

AG Motors to bring Peugeot cars to Bangladesh

STAR BUSINESS DESK

AG Motors, a concern of Anwar Group, has teamed up with French automobile brand Peugeot to bring Peugeot cars to Bangladesh.

The local company will initially bring four models of Peugeot cars priced at over Tk 30 lakh to Bangladesh by September.

Hossain Khaled, managing director of AG Motors, and Didier Richard, director and head of sales and marketing for India and Pacific region of PSA Peugeot Citroen, signed a dealership agreement at the Westin Dhaka on Tuesday.

Sophie Aubert, French ambassador, and Karl Bouche, coordinator for India and Pacific region of PSA Peugeot Citroen, attended the event.

"It is my pleasure to bring this world-class brand in our country. We always want to give the taste of luxury to our customers," Khaled said.

"Peugeot is the new addition. Like Peugeot, AG Motors goes with the same vision in Bangladesh pursuing innovative marketing strategies by delivering best customer experience along with the happiest employees."

He also handed over a crest to the French ambassador at the programme who shed light



From right, Sophie Aubert, French ambassador; Hossain Khaled, managing director of AG Motors; Didier Richard, director and head of sales and marketing for India and Pacific region of PSA Peugeot Citroen, and Karl Bouche, coordinator for India and Pacific region of PSA Peugeot Citroen, attend a programme at the Westin Dhaka on Tuesday when AG Motors signed a dealership agreement with Peugeot.

on different prospects of friendly relationship between Bangladesh and France.

With the tagline "Motion and Emotion", Peugeot is present in almost 160 countries with

more than 10,000 sales outlets, AG Motors said in a statement yesterday. "Peugeot grew by 4.6 percent in 2015 with 1,710,000 vehicles sold worldwide."

Grameen Telecom Trust honours entrepreneurs who create jobs

STAR BUSINESS REPORT

The Grameen Telecom Trust, an initiative set up by Nobel laureate Prof Muhammad Yunus, yesterday honoured new entrepreneurs in Jessore for their efforts to create jobs for themselves and others.

Md Imran Hossain and Nasima Khatun were recognised as the best new entrepreneurs at a programme at the auditorium of Joyoti Society in the district, the Trust said in a statement.

The Trust has created a fund to support next generation of potential entrepreneurs.

The Trust began the project to create new entrepreneurs in Jessore in 2014. Under the project, the number of entrepreneurs in Jessore Sadar, Manirampur, Jhikargachha and Abhaynagar upazilas now stands at 224.

The entrepreneurs have created jobs for 267 people, said Parveen Mahmud, managing director of the Trust, at the award-giving ceremony.

Hossain became a member of the project in 2014 when his monthly income was Tk 9,000 and he employed two people.

Now he employs 12 people and earns Tk

20,500 a month.

Khatun also joined the project in 2014 when her monthly income was Tk 6,000 and she employed four people.

Now she employs 40 people and earns Tk 19,000 a month, according to the statement.

Prof Yunus, founder of Grameen Bank and about half a century other companies aimed at battling poverty and creating employment, set up the Trust to create jobs for the thousands of men and women joining the country's workforce every year.

The project aims to enable the youth population to create jobs for themselves and others rather than running after jobs.

Although the project has set age limit for male entrepreneurs at 18 to 35 years, there was no such age bracket for women entrepreneurs.

"Women of any age can establish themselves as an entrepreneur under the project," said Mahmud.

At the event, a number of entrepreneurs said the project helped them understand the value of proper bookkeeping.

Singapore Airlines finds new GM for Bangladesh

STAR BUSINESS DESK

Gabriel Png has recently been appointed as the general manager for Bangladesh operations of Singapore Airlines with effect from March 27 this year.

Png will replace Kyle Lam, who has been serving the carrier since December 2014, the airline said in a statement yesterday.

Png, 36, is a graduate from the Nanyang Technological University of Singapore. He joined



Gabriel Png

Singapore Airlines in March 2008.

Singapore Airlines will be celebrating its 30th year of operations in Bangladesh thanks to the strong support from the customers and business partners, Png said.

"We are planning a host of activities to celebrate this milestone. We firmly believe that the Bangladesh market has great growth potential, and we look forward to growing and developing our business here in this market."

BB board meets for the first time under new governor

STAR BUSINESS REPORT

The Bangladesh Bank board yesterday met for the first time since Fazle Kabir took over as its governor three weeks ago.

The board was briefed about the \$101 million reserve heist and the subsequent steps the BB has taken to recover the money.

The board warned the central bank officials against any recurrence of the incident and instructed them to take all possible measures to beef up its IT security, said Subhankar Saha, executive director and spokesman for the BB. The board is led by the governor as its chairman.

A BB official said the forensic investigation team also informed the board about

its findings.

The team, led by Rakesh Asthana, a former IT director of the World Bank, also said it will take this month to complete the investigation.

The BB will take its next course of actions on the basis of the recommendations of the forensic team as well as the probe report of the investigation committee led by former BB governor Mohammed Farashuddin.

On March 15, the government formed the three-member panel to investigate the heist from the BB account with the New York Federal Reserve Bank.

The panel will submit a preliminary report in 30 days and a full report in 75 days.

Another illegally imported car seized

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The latest detention follows a seizure of a BMW X-5, a luxury sports utility vehicle, on April 4 from a Gulshan neighbourhood on allegations against the owner of duty evasion by way of the Carnet de Passage import facility.

The Carnet de Passage facility allows tourists to bring in their vehicles without payment of customs duties provided they take them back when they leave the country.

Nearly 300 cars were allowed entry into Bangladesh under the privilege and about 150 cars were not taken back, depriving the state of revenue, according to CIID, an agency under the National Board of Revenue.

The customs intelligence said it has received allegations that the cars that were brought under the Carnet de Passage have been in use with fake documents.

With the latest seizure, the total number of detention by CIID on allegation of abuse of the Carnet de Passage privilege stands at 4.

"We suspect that the Porsche car was imported under the Carnet de Passage," said CIID Deputy Director SM Shamimur Rahman, who detained the car from the capital's Gulshan-1 area.

Rahman said his team had initially asked for documents in favour of the Porsche. "In response, we were told that the documents were burnt due to a fire at the office."

"Our rules say that second-hand cars can be brought from the country where it is manufactured, not from any other country. It is a violation of the present import policy order," he added.

CIID Director General Khan said the car might be imported before 2012 under the Carnet de Passage. The value of the vehicle, including duty and taxes, would be about Tk 5 crore, he added.

Doreen shares treble on debut

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Doreen Power is the 20th listed firm in the fuel and power sector that accounts for around 13 percent of DSE's total market capitalisation.

Meanwhile, stocks closed almost flat with DSEX, the benchmark index of the premier bourse, increasing by only 4.12 point or 0.09 percent, before finishing the day at 4,413.85 points.

The market took a breather after substantial swings in the benchmark index. "Stocks were unable to make a significant headway as the debut of Doreen Power made market players trade more on this stock," said LankaBangla Securities. "Investors were also closely watching the first quarter's economic data to gauge the strength of the recent uptrend in market," the stockbroker added.

The day's turnover, another important indicator of the market, jumped 34.6 percent to Tk 427.66 crore with 12.66 crore shares and mutual fund units changing hands.

Losers beat gainers 150 to 119, while 49 securities remained unchanged on the DSE floor.

Keya Cosmetics was the day's best performer, gaining by 9.58 percent, while Mutual Trust Bank was the worst loser with a 15.46 percent fall.

Chittagong stocks also closed almost flat with the bourse's benchmark index, CSCX, declining by 5.04 points or 0.06 percent to end the day at 8,248.59.

Losers beat gainers, as 120 scrips declined and 86 advanced, with 37 securities closing unchanged on the Chittagong Stock Exchange. The port city bourse traded 1.15 crore shares and mutual fund units worth Tk 41.82 crore in turnover.

Private investment sees first fall in three years

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Infrastructure constraints in energy, connectivity, telecom and urbanisation, coupled with the difficulties in property registrations and contract enforcement appear to be more binding than the cost of finance. Access to unencumbered land is also a severe constraint, he said. Khondkar Ibrahim Khaled, former deputy governor of Bangladesh Bank, echoed the same.

"Whatever the government says, when the businessmen go to the relevant authorities for electricity and gas after setting up industries, they do not get the connections."

Subsequently, the businessmen seek alternative ways to get their industries up and running, which pushes up their costs of doing business. Khaled said the bank lending rate may be slightly high, but it is in no way responsible for sluggishness in private investment.

A high official of a state-owned commercial bank said the bank has approved many big loans but those were never disbursed as the gas and power connections were not available for the projects. In the first six months of the fiscal year, industrial term loan disbursement declined 2.99 percent, according to central bank statistics.

Hussain said efficient public investment and regulatory reforms are urgently needed to get the private investment rate out of the 21-22 percent of GDP trap.

However, the public investment to GDP ratio increased 0.78 percentage point to 7.6 percent this fiscal year, according to the BBS. As a result, the overall investment to GDP ratio is expected to be in the neighbourhood of 29.38 percent, which was 28.89 percent in the last fiscal year.

GDP growth in the current fiscal year is predicted to be 7.05 percent for the first time in nine years, an increase of 0.5 percentage point over the previous year. Of the 0.5 percentage point gain, 0.4 percentage points came from the service sector.

Public administration and defence, and the education sector contributed 0.3 percentage points, which suggests the hike in salaries of public servants and teachers was the major factor behind the GDP growth of over 7 percent.

Hussain said since the value added in these sectors is based on wages and salaries, the large increase in public sector wages has played a big role in moving the overall growth to over 7 percent.

WB to help Bangladesh remove barriers to growth

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The bank will lay emphasis on financing climate and environmental management.

The statement said the bank's support will be aligned with the "adaptive delta management" principle, with the aim to enhance Bangladesh's resilience to natural disasters, improving water and natural resource management and modernising agriculture.

In the first year of the CPF, Bangladesh is going to get \$1.3 billion in assistance from the WB which was \$1.9 billion last fiscal year.

A WB official said the amount of assistance to be given in the coming years will be decided later. In the new CPF period, overall assistance to Bangladesh will increase compared to that in the previous five years, the official added.

The new CPF will help Bangladesh create more and better jobs for the 2.1 million youths entering the job market every year, said the statement.

It said the World Bank Group identified job creation as a prerequisite for reducing poverty and accelerating growth in Bangladesh. It will help the country address key impediments to higher and sustainable growth.

The CPF is aligned with the government's seventh five-year plan and the WB's systematic country diagnostic (SCD) for Bangladesh, which offers a comprehensive analysis of the country's development

challenges.

The SCD identified five transformational priorities where a concerted effort could have the greatest impact on sustainable growth and job creation in the next three to five years -- energy, inland connectivity, regional and global integration, urbanisation, and adaptive delta management.

"Despite daunting challenges, Bangladesh has made remarkable progress in reducing poverty and advancing growth and development. But the country can do better," said Qimiao Fan, the WB's country director for Bangladesh, Bhutan and Nepal.

For Bangladesh, job creation tops the development agenda and this requires higher, sustainable growth. The WB will help remove barriers to growth, he said.

"We will help the country expand access to electricity and transportation, deal with climate change, and continue to improve on human and social development."

The WB board yesterday also approved \$130 million in additional financing to the "private sector development support project" to increase assistance to new economic zones in Bangladesh, as well as \$50 million for the "pro-poor slums integration project" to pilot a community-based approach to improve living conditions in urban slums.

The WB says Bangladesh is the largest recipient of funding from the

World Bank Group's International Development Association (IDA), which provides financing to the world's poorest countries. To date, the IDA has provided about \$20 billion in development assistance since the early 1970s.

The CPF expands collaboration between Bangladesh and Bank Group institutions: financing will include soft loans and grants to the government from IDA, private-sector financing from the International Finance Corporation, and investment insurance from the Multilateral Investment Guarantee Agency.

The IFC provides a combination of investments and advisory services for sustainable private sector development in Bangladesh by investing in critical infrastructure, building competitiveness in priority sectors such as textiles and promoting financial inclusion.

"The IFC will help Bangladesh improve its competitiveness and increase foreign and domestic private investment in the country," said Wendy Werner, IFC country manager for Bangladesh, Bhutan and Nepal.

"The IFC will grow its portfolio in infrastructure, high value manufacturing, and agribusiness while continuing our advisory interventions to improve environmental and social standards, energy and resource efficiency, corporate governance and facilitate investment climate reforms."

SIM re-registration to boost mobile financial services: analysts

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"When any service expands quickly, it creates risks as well." Currently, there are 13.11 crore active SIMs in the market and more than 3 crore MFS accounts.

Khaled said mobile operators can join the MFS sector as a partner, but it should be a bank-led model, and both banks and mobile operators should take initiatives to strengthen security.

He said adoption of new technology also creates new challenges, especially in the banking sector, for a lack of trained people. "We learned a lot after the central bank incident."

Kazi Azizur Rahman, chief information officer at City Bank, said within six months to one year, after the completion of the re-registration process, the industry will get a

clean image. "It is my assumption that new investments will come after getting a fresh database of SIMs that has no fake users."

There are currently 24 commercial banks that have approvals for MFS; of those, 18 launched the service though only four to five have a notable footprint in this field.

TIM Nurul Kabir, secretary general of Association of Mobile Telecom Operators of Bangladesh, said after SIM re-registration, fraudulence will come down.

Mobile operators have the expertise of using secure technologies and have invested huge amounts in this sector in the last 20 years, he said. They are the legitimate partners of MFS, he added.

Md Abul Kashem Khan, executive vice president and head of mobile banking at

Dutch-Bangla Bank Ltd, said authentication was the main challenge in this sector, and after the SIM re-registration is completed, it will be over.

He also emphasised users' awareness, which he said will help bring maturity to the market within the next few years.

In 2015, total transactions through MFS were Tk 157,773.31 crore, according to a central bank report.

Reyad Hasnain, CEO of Mahindra Comviva, said the Bangladeshi market already crossed the foundation stage and is between the foundation and evaluation states.

According to his suggestions, if the regulator introduces interoperability, it will take the next five years to become a mature market.

Prajna Paramita Saha, a joint director of

Bangladesh Bank, said they are currently busy with some internal issues, and after introducing internet banking, they will go for interoperability.

Lt Col Mohammad Zulfikar, a director of Bangladesh Telecommunication Regulatory Commission, said the SIM registration process will be a milestone for the MFS sector. The industry now needs appropriate policies, he added.

"Interoperability is a must and it should not be bilateral, it needs to be open for every MFS operator." Md Shahadat Ullah Khan, chief executive of Sure Cash, and Rasheda Sultana, senior specialist of financial services at Grameenphone, also spoke at the discussion moderated by Abdul Quayum, associate editor of the Prothom Alo.