

এসআইবিএল রিটাইল ব্যাংকিং
জীবনের জন্য, জীবন যাপনের জন্য

এসআইবিএল ইসলামিক কনজুমার ফাইন্যান্স
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Star BUSINESS

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Private sector credit growth beats target

REJAUL KARIM BYRON

Private sector credit growth has surpassed the target set in the central bank's monetary policy -- three months ahead of the end of the fiscal year -- thanks to low interest rates and less borrowing by the government.

The growth was 15.16 percent in March, which is 0.16 percentage point higher than the target, according to central bank statistics.

The BB in its Monetary Policy Statement (MPS) set the private sector credit growth at 15 percent year-on-year by June 30 this year.

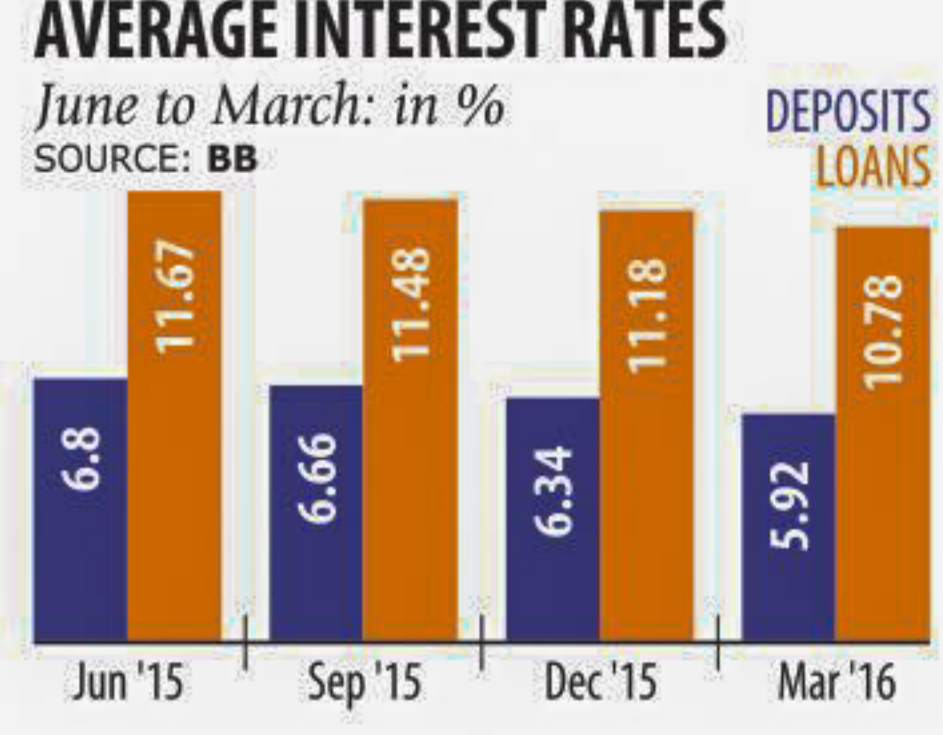
The credit growth also rose over the same period last year; on March 15 last year, the credit growth was 13.6 percent.

The central bank said the credit growth was below 14 percent last fiscal year, while the country's economic growth was 6.5 percent.

"A provision of 14.8 percent private credit growth appears to be adequate to support close to 7 percent output growth for the current fiscal year," the central bank said in the MPS.

The growth in gross domestic product would be 7.05 percent this fiscal year, according to provisional estimates by Bangladesh Bureau of Statistics.

The central bank in the MPS also cut the policy rate by 50 basis points and gave the banks a signal to lower the rate of interest



and increase the amount of investment. "Based on commendable macro-stability, it is the high time to stimulate investment and thus growth where political calm beckons to use improved condition in the market confidence," the MPS said.

Abdus Salam, managing director of Janata Bank, said interest rates on loans have decreased much and borrowers are now more interested in taking loans.

The average interest rate on loans was 10.78 percent in March, down from 11.93 percent during the same month last fiscal year.

Salam said auctions of the government's treasury bills and bonds are taking place less frequently, which compelled banks to use their excess liquidity for giving higher amounts of loans.

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High prices lure farmers to jute cultivation

SOHEL PARVEZ

Farmers have sown jute on more lands this season for greater profits after many growers incurred losses due to low prices of rice and other crops.

Jute farming rose 10 percent to 7.96 lakh hectares this season, compared to the previous period, according to a provisional estimate by the Department of Agricultural Extension or DAE.

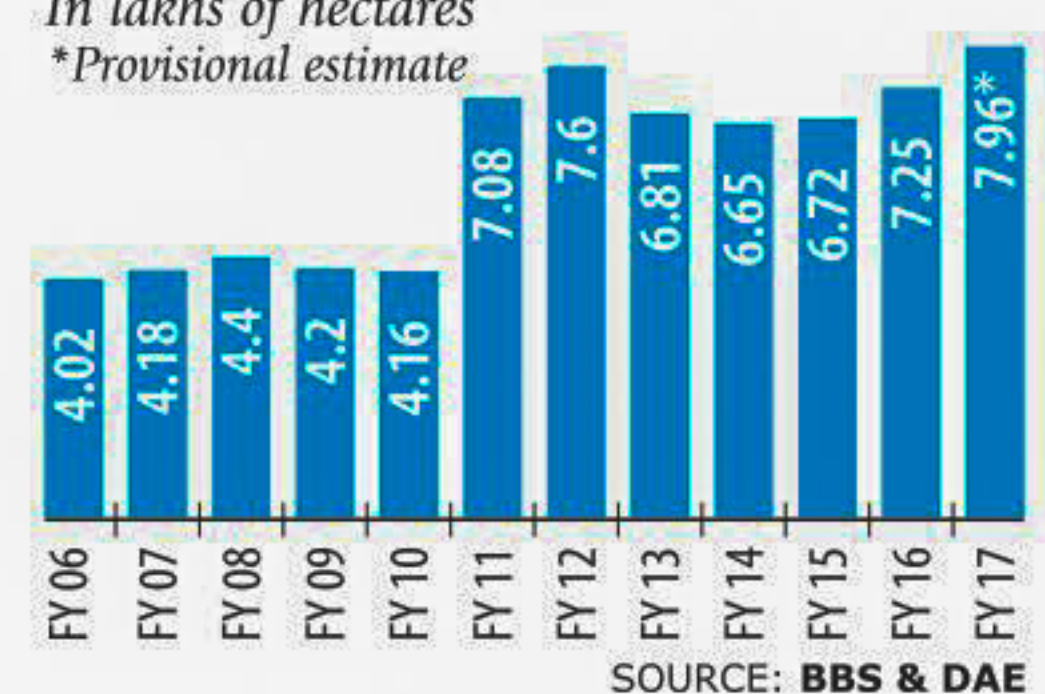
"It appears that the high prices of jute have encouraged growers. Many farmers switched to jute as they were frustrated by low prices of rice," said a senior official of DAE, asking not to be named.

In the past couple of months, the prices of coarse and medium varieties of paddy hovered between Tk 550 and Tk 660 a maund, which is lower than the government's estimate of production cost.

Farmers spent Tk 18.5 and Tk 20.7 to produce one kilogram of aman and boro paddy respectively, according to the food ministry.

The prices of staple have fallen after the beginning of boro paddy harvest. Currently, the

JUTE FARMING



prices of coarse paddy are less than Tk 400-500 each maund, said Nirod Boron Saha, a rice wholesaler at Naogaon.

By contrast, raw jute traded between Tk 2,200 and Tk 2,350 a maund now. The price of the fibre was between Tk 1,600 and Tk 1,700 at the beginning of the harvesting season, said traders and industry operators.

"Jute prices look attractive now," said

Mohammad Ali, a farmer in the northwestern district of Bogra, who farmed jute on about one acre of land this year. He cultivated maize on the same land last year.

"I switched from maize to jute due to low prices. The demand for jute is likely to sustain as the use of jute sacks for packaging has risen."

Farmers' switch to jute is reflected in the reduced acreage of boro rice farming this season, falling to 46.85 lakh hectares this year from 48.4 lakh hectares a year ago, according to DAE.

The enforcement of the law that mandates the use of jute sacks for packaging has fuelled its demand, said Shahidul Karim, secretary general of Bangladesh Jute Spinners Association.

The government started enforcing the compulsory use of jute sacks for packaging, particularly for rice, by the end of 2015, thanks to the law that was passed in 2010 to cushion the jute sector and limit the use of the environmentally harmful plastic bags.

The use of jute in making sacks has risen by 10-15 percent, said Abdul Barik Khan, secretary of Bangladesh Jute Mills Association.

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Sonali Bank slow in implementing CBS

SAJJADUR RAHMAN

Sonali Bank, which has the largest network of branches in Bangladesh, is yet to adopt the core banking solution fully despite repeated pressure from the central bank and the government to do so to deliver better services to its customers.

The CBS system enables a bank's customers to use services from any of its branches, regardless of which branch they maintain their accounts with. The customers will no more be tied to a particular

branch. "Sonali will have to implement the CBS system this year," a senior Bangladesh Bank official said.

Of the seven other state banks, Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank are also struggling to adopt the CBS system.

As of now, all 39 private banks and the nine foreign banks operating in Bangladesh have adopted the CBS system. Even the nine new banks that started operations in 2013 have done it as well.

Of Sonali's 1,208 branches, only

540 are running the CBS system. "We are working to connect all branches through the CBS this year, but the recent spate of cyber attacks slowed our work," said Mofazzal Hossain, general manager and chief information officer of Sonali Bank.

Hossain claimed that Sonali is a very big bank, so it needs more time to become fully automated.

Bangladesh Krishi Bank, which has 1,031 branches across the country, is lagging behind significantly in adopting the CBS as well.

MA Yousoof, managing director of Bangladesh Krishi Bank, said

they have submitted a plan to the BB for implementing CBS in 400 branches this year, but so far only 100 was made CBS-enabled.

"The CBS system will be introduced to another 60 branches next week. We will be able to implement CBS in all our branches located in prime areas," he added.

As of December 31, 2015, only 25 of Rajshahi Krishi Unnayan's branches are CBS-run.

Janata, Agrani and Bangladesh Development banks are on the way to fully implementing the CBS by the year-end, according to BB.

Cyclone Roanu disrupts telecom services

MUHAMMAD ZAHIDUL ISLAM

The cyclone Roanu that hit Bangladesh on Saturday disrupted telecom services in the coastal areas, particularly cellular services, as many of the transmission centres of mobile operators were down due to a power crisis.

However, many subscribers got back services by yesterday evening, said AKM Morshed, chief technology officer of Robi.

Operators also took preparatory measures to minimise the expected disruption before the storm hit, officials said.

Robi, with strong coverage and majority market share in the southern region, said about a thousand of their transmission sites were off during the cyclone, of which about 300 were not restored till yesterday.

"More than ten million of our subscribers were affected at that time due to service issues, and some others for not being able to charge their devices," Morshed said.

"We took measures to face the challenge, and hopefully most of our subscribers are already live now."

Subscribers of Chittagong area were severely affected by Roanu while those from Noakhali and a greater part of Comilla region also suffered.

Some parts of Barisal, Bhola and Cox's Bazar were also affected, and cellular services of all operators suffered due to power cuts.

A good number of Grameenphone transmission sites were also down due to the cyclone, but less than a hundred remain inoperative now as power supply has been restored, officials said.

Grameenphone is still running another hundred transmission sites on backup battery power, it said.

Although all transmission points have backup power source, it is for temporary use and cannot survive for too long.

The companies may need a couple of days to bring services to full normalcy in the affected areas, officials added.

Although Banglalink has a smaller subscriber base in the affected areas in the south, its services were also hit by the cyclone.

"Because of the natural calamity in the coastal areas, a few affected places had power outages resulting in temporary network disruption for a few hours," said Asif Ahmed, head of corporate communications at Banglalink.

However, they ensured backup power supply, and the service was fully restored, Banglalink said.

Services of three other operators -- Airtel, Teletalk and Citycell -- were also affected, though their presence in the area is small.

Jadoo rolls out digital TV services

The company plans to sell one lakh devices in Dhaka in first year

REFAYET ULLAH MIRDHA

Digi Jadoo Broadband Ltd, a unit of Mohammadi Group, launched digital cable connections to deliver more channels and better services to its customers.

"We started giving new connections on April 23 and the number of our customers stands at 1,000," Navidul Huq, a director of the company, said in a recent interview.

Jadoo is selling set-top boxes at Tk 2,500 and Tk 3,500 each to its customers to deliver digital, flawless signals and clear picture.

A set-top box is a device that will be connected to each TV set with fibre optic cables by Jadoo.

The customers will be charged Tk 300 as monthly fees and can pay either their current cable operators who will act as franchisees, the local agents of Jadoo, or directly to the Jadoo office through mobile financial services, he said.

In the traditional analogue system, customers have access to a limited number of channels. In digital connections, the choice of channels will be far wider: at least 500 connections, according to Huq.

In the first year, Jadoo aims to sell one lakh set-top boxes in Dhaka. It will primarily run its business in Dhaka and plans to expand into Chittagong and Sylhet, Huq added.

The government should formulate policies for this new arena of business in the country so it will be able to collect revenue, and they can run their business smoothly as well, he said.

Also under the analogue system, the cable connection



Navidul Huq

agencies are able to evade taxes, which creates uneven competition in the market, he added.

In the digital system, the government can track the agents as each agent will have a connection with the central server at the distributing company.

Currently, the government earns a few crores of taka in a year from this business, he said.

However, if the digital cable connections are made mandatory across the country, the government would be able to collect more than Tk 1,000 crore in revenue a year as nobody can evade the tariff, he added.

By preliminary estimates, Jadoo found that there more than 3 crore cable connections across the country, of which, more than 40 lakh are in Dhaka.

With a growing number of electricity connections in the rural areas, more and more people now like to watch cable TV, he said.

Jadoo imports the set-top boxes paying 65 percent in duties and 15 percent value added tax, which is why the prices cannot be reduced, said Huq.

If the duty is reduced, the prices of the devices could also be decreased, he added.

"We have a big digital cable connection market in Bangladesh. We should utilise this market."

"I hope digital cable connections would gain popularity in Bangladesh as the companies will take care of the customers," he said.

In the analogue system, customers do not receive good services from the connecting agencies due to a lack of proper authorities, Huq said.

WB-aided project creates 5,500 jobs

STAR BUSINESS REPORT

The Private Sector Development Support Project, through which the World Bank along with UK-DFID and IFC is supporting Bangladesh's economic zones and hi-tech parks, has so far helped create about 5,500 jobs.

In the last two years, Bangladesh Economic Zones Authority and Bangladesh Hi-Tech Park Authority awarded licences to 16 economic zones and hi-tech parks and assessed 33 sites, completed feasibility studies and master-plans for new zones.

Beza has issued licences to 11 private zone developers, including a licence to Mongla Economic Zone to be built on public-private partnership.

The tendering process for the development of economic zones in Mirshorai, Shrehatta and other locations has started. Beza has also assessed 12 sites and drafted another nine economic zones.

PSDSP has also supported the green zone initiative of Bangladesh Export Processing Zones Authority, which includes solar lighting in Chittagong Export Processing Zone, the setup of an environmental laboratory, and ISO 14001 certification to 21 enterprises.

Business registration time has been reduced from 44 days to 8 days. Beza has developed and implemented a one-stop shop system for registration, export and import licensing, customs clearance, and other regulations in their EPZs.

The construction of the Kaliakoir Hi-Tech Park is progressing rapidly. The regulator has licenced two hi-tech parks under public-private partnership and seven private hi-tech parks.

The process of licensing two additional PPP parks has started. A total of 11,457 people have received industry-specific training or certification and 52 firms now comply with international quality standards (ISO 9000 or equivalent).

Guidelines for private IT parks have been formulated and two private software technology parks have been declared and three firms have started operation in the Janata Tower STP. The WB has approved an additional \$130 million to expand its support for Bangladesh in establishing economic zones, taking the total amount to reach \$250 million.

"The additional support will scale up project achievements and put greater emphasis on quality, social and environmental standard compliance within the zones," the WB said in a statement yesterday.

The fund will also directly support the government's target to set up 100 zones in the next 15 years to contribute to the national jobs agenda under the Private Sector Development Support Project or PSDSP.

"Economic zones attract domestic and foreign investment, create jobs and help accelerate growth."

Hackers probe defences of Middle East banks: FireEye

REUTERS, Singapore

Hackers are probing the defences of banks in the Middle East, targeting employees with infected emails which gather information about the banks' network and user accounts, FireEye researchers said.

FireEye, a US cybersecurity company investigating the February attack on Bangladesh's central bank in which hackers stole \$81 million, said there was no apparent connection with the heist or related attacks on banks in Ecuador and Vietnam.

The identity of the hackers in all three cases is not known. Cybersecurity experts say the attackers would have needed to gather knowledge about bank procedures and systems, as well as gain remote access to launch fraudulent transfer requests.

FireEye researchers said in a blog post that in early May they had identified "a wave of emails containing malicious attachments being sent to multiple banks in the Middle East." The senders appeared to be "performing initial reconnaissance against would-be targets" using techniques the researchers said were not usually seen in such campaigns.

Qatar National Bank, the largest lender in the Middle East and Africa by assets, said last month it was investigating an apparent security breach of data posted online this week that revealed the names and passwords of a large number of customers.

A FireEye spokesman said Qatar National Bank was not one of the "several banks" in the Middle East where researchers had found the malware. He did not identify which banks and which countries were affected.

He said the malware had reported back to the hackers' servers, indicating at least some of the banks had been infected.

ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লি:

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