

স্বপ্নময় জীবনের চাবি আপনার হাতে

এসআইবিএল ইসলামিক হোম ফাইন্যান্স

গ্যাপাটমেন্ট / ফ্ল্যাট ক্রয়, গৃহ নির্মাণ, গৃহ বর্ধিতকরণ অথবা গৃহ সংস্কারের জন্য সর্বনিম্ন ৫,০০,০০০ টাকা থেকে সর্বোচ্চ ৯,২০,০০,০০০ টাকা পর্যন্ত বিনিয়োগ সুবিধা।

* ফ্রি অনলাইন সেবা
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star BUSINESS

DHAKA MONDAY DECEMBER 21, 2015

BB eases rules for banks' investment in stocks

SAJJADUR RAHMAN

Bangladesh Bank has relaxed the rules related to banks' investment in stocks in a move that analysts say would boost the ailing market.

From January, banks' capital given to their stockmarket subsidiaries will not be counted as stockmarket exposure, the central bank said in a notice yesterday.

The Banking Companies Act 1991, which was amended in 2013, has limited a bank's stockmarket exposure to 25 percent of its capital. The capital includes paid-up capital, share premium, statutory reserve and retained earnings.

The latest development will enable banks to make fresh investments in stocks, although the stockmarket exposure remains unchanged at 25 percent of their capital, said a senior official of the central bank.

There are 51 full-fledged merchant banks in Bangladesh, and most of them are owned by banks as their subsidiaries, according to Bangladesh Securities and Exchange Commission.

Stakeholders such as banks, merchant banks and brokerage houses have welcomed the move, which they believe would bring dynamism to the bearish market.

The decision will give banks a cushion

against the hardship they are facing now with poor business, said MA Halim Chowdhury, managing director of Pubali Bank.

Pubali's subsidiary merchant bank has a paid-up capital of Tk 160 crore.

But from next month, it will no longer be counted as the bank's capital market exposure, meaning Pubali will get some fresh funding capacity to invest in stocks.

Similarly, AB Investment Ltd, a merchant bank owned by AB Bank, has a paid-up capital of Tk 500 crore.

If AB Bank's capital, including reserves and surplus stands at Tk 2,000 crore, it cannot invest a single penny in the stockmarket, as it would have already reached its exposure ceiling by way of its merchant bank.

The move to relax the conditions comes as the BB was under tremendous pressure to extend the deadline for banks to bring down their stockmarket exposure to 25 percent of their capital.

"But that is not possible without changing the law, which is also time-consuming. So, we have done it in another way," a central bank official said.

Non-bank financial institutions also own some of the merchant banks, and another BB official hinted that a separate directive may be issued for them soon.



Fifth from left, Supun Weerasinghe, managing director of Robi, and M Rehan Rashid, IFC's senior country officer, shake hands after signing a loan agreement at Amari Hotel in Dhaka yesterday. Robi is borrowing \$99 million from IFC to expand its 3G network in rural areas. Shahjahan Mahmood, chairman of Bangladesh Telecommunication Regulatory Commission, is also seen.

Robi, IFC sign \$99m loan deal

STAR BUSINESS REPORT

Robi is borrowing \$99 million from the International Finance Corporation, the World Bank's private sector arm, to expand its 3G network in Bangladesh.

The funds will give Robi a competitive edge over other operators, said Supun Weerasinghe, managing director of Robi, after signing a loan agreement with IFC yesterday.

The loan repayment period is seven years with a two-year grace period, said Yap Wai Yip, chief financial officer of Robi, without disclosing the interest rate on the credit.

But a Robi official preferring anonymity said the interest rate has been fixed at LIBOR plus 2 percent and other service charges.

Between January 2014 and September 2015, Robi, the third largest carrier by subscribers, invested \$500 million, which is the highest among all the operators in Bangladesh's telecom sector.

Weerasinghe said the company has long-term plans for Bangladesh, and the loan will help encourage international players to invest in the country, especially the telecom sector.

At the programme, Shahjahan Mahmood, chairman of Bangladesh Telecommunication Regulatory Commission, said the telecom regulator is

emphasising quality service across the country.

The deal will surely give a boost to the telecom regulator's efforts to make digital services available in all corners of Bangladesh, he said.

Earlier in 2013, market leader Grameenphone had also borrowed \$345 million from the IFC.

Robi currently has about 2.83 crore active connections, giving it a market share of 21.43 percent, according to the telecom regulator.

The operator runs 3,800 third-generation sites and 8,000 sites for 2G coverage, Weerasinghe said. Robi plans to add another 1,500 3G sites and 3,000 2G sites to its network by 2016 with the investment.

Grassroots entrepreneurs honoured

STAR BUSINESS REPORT

Some 14 small entrepreneurs from different districts were honoured yesterday for their contributions to poverty eradication through job creation at the grassroots level.

Finance Minister AMA Muhith handed out the trophies to the winners of the Small Entrepreneurs Awards, organised by the International Business Forum of Bangladesh at the capital's Sonargaon Hotel.

The IBFB said it took the initiative to honour entrepreneurs at the grassroots level after learning that the small and medium enterprises in districts and suburbs do not get recognition nationally despite playing important roles in poverty eradication.

The IBFB sought nominations from the district and upazila administrations for the award and received 60 nominations from 38 upazilas in 23 districts.

Of them, the awardees were selected in seven categories. Success comes to those who work with passion and sincerity, said GM Nurul Islam Rony, owner of Rony Agro Engineering, based in Satkhira, after receiving the award.

LIST OF WINNERS		
NAME	POSITION	COMPANY
1. Mir Al Amin	Managing Director	Noorjahan Agro-Processing Industries, Bagerhat
2. GM Nurul Islam Rony	Proprietor	Rony Agro Engineering, Satkhira
3. Md Abdul Hakim Mandal	Proprietor	Messrs Abdul Hakim Mandal, Joypurhat
4. Md Faisar Rahman	Chairman	South Bengal Fertilizer Mills Ltd, Jessore
5. Md Rezaul Hasan	Proprietor	Messrs Rezaul Hasan (agro input and agro technology), Naogaon
6. Tanuja Rahman	Proprietor	Rong Handicrafts, Jessore
7. Lipi Saha	Proprietor	Sananda Boutique House, Naogaon
8. Parvin Akhter	Proprietor	Provati Boutique and Fashions House, Naogaon
9. Md Fasiar Rahman	Proprietor	Sabuj Matshya Khamar, Khulna
10. Md Mostafa Khan Feroz	Proprietor	Jannatnetri Ma Fatima Fish Hatchery, Jessore
11. Belal Ahmed Imran	Proprietor	Dream Agro (fisheries), Sylhet
12. Md Ashrafur Islam	Proprietor	Ripon Metal Industries, Jessore
13. Md Shahedul Islam	Proprietor	Marine Chemical Company, Rangpur
14. Akbar Hossain Kismat	Proprietor	Bagan Bari Nursery, Sylhet

WTO talks end with breakthrough on farm subsidies

STAR BUSINESS REPORT

World Trade Organisation member countries agreed to abolish agricultural export subsidies after five days of talks in Nairobi, but failed to make progress on the long-stalled Doha Round of negotiations aimed at lowering global trade barriers.

The 162-member body, meeting in Africa for the first time, on Saturday said a deal had been reached on the issue of farm export subsidies, with developed nations committing to remove their subsidies immediately and developing nations set to eliminate theirs by 2018.

WTO Director General Roberto Azevedo in a statement hailed the agreement as the "most significant outcome on agriculture" in the organisation's 20-year history, according to an AFP report.

The elimination of export subsidies for agricultural exports is a watershed for world trade that will help boost dairy prices.

That is an outcome successive New Zealand governments have sought for decades, with trade envoys identifying agricultural subsidies, along with tariffs, as one of the biggest obstacles to free trade.

It is good news for New Zealand dairy farmers who are among the most productive in the world: and who also have not been subsidised in decades. Their production will replace some of those subsidised exports.

The breakthrough in global trade negotiations will see \$15 billion worth of agricultural export subsidies abolished around the world, boosting the competitiveness of Australian farmers immediately, Forbes said in a report.

US Trade Representative Michael Froman said the deal would "help level the playing field for American farmers and ranchers".

"The WTO's actions in this area will put an end to some of the most trade distorting subsidies in existence and demonstrates what is possible when the multilateral trading system comes together to solve a problem," he said.

The European Commission also praised the "landmark deal" as "good for fairer global trade".

"For those who had doubts, it proves the relevance of the WTO and its capacity to deliver results," EU Trade Commissioner Cecilia Malmstrom said in a statement.

BGMEA trashes findings on garment factories

STAR BUSINESS REPORT

Garment makers yesterday protested a report by New York University Stern Centre for Business and Human Rights and said it was confusing and portrayed an incorrect image of Bangladesh's apparel sector.

The report said workers at the majority of Bangladeshi factories producing for exports are unprotected by safety measures.

In a statement, Bangladesh Garment Manufacturers and Exporters Association said the researchers have mixed up the workers of the export-oriented garment factories with workers at local tailoring shops.

Workers at the export-oriented factories have safe working environments and three agencies, including Accord and Alliance, have certified those factories as safe after structural, electrical and fire checks, according to the statement.

If workers are unsafe in the export-oriented garment factories, the owners would not be able to do business with the retailers, said Siddiqur Rahman, president of BGMEA.

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