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Star BUSINESS

DHAKA WEDNESDAY OCTOBER 5, 2016, ASHWIN 20, 1423 BS

Inflation creeps up in Sep

STAR BUSINESS REPORT

Inflation increased 16 basis points to 5.3 percent last month, mainly because of price rise in food items, especially of staple rice.

Food inflation rose 80 basis points to 5.1 percent in September, according to Bangladesh Bureau of Statistics.

The price of per kilogram coarse rice jumped 16 percent during the last one year, according to Trading Corporation of Bangladesh.

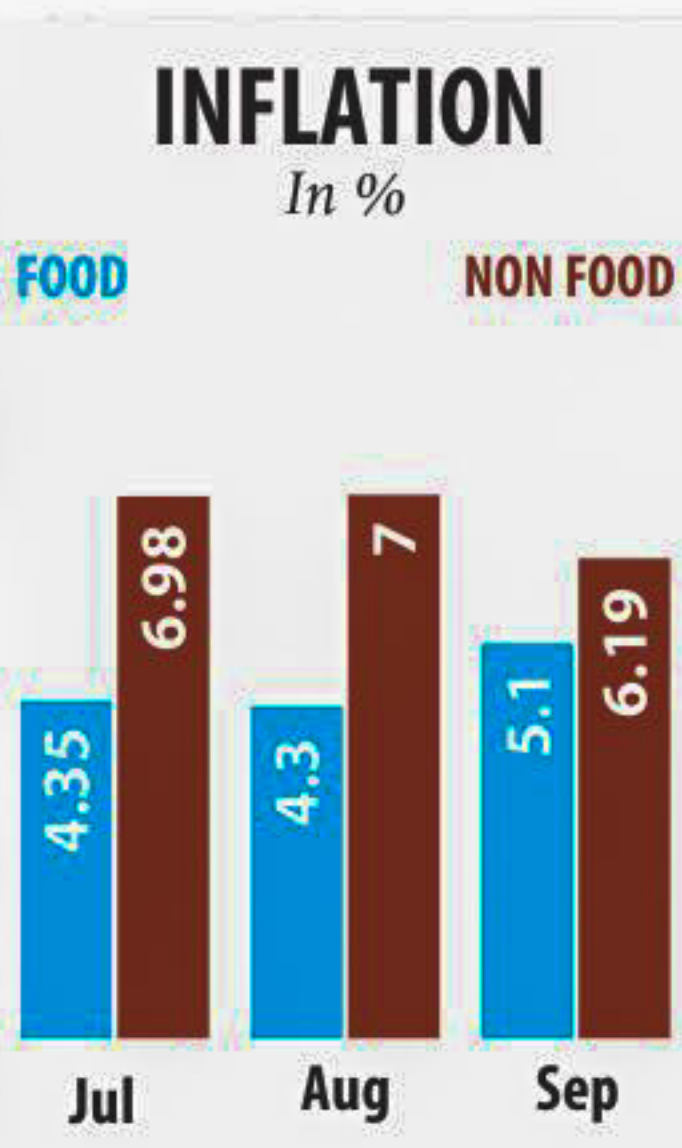
However, non-food inflation declined 81 basis points to 6.19 percent, the BBS data showed.

A planning ministry official said people spent much on food items last month, especially for Eid-ul-Azha, when around 55-57 lakh cattle were sacrificed.

The government has targeted to keep the inflation rate within 5.8 percent this fiscal year, and the last month's data showed that it was still below the government target.

In its latest monetary policy, the central bank also aimed at keeping the inflation rate within the budgetary target, and the recent trend showed that it is in a safe zone.

Although there was pressure on the Bangladesh Bank to relax the monetary policy for increasing investment, it took a balanced policy by bumping up the private sector credit growth and keeping the policy rates unchanged.



The World Bank in its Bangladesh Development Update said while there was pressure for relaxing the monetary policy stance in order to stimulate private investment, the modest relaxation reflected in the central bank's monetary policy for July-December 2016 is open to debate.

The risks of expansionary monetary policy were dramatically illustrated during fiscal 2010-

11, when broad money growth averaged 22 percent per year and private credit growth accelerated to 25 percent per year, it said.

"Excess liquidity did not increase private investment but instead fuelled inflation, depreciated the exchange rate and contributed to the generation of land and stock price bubbles."

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Telcos should have active participation in MFS

Saarc telecom regulators say as summit begins in Dhaka

STAR BUSINESS REPORT

Telecom regulators of South Asian nations yesterday said mobile operators should have active participation in mobile financial services.

Telecom regulators should be given a fair share in the process of regulating the MFS business, they said.

The demands were placed at the opening session of the three-day summit of South Asian Telecommunication Regulatory Council (SATRC), which is a body of all the telecom regulators in the Saarc region.

They also made it clear that since MFS is a banking service, banks will lead it, but they want control over the telecom aspects.

Bangladesh Telecommunication Regulatory Commission hosted the event, which has been organised by Asia-Pacific Telecommunity (APT), at Le Meridien Hotel, Dhaka.

Speaking at a session on "evolution of regulatory framework in South Asia and Asia-Pacific: the regulatory tools required", RS Sharma, chairman of Telecom

Regulatory Authority of India, said, "Our position is very clear here. Banks will regulate their part. For their service, the banks are using telecom infrastructure. So our regulations will also have to apply."

In India, some mobile phone operators have also received the MFS licence, and over there, they are trying to reduce the cost of telecom infrastructure, which will help make the service affordable for all, he said.

"For me, banking information is like any other message or content that is transmitted through the telecom infrastructure and telecom regulators or operators can't be responsible for that," he added.

Pakistan Telecommunication Authority's Chairman Syed Ismail Shah said they had a memorandum of understanding with their central banks on MFS services.

He said they have their own regulation and banks have their regulation, and both parties are responsible for their own parts.

In Pakistan, mobile operators can run MFS services; they can even buy and run commercial banks, Shah added.

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Panel formed to set weight limits for trucks on highways

STAR BUSINESS REPORT

The government yesterday formed a national committee to resolve the issue of overweight carriers on highways and bridges.

The panel, headed by the road transport and bridges minister, will set weight limits for trucks on highways.

The committee will sit on September 13 to take the final decision on the issue, said Obaidul Quader, minister for road transport and bridges, after a meeting with stakeholders at a city hotel.

"Until then, things will go as it is going now," he said, while urging the vehicle owners and users not to destroy the Meghna and Gomti

bridges, which are at risk, by overloading their trucks, covered vans and prime movers.

There will be no fines for overweight vehicles until the meeting next week, said Shajahan Khan, shipping minister. The meeting was also attended by Home Minister Asaduzzaman Khan Kamal, Food Minister Qamrul Islam and Railway Minister Mujibul Haque.

Business leaders, concerned secretaries, divisional commissioners, senior police officers and engineers of roads and highways division were also present.

Since August 17, the trucks, covered vans and prime movers are being measured to check overloading on the highways.

The weight limit has been fixed at 32 tonnes for prime movers (14 wheelers), 15 tonnes for six wheelers and 22 tonnes for 10 wheelers.

In case of violation of the rules, there is a provision for fine, ranging from Tk 2,000 to Tk 12,000.

The move irked users and owners of the vehicles that ply on the Dhaka-Chittagong highway, prompting the Prime Mover, Trailer Malik Sramik Oikya Parishad, a platform of owners and workers of the vehicles, to go into an indefinite strike on September 26.

The platform alleged harassment, fines and assault at load control centres at Daudkandi and Meghna Bridge on the Dhaka-Chittagong highway.

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Centre, BTRC Chairman Shahjahan Mahmood speaks at a session of the three-day summit that began in Dhaka yesterday.



Analysts attend a discussion on the formulation of a tripartite consultative council for the garment sector, at The Daily Star Centre in Dhaka yesterday.

Garment sector needs tripartite council to solve disputes: analysts

STAR BUSINESS REPORT

Garment entrepreneurs, trade unionists, government officials and development partners are all in favour of a permanent tripartite consultative committee to sort out disputes confronting the country's apparel sector.

"We need a permanent tripartite consultative mechanism for the garment sector to build sound relations between employers and employees," said Roy Ramesh Chandra, an advisory council member of Bangladesh Institute of Labour Studies (BILS).

"The consultative council will be an authority and its recommendations have to be accepted by the policymakers and other stakeholders. Otherwise, it will be a paper-based committee," he said at a roundtable at The Daily Star Centre in Dhaka yesterday.

BILS, in association with non-profit German Foundation FES, has commissioned a study on formulation of a tripartite consultative council for the garments sector. The study report was shared at the

roundtable.

The report, presented at the programme by Jakir Hossain, a professor of Rajshahi University, said there are nine tripartite forums working in the apparel sector.

But no tripartite forum or institution formed particularly for the garment sector has strong legal foundation, as most of them are ad hoc and were formed mainly during a disaster or crisis, he said.

The new tripartite body should be a central authority and other committees will work under its supervision, he said.

Chandra said there should be a line ministry for the sector to take it forward. Mohammad Hatem, a former vice president of Bangladesh Knitwear Manufacturers and Exporters Association, said: "We will be happy to see the formation of the committee."

Amirul Haque Amin, president of IndustriALL Bangladesh, said the consultative committee should be made functional so it does not fail.

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New passenger coaches on way for railway

Govt gives nod to 8 projects

STAR BUSINESS REPORT

The government yesterday approved eight projects, including one to purchase passenger coaches for Bangladesh Railway with finance from China.

Some 200 passenger coaches will be purchased at a cost of Tk 927 crore, of which China will provide Tk 713 crore.

At present, Bangladesh Railway has 1,165 metre gauge passenger coaches, 456 of which are over 35 years old and 135 are of 31-34 years of age, said the proposal from the planning ministry.

The lifespan of a passenger coach is 25 years, so the 591 coaches need to be replaced immediately.

Besides, 26 new routes have been added to BR's schedule.

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ROADSHOW FOR INITIAL PUBLIC OFFERING OF POPULAR PHARMACEUTICALS LIMITED

SCHEDULE OF ROADSHOW

Date: Monday, October 24, 2016

Time: 7:00 PM

Venue: Grand Ballroom
Pan Pacific Sonargaon Dhaka
107 Kazi Nazrul Islam Avenue, Dhaka 1215

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All the Eligible Investors [as defined in Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015] are invited to participate in the Roadshow for the proposed IPO of Popular Pharmaceuticals Limited under Book Building Method

ELIGIBLE INVESTORS

- Merchant Bankers and Portfolio Managers
- Asset Management Companies
- Mutual Funds
- Stock Dealers
- Banks
- Financial Institutions
- Insurance Companies
- Alternative Investment Fund Managers
- Alternative Investment Funds
- Foreign Investors who have portfolio investments in capital market of Bangladesh through any Securities Custodian registered with BSEC
- Recognized Pension Funds and Provident Funds and
- Other Institutions as approved by BSEC

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