

\$2b Indian credit line opens for Bangladesh

Two parties sign loan deal in Dhaka

STAR BUSINESS REPORT

Bangladesh yesterday signed an agreement with India's government-designated Exim Bank of India for \$2 billion in low-cost loans for over a dozen social and development projects.

The funds will be used for 14 projects in railway, road transport, power, education, vocational training, health, ICT, shipping, and economic zones.

Mohammad Mejbahuddin, senior secretary of the Economic Relations Division and Yaduvendra Mathur, chairman of Exim Bank of India, signed the agreement at the ERD auditorium in Dhaka.

The credit carries 1 percent interest rate with repayment period of 20 years and a grace period of five years.

Bangladesh also receives soft loans from countries such as China, which carries an interest rate of 2 percent with a repayment period of 20 years.

Among multilateral organisations, the World Bank charges a 0.75 percent interest rate with repayment period of 38 years.

Japan now charges 0.01 percent as service charges, the lowest among all, with a repayment period of 50 years, including a 10-year grace period.

This is the second line of credit from India to Bangladesh.

The first credit of \$1 billion was

extended to Bangladesh following an agreement in 2010, and was concentrated predominantly in the railway sector.

The \$2-billion line of credit is the biggest credit line India has so far extended to any country, said Mathur.

"This is an indication of the very high importance and priority for our friendly relations and for financing social and other development projects in Bangladesh."

"It will pave the way for deeper economic relations between the two countries."

This is the biggest and cheapest loan India has extended to any country, said Harsh Vardhan Shringla, Indian high commissioner to Bangladesh.

"It is also the manifestation of the importance our government attaches to its relationships with Bangladesh."

The two countries have also constituted a review mechanism for assessing the pace of the implementation of projects under the credit line, he added.

This mechanism has been very effective so far, in terms of sharing experiences and learning from each other, he said.

The implementation of projects will be much faster compared to the first credit line, as both sides have sufficient experiences in handling projects under the line of credit mechanism, he added.

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FUNDS LOST TO HACKERS

Primary probe finds no link of BB officials

STAR BUSINESS REPORT

Primary investigations found no involvement of Bangladesh Bank officials in stealing \$101 million from a BB foreign currency account with the Federal Reserve Bank of New York.

Investigators, however, are yet to rule out the possibility of involvement of any "internal forces".

"We are still in the middle of the investigations and are looking at both internal and external engagements. So, it is hard to rule out anything," said Rakesh Asthana, a cyber security expert working for the BB. He is a former director of the World Bank's IT department.

Asthana, who is leading the BB probe, talked to reporters after a meeting with the chief executives and IT heads of all commercial banks at the office of the central bank.

BB Governor Atiur Rahman and other senior officials also spoke.

Signs so far show that the hacking was done from abroad, Asthana said.

On how the payment advice from the BB went to the US bank, Abu Hena Mohammad Razi Hassan, a deputy governor of the BB, said, "It is under investigation."

The central bank of Bangladesh has around \$28 billion in foreign currency reserves. Nearly one-third of the reserves are in the form of liquid assets with different foreign banks including the central banks of the US and the UK. The rest are invested in bonds and gold.

Of the liquid reserves, hackers had allegedly stolen \$101 million and got the amounts transferred to the Philippines and Sri Lanka. Of the amounts, \$20 million has been retrieved and the remaining \$81 million is in the Philippines, according to the BB.

"We are looking into the issue with due diligence," said Razi Hassan of the BB.

On the meeting with the chief executives of banks, Shubhankar Saha, executive director and spokesman of the BB, said they have cautioned banks against cyber threats.

"As these banks transact in foreign currency and have accounts with the US banks, we have asked them to strengthen their cyber security," he said.

Cotton imports from India rise 36pc

STAR BUSINESS REPORT

Cotton imports from India increased 36 percent year-on-year to 2.99 million bales in 2015, according to data from Bangladesh Textile Mills Association.

India became the largest cotton supplier to Bangladesh's spinners and weavers thanks to the rise in imports, the industry insiders said. One bale weighs 480 pounds or 218 kilograms.

In 2015, Bangladesh imported 6.1 million bales of cotton, 49 percent of which came from India.

In 2014, cotton import from India grew by 27 percent year-on-year to 2.2 million bales, which was 37 percent of that year's total cotton import of 5.91 million bales.

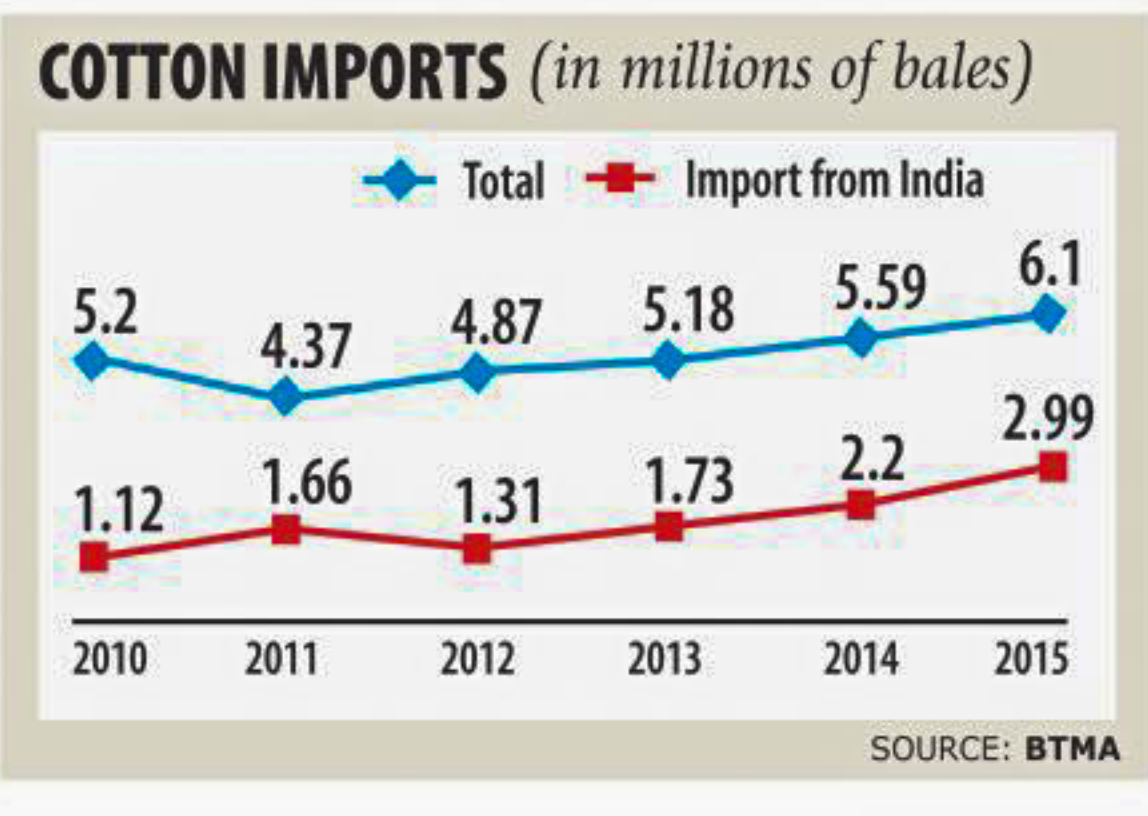
Cotton imports from India started climbing in 2011. Bangladesh imported total 4.37 million bales of cotton that year, of which 1.66 million bales came from India, registering a 48 percent year-on-year growth.

Due to higher quality, lower prices and shorter lead-time, India has become the largest cotton sourcing country for Bangladesh, Tapan Chowdhury, president of BTMA, said at a press meet at the association's office in Dhaka yesterday.

Chowdhury announced the first-ever Bangladesh India Cotton Fest 2016 to be held at Radisson hotel in Dhaka on Saturday.

"We should not be too much dependent on India alone for cotton as any disruption in the supply chain could cause a lot of trouble for Bangladesh," he said.

Such disruption in cotton supply hap-



Stockmarket lacks vibrancy, says Muhith

DSE launches share trading app

STAR BUSINESS REPORT

The Dhaka Stock Exchange launched a mobile application yesterday that will enable investors to trade from their mobile handsets.

The app is expected to bring back vibrancy in the stockmarket, Finance Minister AMA Muhith said at the launching ceremony.

"There is a missing element of vibrancy that is needed for stability in the market. I expect that the market will become vibrant with the introduction of the app," Muhith said.

The stockmarket is yet to become stable since the price debacle five years back, he said at the event at Bangabandhu International Conference Centre in Dhaka.

The app, DSE-Mobile, will ease access to information and trading opportunities for investors, Muhith said.

The minister said he entered the stockmarket as an investor in 1969. "But I lost Tk 33,000 for political reasons at that time," he said. "Interest in the capital market grew again in 1980s, but it came to an end after the 1996 market crash," he said.

The stockmarket witnessed another crash in 2010-11.

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Recipients of the Inspiring Women Awards pose at an event to mark International Women's Day, organised by Bangladesh Brand Forum in association with Yellow, at Le Meridien Hotel in Dhaka on Tuesday.

Women in leadership win accolades

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Sixteen women from different walks of life were crowned for succeeding in leadership positions and serving as role models to the other women in Bangladesh.

Bangladesh Brand Forum, in association with Yellow, a clothing brand by Beximco, handed over the 'Inspiring Women Awards' at a glittery ceremony at Le Meridien Hotel in Dhaka on International Women's Day on March 8.

Some 500 people from local companies and multinationals, development agencies, government bodies and embassies attended the ceremony. A total of 19 awards were handed over across 16 categories, the organisers said in a statement yesterday.

The Yellow most dynamic woman of the year award went to Sonia Bashir Kabir, managing director of Microsoft Bangladesh.

She co-founded IT firm Syntec and served as the country manager for Dell Bangladesh and chief operating officer for Aamra Technologies.

Wasfia Nazreen, a mountaineer and social activist, was awarded as the inspiring woman of the nation; Ashrafun Nahar, founder of Women with Disabilities Development Foundation, as the inspiring woman against the odds; and Warda Rihab, a classical dancer, as the inspiring female performer.

Sangeeta Khan, partner of Time Out Restaurant, was recognised as an inspiring female entrepreneur.

Major Sarah Amir of Bangladesh Army was honoured as the inspiring woman in defence and Geetara Safiya Choudhury, chairman of Adcomm Ltd, won the lifetime achievement award.

The aspiring woman leader award went to Sanjana Zerin, territory officer of British American Tobacco Bangladesh.

Farzana Sharmin, head of UK and US product development team of Paxar Bangladesh Ltd, and Sayma Rahman, senior digital partnership specialist of Grameenphone, jointly won the progressing woman leader award.

Rumana Rahman, head of human resources at British American Tobacco Bangladesh, won the accolade as inspiring woman leader, and Sabira Mehrin Saba of the Institute of Business Administration, Dhaka University, was among the ASUS leaders of tomorrow.

Grameenphone won an accolade as the most female-friendly organisation, and Shohoj.com, founded by Maliha M Quadir, was recognised as the inspiring female startup.

Salma Khatun, national woman cricketer, won the award as the RFL inspiring woman in sports, actor Joya Ahsan as the RFL inspiring female in cinema and Ismat Jahan, ambassador of Bangladesh to Belgium, Luxembourg and the European Communities, as inspiring female diplomat.

Bangladesh Brand Forum introduced the award last year with a vision to empower and equip women to reach leadership positions in fields of professionalism, and recognise professional women who can be presented as inspirational role models for the society.

Bangladesh must improve business climate for more growth: StanChart

STAR BUSINESS REPORT

Bangladesh will need to significantly increase investments and improve business climate to attract more private equity and achieve a sustainable growth rate beyond 7 percent by fiscal 2017, a team of Standard Chartered Bank Global Research said.

The economy is on a solid ground with growth expected to be 6.5 percent this fiscal year, but local politics and a slowdown in the US and EU remained the biggest risk to the economy, they said.

"On Bangladesh, we are positive over the medium term. But all the global view will have a bearing on Bangladesh because it is quite exposed to the European Union and US in terms of exports," said Saurav Anand, economist for South Asia at the bank.

Anand spoke at a briefing at the bank's Bangladesh headquarters in Dhaka on Tuesday.

Dave Murray, head of Standard Chartered Bank Global Research; Priya Narain Balchandani, director and energy analyst; Edward Lee, regional head of research for Southeast Asia, and Divya Devesh, Asia foreign exchange strategist at the bank, attended the briefing.

The team visited Dhaka as part of its trip to countries to share its outlook on the global economy for 2016. It predicts that global growth would be slowed to 2.7 percent in 2016.

"The constructive outcome is that there is some normalisation coming from both investors and corporate management about being less scared of putting money to work," said Murray.

"Our prognosis for 2016 was that it was going to be effectively retreat, regroup and rebound," he added.

"We see a little bit of regroup, recovery phase when it comes through. Our prognosis is not for a straight line. It is going to be messy. We still say it is going to be volatile. But the worst is over," he said.

Despite global slowdown, Bangladesh's growth would increase driven by consumption boost because of pay hike of government employees, said Anand, who follows the Bangladesh economy.

Close to 1.6 percent of GDP will come next year from that, he said.

The appreciation of the taka can also impact Bangladesh's export competitiveness and remittance inflows, he said, citing the real effective exchange rate, which is against trade related weighted basket of currencies appreciated by close to 24 percent in the last two years.

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Plan for 140MW power from India gets nod

STAR BUSINESS REPORT

The cabinet committee on public purchase yesterday approved imports of 140-megawatt electricity from India.

Of the amount, 100MW will be imported from the Indian state of Tripura in five years.

The tariff rate of the electricity is Tk 6.26 per unit in the first year and

then every year it will increase by 5 percent.

The remaining 40MW will be imported in two years at a price of Tk 4.5 per unit. This amount will come from Bahrampur in the Indian state of West Bengal to Bheramara in Bangladesh.

The government is now importing 500MW electricity through the route. Bangladesh is negotiating with

India to get at least 2,000 megawatts more electricity by 2018.

In 2014, Bangladesh agreed to allow India a transmission of 7,000MW of power from Ranga Raota of Assam to Borakpur in Bihar through Barapukuria in Dinajpur.

Dhaka has proposed that Delhi sell it 2,000MW electricity from the Ranga Raota project. India has so far agreed to sell 1,000MW.

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