



BUSINESS

DHAKA THURSDAY NOVEMBER 26, 2015

Trust Bank to partner with Axiata for mobile banking

SAJJADUR RAHMAN

Trust Bank, sponsored by the Army Welfare Trust, has decided to form a subsidiary with Malaysia's Axiata Group to provide mobile financial services, agent banking and cards.

The bank will hold 51 percent of the proposed company, Trust Axiata Digital Ltd, while Axiata will own the rest. The company's initial paid-up capital has been proposed at Tk 5 crore.

"The board of directors approved the formation of the subsidiary on Tuesday," Ishtiaque Ahmed Chowdhury,

managing director of Trust Bank, told The Daily Star yesterday.

Chowdhury said they will now move to sign a deal with Axiata Group to set up the company. Trust Bank will then send the proposal to the regulatory authorities for approval.

The new company will provide technology-driven services. "We expect to begin operations of the new company in three months, subject to regulatory approval," said Chowdhury.

The move, if it gets through, will shift some of Trust Bank's operations to Trust Axiata Digital.

Of the 56 banks in Bangladesh, only

Brac Bank set up a subsidiary, bKash, to operate the bank's mobile financial services. Trust Bank has a much wider approach, giving many operations to the proposed subsidiary.

Trust Bank started its journey in 1999. The bank has a network of 100 branches, SME centres, 152 automated teller machines, booths and 65 points-of-sale in 55 branches.

The bank introduced the automated branch banking system in 2001 and online banking in 2007. Its paid-up capital now stands at nearly Tk 469 crore; it was listed on the stock exchanges in 2007.

Bangladesh offers special economic zone to Spain

STAR BUSINESS REPORT

The government offered a special economic zone (SEZ) to Spanish investors as Bangladesh's trade with the European nation is on the rise, Commerce Minister Tofail Ahmed said yesterday.

"Spain is a good partner for Bangladesh as it is the country's fourth largest export destination after the US, Germany and the UK," Ahmed said.

Bangladesh aims to take annual exports to Spain to \$2 billion by the

year-end from \$1.76 billion now, according to the minister. "We are offering an economic zone to Spanish investors, and they can choose any of the 30 zones that are being developed in parts of the country now."

"Our target is to develop 100 SEZs across the country," Ahmed told reporters at his secretariat office after a meeting with Eduardo de la Iglesia, Spain's ambassador to Bangladesh.

The government is also focusing on thrust sectors -- IT, pharmaceuticals, leather, jute, shipbuilding, agro-

products -- to boost exports.

Bangladesh's exports to Spain mostly consist of garment, home textile, jute and jute yarn, jute goods, leather and leather goods, pharma and shrimp.

The government will also offer cash incentives on exports of non-traditional items to encourage export diversification, Ahmed said.

Spanish investors are keen to invest in infrastructure and energy sectors, Ahmed said.

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Asia set to drive global trade surge: HSBC

STAR BUSINESS REPORT

Asia is poised to ignite a decade of global trade growth and will be the starting point for a quadrupling of worldwide exports to an estimated \$68.5 trillion by 2050, according to a forecast by HSBC.

Led by a burst of intra-Asian trade that will lift the region's share of global exports to 27 percent by 2050 from 17 percent at present, the surge will mark a third wave of globalisation anchored by new technologies and increasing economic integration, the bank said in its Trade Winds report.

"The importance of trade's contribution to global growth and prosperity cannot be underestimated. Asia's position at the leading edge of technological and supply chain innovation gives the region a unique opportunity to benefit from this next wave of globalisation," said Paul Skelton, regional head of commercial banking for Asia Pacific at HSBC.

Nimble networks of micro-multinationals that create their own specialised value chains will be at the core of a drive for prosperity that promises to take nations out of poverty and improve quality of life across the world, said the report compiled by Oxford Economics.

"The next few years should carry the global economy into the next wave of globalisation, critically underpinned by sophisticated and pervasive digital technology that reduces international trade barriers, improves communication between cultures, levels the playing field for entrepreneurs and startups, and forms the foundation for an 'always-on' global economy."

The report looks back in time to uncover the key drivers of trade over the past 150 years, analyses the impact of these

drivers and forecasts how they will shift the world in the future.

The report identifies three distinct waves of trade development: the first from 1865 to 1913, the second from 1950 to 2007 and the third set to run from 2015 to 2050.

"The map of world trade created by this third wave of globalisation may look very different from today's, as shifting demographics and economic catch up -- with almost three billion people joining the middle class by 2050, most of whom will be in emerging markets -- lead to significant shifts in trade patterns."

It said Asia-Pacific's share of global exports is forecast to rise from around a third in 2015 to 46 percent in 2050. Western Europe's share is expected to decline from 34 percent to 22 percent, and North America's to fall from 11 percent to 9 percent.

The HSBC report also said China should extend its lead as the world's leading exporter, with its growing influence in Asia further extended by projects such as the 'One Belt, One Road' initiative and the Asian Infrastructure Investment Bank.

India also has the potential for strong growth, and is projected to outpace China. The report expects growth in merchandise exports from India to average 6 percent a year in 2025-50, compared with just under 5 percent a year for China.

The report identifies four 'trade winds' that will drive opportunity for the business leaders of today and tomorrow -- the march of industrialisation and a shift to mass customisation; plummeting transport and logistics costs; further liberalisation of trade policy; and the evolution of more nimble business operating models.

BTRC to study market before giving nod to Robi-Airtel merger

MUHAMMAD ZAHIDUL ISLAM

The telecom regulator now plans to conduct a study on the socio-economic implications of the proposed merger of Robi and Airtel before giving a final approval to the merger.

On Sunday, Bangladesh Telecommunication Regulatory Commission (BTRC) sent offer letters to two teachers for conducting the study.

The teachers are Mahfuzur Rahman, a professor of the international business department under business faculty at Dhaka University, and ABM Siddique Hossain, dean of the engineering faculty at American International University-Bangladesh.

The commission is going for the market study, as it has never dealt with any proposal of merger before, said Sarwar Alam, spokesperson and BTRC secretary.

The teachers were asked to focus on eight points and complete the task in two months, said a senior official of the BTRC. "The regulator will take the next step depending on the recommendations from the study."

Through the study, the BTRC wants to know about the impact of the merger on the commission's spectrum auction roadmap and its revenue collection, the official said. The study will also assess impact on the existing telecom licences, network and services.

The researchers were asked to find out how the merger will influence subscribers and affect the overall telecom industry.

The issues of possible job losses and voluntary retirement due to the merger will also be examined.

The decision of conducting the study was taken after Shahjahan Mahmood joined the BTRC as its new chairman in October.

On September 30, the BTRC had primarily approved the request for the merger.



WB project for rural roads to benefit 2.2cr people

STAR BUSINESS REPORT

A rural connectivity project financed by the World Bank will benefit 2.2 crore people, the multilateral lender said in a progress report yesterday.

The second Bangladesh Rural Transport Improvement Project, which received \$302 million from the WB, will help improve the rural roads network, the WB said in a statement. The WB board approved the project in 2012 and it is scheduled to be completed by April 2018.

The World Bank said the project is likely to achieve all its targets, as it is now showing signs of improvement in implementation.

The project aims to improve and maintain about 5,250km of union and upazila roads and 50 growth centre markets in 26 districts.

The project has completed maintenance work for 1,629km of roads, while the contract has been signed for 2,769km, accord-

ing to the statement.

The project helps rural communities with improved access to social and economic facilities and services such as schools, hospitals, markets, financial institutions and jobs.

The project also builds the capacity of government institutions to better manage rural transport infrastructure, the WB said.

The project aims at bringing a positive shift in the road maintenance approach. The rural waterways pilot will provide better connectivity to the poor and isolated rural communities having limited or no access to roads or waterways.

The WB also said institutional strengthening, capacity building and governance enhancement have also progressed well and most of the consultants are also on board.

The project's disbursements are getting back on track. So one fourth of the allocated fund of the project has been disbursed, according to the statement.

DSE launches market app

STAR BUSINESS REPORT

The country's premier stockmarket yesterday launched a mobile app to disseminate market data to investors and other members of the financial community.

State Minister for ICT Junaid Ahmed Palak inaugurated the Dhaka Stock Exchange's application -- DSE Info -- which operates on android devices and will be upgraded for iOS and other platforms later. The app is available on Google Play Store and offers features to help users track the indices and get market and company information.

The app's features include market and trading statistics in real time, company information, portfolio information and company news.

The ICT Division and the DSE developed

the app jointly.

Addressing the function at the DSE, Palak said the ICT Division is interested to develop another app that will allow investors to trade through their mobile devices from anywhere.

Palak said Bangladesh's ICT exports stand at \$300 million a year, from just \$26 million six years ago. Bangladesh aims to take ICT exports to \$1 billion by 2018 and \$3 billion by 2021.

Palak urged the DSE to take initiatives so that start-ups and small and medium-scale companies can raise funds from the stockmarket.

Helal Uddin Nizami, a commissioner of Bangladesh Securities and Exchange Commission, and Swapan Kumar Bala, managing director of the DSE, also spoke.

Bankers asked to help entrepreneurs

STAR BUSINESS REPORT

Bangladesh Bank Governor Atiur Rahman yesterday advised the bankers to move forward with financial supports to create new entrepreneurs across the country.

The bankers should extend their support to the new entrepreneurs to create employment opportunities by helping them establish their business entities, he said.

Rahman spoke at a financial literacy campaign for small and medium enterprises, on the premises of Bangla Academy as part of the ongoing banking fair.

MTB welcomes you to visit its stall No. 13 at the Banking Fair Bangladesh from November 24 to November 28, 2015 at the Bangla Academy premises.

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