst at Paris-based financial consultants Aurel BGC.

"There is an enormous amount of cash available and interest rates are extremely low with loans available on good terms," he said.

"External growth can be an easy option but for big structures it can

also carry risks," said Le Liboux.

It is difficult to "marry cultures", however, he said, evoking the merger now underway between Nokia and Alcatel-Lucent.

In the 2000s, the AOL-Time Warner merger, which was agreed during the dot-com bubble but eventually unravelled, stands out as perhaps the worst merger in corporate history, in part because of a clash between the two companies' cultures that was never successfully resolved.

But the availability of easy money is tempting to company chiefs who want to buy growth instead of generating it from their existing business, especially in a period of moderate economic growth.

"With lower inflation, it's very hard for companies to grow organically," said Philip Whitechelo, vice president for strategy and product marketing at Intralinks, a business networks specialist that tracks merger and acquisition activity.

Near-zero inflation can depress revenues, he added. "Large companies rely on acquisitions and geographic expansion to achieve growth."

In the beer sector, Anheuser-Busch InBev, the giant behind top lager brands like Beck's, Budweiser and Stella Artois, is seeking to swallow rival SABMiller in a deal

worth more than \$120 billion when debt is included.

One of the driving forces behind InBev's bid is the chance to get access to some of the world's fastest growing markets, including Africa where SABMiller has roots dating back to the Johannesburg gold rush of the late 19th century.

The wave of mergers is moving back towards advanced economies after a slowdown in emerging markets, said Herve Jauffret, an analyst at audit and services group Ernst and Young who has just completed a study of the trend.

"Investor appetite is coming back for the mature economies: the United States, Germany, England," he said.

In France, the king of the merger is billionaire Patrick Drahi, founder of the telecommunications group Altice who has spent nearly \$30 billion in a few months to acquire US cable operators Suddenlink in May and then Cablevision in September.

"Money is not expensive and it is the right time for such deals. The companies behind them have experience in cutting costs and restructuring. But they need to beware; the market is beginning to take notice of the limits of debt," said Fabien Laurenceau, strategist at French brokerage Aurel BGC.

Stocks depressed by security fears

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Turnover, another important indicator of the market, dropped 41.3 percent to Tk 267.84 crore, with 7.96 crore shares and mutual fund units changing hands on the DSE.

Of traded issues, 48 advanced and 242 declined with 27 securities closing unchanged on the premier bourse.

Khulna Power Company dominated the turnover chart with 15.62 lakh shares worth Tk 11.47 crore changing hands, followed by Lafarge Surma Cement, Ifad Autos, Samorita Hospital and KDS Accessories.

Almost all the major sectors declined in market capitalisation with engineering and textiles taking the highest hit of 1.66 percent each, followed by fuel and power that lost 1.51 percent and food and allied 0.85 percent.

Miracle Industries was the day's best performer with 9.6 percent in gains, while Samata Leather Complex was the worst loser, shedding 23.77 percent.

Chittagong stocks went down with the bourse's benchmark index, CSCX, plunging 104.21 points or 1.22 percent to finish the day at 8,387.4 points.

Losers outnumbered gainers as 186 declined and 27 advanced, while 16 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 60.96 lakh shares and mutual fund units worth Tk 16.94 crore in turnover.



Workers make the heads of writing brushes at a workshop in Shanlian township of Huzhou, Zhejiang province, on Saturday.

Tofail urges foreign firms to join stockmarket

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In his welcome address, Ahsanul Islam Titu, president of the DSE Brokers Association of Bangladesh, said the platform will work for the interest of TREC (trading right entitlement certificate) holders, capital market as well as investors.

The Dhaka bourse has 250 stockbrokers or TREC holders, who have around 1,000 branches across the country.

"One of our purposes is to create awareness among the investors through various programmes across the country with the help of the FBCCI and the BSEC, as a lack of awareness is a major problem."

Efficient public procurement can boost GDP: minister

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Framework agreements, public-private partnerships, open data, strategic procurement and performance measurements were also covered.

Kamal reminded officials that public procurement means using taxpayers' money, so ensuring transparency, accountability and efficiency is vital.

A certified chartered accountant, Kamal said pricing, longevity and depreciation of goods are important factors that need to be studied before making any procurement.

There is no alternative to electronic procurement to reduce or avert wastage in public procurement, he said, adding that all procurement activities would be

paperless soon.

State Minister for Finance and Planning MA Mannan said people have every right to know how their money is being spent. "We are going to full e-procurement system to ensure transparency and accountability," he added.

Martin Rama, acting country director of the WB, said Bangladesh currently spends one-fourth of its budget in procurement.

So, ensuring accountability and transparency is a must in this case, he said, adding that Bangladesh has successfully digitised public procurement in four key government agencies that together spend more than half of the annual development budget.

Electronic government procurement is bringing substantial cost

savings, eliminating paperwork, and increasing the pace of implementing development works, according to the WB acting country director.

Senior level participation in the conference demonstrates a high-level commitment to ensuring efficiency, transparency and accountability in public procurement, according to Rama.

Kazuhiko Higuchi, country director of the ADB, said the Manila-based lender will help Bangladesh get digitised in public procurement.

The conference is the third learning and networking event for public procurement professionals and is a follow-up to conferences held in Pakistan in 2014 and in Nepal in 2011.