

Oil prices fall before US energy report

AFP, London

Oil prices fell Wednesday as traders awaited the release of US crude inventory data, which are expected to show a further rise in stockpiles.

At around 1100 GMT, the US benchmark West Texas Intermediate (WTI) for delivery in April slid 74 cents to stand at \$33.66 a barrel.

In London, Brent North Sea crude for May shed 36 cents to \$36.45 a barrel compared with Monday's close.

Crude futures had risen Tuesday on fresh Russian calls for a production freeze to reduce the global supply glut.

"US crude oil inventories increasing is almost becoming a norm. Inventories are already at a historic high" and markets are taking a nonchalant stance towards a continued inch upwards, said Daniel Ang, analyst at Phillip Futures in Singapore.

"US production, on the other hand, is slightly more interesting as it is finally starting to show corrections. We highly expect to see US oil production drop a lot more now that prices are in the \$30 region, which could result in the easing of global oil supply," he added in a note.

A Bloomberg News survey ahead of

Wednesday's Energy Information Administration (EIA) report showed that US crude stockpiles probably increased 3.4 million barrels from an 86-year high last week. The EIA is projected to report that supplies of gasoline and distillate fuel, a category that includes diesel and heating oil, dropped, Bloomberg added.

Oil prices had risen Tuesday on increasing optimism of an output freeze to shore up the market as Russia said domestic oil groups supported the proposal.

Opening a meeting with Russian oil group chiefs, President Vladimir Putin said Energy Minister Alexander Novak had led discussions on forging a freeze agreement between producer countries.

He said the idea was to "fix Russia's 2016 production level at that of January," which was a post-Soviet record of 10.8 million barrels per day on average.

The market gained a lift in the latter half of February when OPEC kingpin Saudi Arabia and non-OPEC member Russia agreed to freeze output to January levels, if other major producers followed suit.

But disappointment that there was no output cut, and skepticism that such a freeze could be agreed, has contributed to recent market volatility.

Ifad Autos to sell India's Farmtrac tractors

STAR BUSINESS REPORT

Ifad Autos, an automobile dealer, will sell Indian Farmtrac-branded tractors and spare parts in Bangladesh.

The company became the sole distributor of the brand in the local market by signing an agreement with Haryana-based Escorts Agri Machinery, according to a notice posted on the Dhaka Stock Exchange website yesterday.

Ifad Autos expects to earn about Tk 25 crore in revenue and a profit of Tk 2.5 crore in the first year. The expected revenue in the second year is Tk 60 crore with a profit of Tk 6 crore, according to the posting.

Presently, Ifad Autos is importing, marketing and building the bodies of different models of Ashok Leyland's vehicles in Bangladesh through its own marketing staff, dealers and selling agents.

The company was listed on the stockmarket in 2015. Each share of the company traded between Tk 93.7 and Tk 97.1 yesterday, before closing at Tk 94.9.

The company's net profit stood at Tk 36.72 crore at the end of June 2015 with basic earnings per share of Tk 3.51, down from Tk 48.37 crore and Tk 5.16 respectively a year ago.

Sponsors hold 62.77 percent stakes in Ifad Autos, while institutional investors own 20.6 percent and the public 16.63 percent.

Toyota shakes up corporate structure

REUTERS, Tokyo

Toyota Motor Corp announced an overhaul of its corporate structure on Wednesday as the world's biggest-selling carmaker seeks to streamline decision-making and improve the way it manages its production as output hits record highs.

Effective April, the number of business divisions will be increased to nine from the present four, with the aim of creating a company "built around product-based rather than function-based organizations," it said in a statement. Three new divisions will separately focus on compact, mid-size and commercial vehicles, alongside divisions dedicated to connected cars and to research and engineering.

The company will maintain its premium Lexus division, along with its two region-based divisions overseeing geographical markets, while it will also have a dedicated powertrains division.

Regulator to probe BSRM share price hike

FROM PAGE B1

DSEX, the benchmark index of the premier bourse, declined 21.86 points or 0.48 percent, finishing the day at 4,462.17 points.

Turnover, another important indicator of the market, however jumped up 31.3 percent to Tk 578.43 crore, with 15.2 crore shares and mutual fund units changing hands on the DSE.

Of traded issues, 104 advanced and 163 declined with 44 securities closing unchanged on the premier bourse.

Orion Pharma dominated the turnover chart with 69.51 lakh shares worth Tk 29.8 crore changing hands, followed by LankaBangla Finance, Singer Bangladesh, Grameenphone and Summit Power.

Bangladesh Finance and Investment Company was the day's best performer with a 9.58 percent gain, while Singer Bangladesh was the worst loser, shedding 19.94 percent.

Chittagong stocks also fell yesterday with the bourse's benchmark index, CSCX, declining 43.22 points or 0.51 percent to finish the day at 8,369.04 points.

Losers beat gainers as 136 declined and 68 advanced, while 30 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 1.19 crore shares and mutual fund units worth Tk 35.7 crore in turnover.

Eyes on next budget: outlay to get bigger

FROM PAGE B1

However, an official of the finance ministry said the actual cost may be much higher, which means a big portion of the next budget's non-development expenditure will go towards salaries and allowances.

Another big budgetary expenditure is on development: the size of the Annual Development Programme is likely to be about Tk 113,000 crore in the next fiscal year, up from Tk 97,000 crore now.

Every year the ADP size increases with no uptick in the efficiency of implementation.

A planning ministry official said the various ministries and divisions have already started sending in their demands and they are much higher than the primary estimate.

To finance the budget, the government will set its revenue earning target most likely at Tk 248,000 crore, with the NBR shouldering the biggest burden.

In the current fiscal year, the target for revenue earning has been fixed at Tk 208,443 crore.

The budget deficit will be fixed at 5 percent of the gross domestic product, like this year.

Since the ministries and divisions fail to use their allocations, the deficit tends to be around 4 percent.

The GDP growth target may be set at 7.2 percent and the inflation target at 6 percent.



Humaira Azam, deputy managing director of Bank Asia, poses with the recipients of Bank Asia Higher Studies Scholarship from Savar, Tongi, Konabari and Hemayetpur areas during a programme in Tongi on Saturday. Sazzad Hossain, senior executive vice president, was also present.

Arif Khan new CEO of IDLC Finance

STAR BUSINESS DESK

Arif Khan has been appointed chief executive officer and managing director of IDLC Finance.

Khan was a commissioner of Bangladesh Securities and Exchange Commission for five years, according to a statement.

He began his career with



AB Bank and has worked with BAT Bangladesh, Beximco Fisheries and Zenith Investments. He also worked with IDLC for 15 years.

Khan is a member of the CFA Institute, USA, and the current president of the Institute of Cost and Management Accountants of Bangladesh.

DSE launches share trading app next week

FROM PAGE B1

In addition to buying and selling shares, the app will provide some featured information, including buy or sell alerts, notifications and portfolio status to the investors, which are not easily available on the website or via brokers' services.

"It will help investors make investment decisions after analysing the information," said Bala. "It will also reduce misgovernance in share trading."

Investors often allege that authorised traders sell shares without their prior permission, he said.

"But now, such activities would not happen, as firstly, investors can operate their portfolios directly and secondly, investors will get notifications immediately after a trade execution," he said.

An investor, however, will first need to register with the concerned broker and then install the app from the Google Play Store.

The application was developed by FlexTrade Systems, a global leader in broker-neutral trading platforms.

Investors can initially use the app free of cost. "But we have plans to sell featured information through the app to the investors," said Bala.

The DSE is introducing the mobile app in line with its trading system upgradation process. The DSE upgraded the entire trading system, replacing its 16-year-old technology, in two segments at a total cost of around Tk 35 crore.

Nasdaq OMX, a leading provider of trading and exchange technology, supplied the matching engine, while FlexTrade Systems provided the order management system at the brokers' end.

Earlier in November, the DSE introduced a mobile app styled 'DSE Info' to disseminate market data to investors and other members of the financial community.

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.

Calls for stronger cyber security get louder

FROM PAGE B1

The incident prompted the central bank to direct banks to deploy anti-skimming devices to protect their customers.

The BB governor said the central bank works to make systems immune to cyber attacks.

"Even after that there is no room for complacency. Hacking takes place everywhere. The FBI, the World Bank and the IMF were also victims of hackers. So, all of us should remain prepared."

"It is important because we are opening many new lines," Rahman said about the forthcoming online VAT payment systems.

On VAT e-payment, Rahman cited various technologies introduced by the BB to ensure electronic fund transfers and payments. The technologies will enable taxpayers to pay VAT online.

He however said the banks are yet not clear how their online transaction systems would be integrated with the VAT e-payment system.

Rahman advised the tax authority to allow all banks to participate in the e-payment system to reduce hassles of taxpayers.

Currently, only state-run Sonali Bank does treasury function of the government.

Options should be available to ease the process, he said, while suggesting the inclusion of mobile banking as an option for tax payment.

Alam said a technical coordination committee should be formed involving bankers, taxmen and other stakeholders to fix the problems and suggest solutions so that taxpayers get better services once the VAT e-payment system becomes operational.

He also underscored the need for ensuring inter-operability of the government's online systems to provide hassle-free services to people, including taxpayers.

"We should develop a system so that it becomes interoperable with other systems," he added.

Controller General of Accounts of Bangladesh Md Abul Kashem suggested hiking the ceiling of payment through treasury receipts from present Tk 10,000.

He also called for the taxmen to deposit pay orders of tax payment to the exchequer within 24 hours of their receipt.

The commissioners at field offices tend to show a lax attitude in depositing the pay orders to banks once their collection targets for the month are achieved, according to Kashem.

It is not pleasant that tax payment does not go to the exchequer as soon as they are deposited, he said.

Jahangir Hossain, member of VAT policy at NBR, said taxpayers will be able to complete all VAT-related procedures and pay the tax online without hassles once the system comes on stream.



Md Abdul Halim Chowdhury, managing director of Pubali Bank, opens the new premises of the bank's Kashimpur branch in Gazipur. Mohammad Ali, deputy managing director, was also present.

US overtakes France as Germany's biggest trading partner

AFP, Frankfurt

The United States overtook France to become Germany's most important trading partner last year for the first time since the mid-1970s, official data showed on Wednesday.

"According to provisional data, goods worth a total 173.2 billion euros (\$188 billion) changed hands between Germany and the US in 2015," the federal statistics office Destatis said in a statement.

"That meant the US was Germany's most important trading partner in 2015, followed by France with 170.1 billion euros worth of goods and the Netherlands with 167.6 billion euros," the statement said.

In terms of exports, the US was the biggest foreign buyer of German-made goods in 2015, with exports amounting to 113.9 billion euros last year.

Exports to France, the country to which Germany has exported the most every year since 1961, amounted to 103 billion euros.

The United Arab Emirates followed in third place, with exports totalling 89.3 billion euros.

France has always been seen as Germany's primary trading partner in the past, underlining the close political and economic ties between Europe's number one and number two economies.

But the weakness of the euro against the dollar and the pick-up in the US economy has boosted Germany's transatlantic trade.

On the import side, Germany imported the most goods from China last year -- 91.5 billion euros in all.

The Netherlands and France followed in second and third place with imports of 88.1 billion euros and 67 billion euros respectively, Destatis calculated.

Bangladesh: hotspot for denim buyers

FROM PAGE B1

The two-day exhibition began yesterday in order to expand the footprint of denim and denim products made in Bangladesh.

Some denim makers from Bangladesh and India, Pakistan, Switzerland, the United Arab Emirates, China, Indonesia, Brazil, and Turkey are taking part in the show.

DK Jain, a director of India-based Nandan Denim Ltd, the world's fourth largest denim producer, said the future of denim is very bright as the young generation around the world wants it.

"Bangladesh is a good market for denim," he added.

Sabina Chandrakant Ingale, sourcing head of Bershka, which is part of the Spanish Inditex group, told the Apparel Resources, a media outlet dedicated to the apparel and textile industry, that Bangladesh's denim industry has improved a lot in the last three to four years.

She said 80 percent of Bershka's denim comes from Bangladesh, with plans to bump up sourcing from Bangladesh by another 25 percent over the next two years.

Gowher Rizvi, international affairs adviser to the prime minister, who inaugurated the exhibition, said Bangladesh exports nearly \$2 billion worth of denim products and fabrics a year.

"But we can increase it significantly."

He said there is no reason for Bangladesh not to be able to do so seeing that manufacturers are leaving China and are considering Bangladesh as their alter-

native destination of choice.

Bangladesh is already the largest denim exporter in the European Union and holds the third largest position in the US market, said Humayun Rashid, senior vice-president of the DCCI.

"There is a huge opportunity for innovation in Bangladesh. I think we will be able to reach our denim export target to \$7 billion by 2021."

The global denim market is worth \$60 billion, according to Sandeep Agarwal, founder of denimsandjeans.com.

"Bangladesh has become an important part of the global denim market. In fact, the country is uniquely positioned because of its infrastructure, workforce and financial capability," he said.

Apart from selling denim fabrics directly to Bangladesh exporters, about 20 manufacturers also sell the fibre to foreign producers directly.

Envoy Textiles Ltd, the largest denim manufacturer in Bangladesh, directly exports 5 to 10 percent of its 4.5 million yards of monthly production to 13 countries.

"The demand is increasing very fast. We are struggling to cope with the demand," said Rizwanul Karim, assistant general manager for marketing at Envoy Textiles.

Bahzad Ahmed, general manager of Jamuna Group, said customers are demanding fancy items produced from denim.

Daud Bin Jafar, deputy manager for sales and marketing of Square Denims Ltd, said his company will open the second line of its factory in Habiganj in 2018 to double its manufacturing capacity to 3 million yards a month.



Shafiqul Alam, managing director of Jamuna Bank, launches the bank's rebranded and EMV chip embedded debit and credit cards at its head office in Dhaka. Mirza Elias Uddin Ahmed, deputy managing director, was also present.

Canada economic growth slows

AFP, Ottawa

Canada's economy slowed at the end of 2015 as exports saw a downswing and businesses curtailed investments, the government statistics agency said Tuesday.

The economy expanded 0.8 percent from October to December following a relatively robust 2.4 percent rate of growth upon exiting a mild recession the previous quarter. But results were better than expected, with analysts forecasting growth at a slower pace of 0.1 percent in the fourth quarter.

Statistics Canada said Canadians slightly increased spending on culture, clothing and footwear, as well as vehicles, but businesses invested significantly less in engineering structures, machinery and equipment, computers and communications equipment, and reduced their inventories.

A drop in sales of aircraft led the decrease in exports, along with energy products and services. Imports were also down, led by electronics, consumer goods and energy products.