

## MIDAS Investment sets foot to boost stockmarket

**STAR BUSINESS REPORT**

MIDAS Investment, a subsidiary of MIDAS Financing, started its journey as a full-fledged merchant bank aiming to increase its presence and activities in the capital market and contribute to the development of the stockmarket.

Finance Minister AMA Muhith inaugurated the commercial operation of the merchant bank at a programme held at MIDAS Convention Centre in Dhaka yesterday.

As a full-fledged merchant bank, MIDAS Investment will work to encourage non-listed companies to come to the stockmarket. It will also carry out other merchant banking activities such as issue management, underwriting, portfolio management and corporate advisory services.

The objective behind the journey of MIDAS Financing and its parent organisation MIDAS was to support the development of micro, small and medium enterprises, said Rokia Afzal Rahman, chairman of MIDAS Financing and MIDAS Investment.

MIDAS Financing, from its birth, has extended its cooperation to entrepreneurs by taking different initiatives to encourage them.

It has been working vigorously for the last 16 years as a friend of the entrepreneurs, she said.

Now in the case of MIDAS Investment, the purpose is the same, she said, adding that all three organisations would like to be a part of the finance minister's dream of achieving 8 percent economic growth.

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Finance Minister AMA Muhith and Chairman of MIDAS Investment Ltd Rokia Afzal Rahman attend the launch of MIDAS Investment as a merchant bank, at MIDAS Convention Centre in Dhaka yesterday.

## Muhith sees a strong capital market

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Finance Minister AMA Muhith sees a 'strong' capital market in the next three years.

Bangladesh has been maintaining more than 6 percent economic growth on average for a decade and only a few countries have this record, he said.

"We are on the right track. If we can make some changes, many new horizons will open up within this decade," he said.

"I believe we will have a strong capital market within three years," Muhith said while addressing the launch of MIDAS Investment, a subsidiary of MIDAS Financing.

Earlier in November last year, the finance minister had said "the capital market would be vibrant in the next two years" riding on various reforms introduced by the government and the regulator.

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## Mobile banking on a roll

**MUHAMMAD ZAHIDUL ISLAM**

Mobile banking went from strength to strength, with transactions swelling 48.75 percent year-on-year to Tk 234,691.79 crore in 2016, according to Bangladesh Bank.

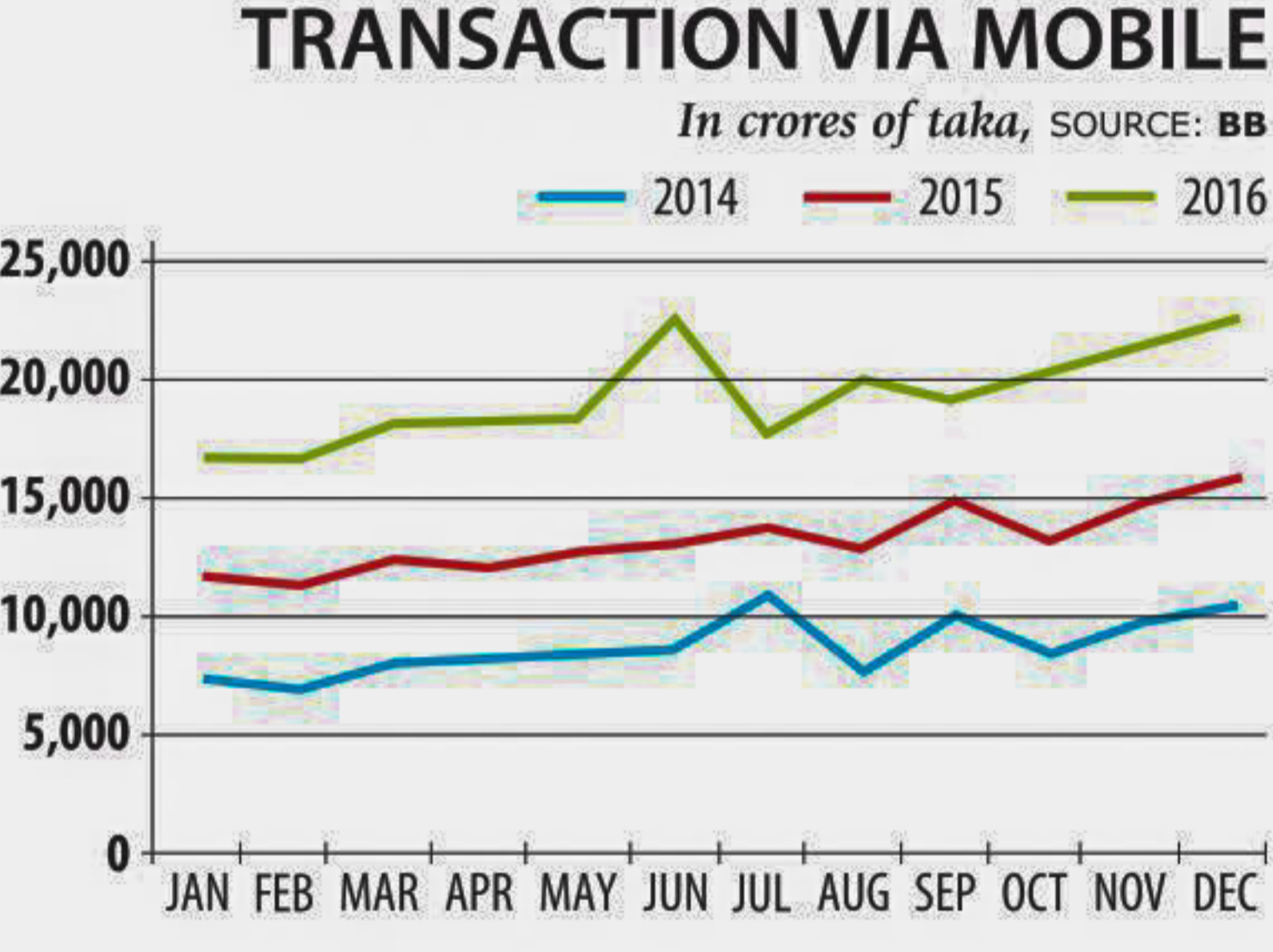
"This is a very significant growth and we think this growth will continue for the next few years," said Subhankar Saha, executive director of the central bank.

The BB introduced mobile money five years ago but it was only in the last three years that the market started to come into its own.

"In the last couple of years, we have observed that people at the bottom of the pyramid are also massively taking part in economic activities and that volume is increasing significantly by the day," said Saha, also the spokesperson for the central bank.

Salary disbursement and bill payments increased heavily last year, Saha cited as a case of the mobile financial service's success.

In 2016, about Tk 300 crore was disbursed in salary a month through the platform and more than Tk 200 crore of



bills were paid.

Bangladesh has failed in its objective of providing the full range of mobile money services, said Md Mahbubur Rahman Alam, associate professor of Bangladesh Institute of Bank Management.

"We only use this platform for sending money from one place to another. MFS operators have failed to design any real product."

For instance, MFS operators do not have any product for farmers and small entrepreneurs; there is no loan or savings scheme either.

"We also found the playing field was not level when it came to regulation. That's why the sector did not see real investments."

Of the total transactions, person-to-person money transfers dominated. "This is the main rea-

son why the initiative is yet to be called a success," Alam added.

In response, Saha said there are about 4.1 crore MFS account holders and 7 lakh MFS agents.

"This is a sign of success. We are in a very good shape," he said, adding that MFS operators will soon design different products focusing on the bottom of the pyramid.

MFS providers said they are offering mobile balance recharge, merchant payment at shops, salary disbursement and different collection solutions for corporate customers, which have contributed to the growth.

Currently, 19 banks have approval for offering MFS but 17 have rolled out the service so far.

Two leading operators hold around 94 percent market share, according to a survey report run by the BIBM two months back.

As recently as two years ago there were 28 MFS licence holders who were interested in launching the service, according to Alam. But now the number has dropped as the prospect for the industry is bleak, he added.

## Exports to Australia soar 38pc despite direct cargo ban

**REFAJET ULLAH MIRDHA**

Exports to Australia soared 38.1 percent year-on-year to \$703.22 million in fiscal 2015-16 despite a ban on direct cargo from Dhaka, according to the Department of Foreign Affairs and Trade of the Australian government.

Over the next five years, shipments to Australia are expected to grow 33.8 percent, DFAT said.

Australia became a major export destination for Bangladesh under the government's stimulus package for new markets.

However, trade hit a bump in the road last year as Australia in December 2015 imposed a ban on direct cargo from Bangladesh along with Syria, Egypt, Yemen and Somalia as a preventive security measure.

The embargo meant for packages heavier than 500g was relaxed partially in May last year.

The restrictions apply equally to cargo carried on passenger and freight aircraft, Australia's Department of Infrastructure and Regional Development said when imposing the ban.

"Australia is a very promising country for us as our export of garment items is on the rise for having higher demand over there," said Mohammed Nasir, vice-president of Bangladesh Garment Manufacturers and Exporters Association.

After the ban Nasir held several meetings with the civil aviation ministry of Bangladesh and the high-ups of the Australian High Commission in Dhaka.

"We are exporting the goods to Australia mainly via Singapore and Dubai now."

It takes two to three days more than the normal time for sending goods to Australia from Bangladesh as the consignment needs to be re-screened at a third country following the ban, Nasir told The Daily Star by phone.



*Australia became a major export destination for Bangladesh under the government's stimulus package for new markets*

## BB opposes plan to amend banking law

**REJAUL KARIM BYRON**

Bangladesh Bank yesterday opposed the finance ministry's move to amend the banking law, which has restricted the tenure of a director to six years.

Bangladesh Association of Banks in October last year demanded the director's tenure be extended to 10-15 years.

The opposition from the central bank came at a meeting chaired by Banking Division Secretary Yunusur Rahman on planned amendments to the law.

The BB said the governance of the private banks would be affected if the law is amended, as the banks do business with a huge amount of money from depositors, an official of the finance ministry said.

In the backdrop of various irregularities by the bank directors, the existing Banking Companies Act was revised in line with the advice of the International Monetary Fund and international best practices, the central bank said.

The government had been considering tightening some provisions in the law for over a decade to

rein in irregularities and indiscipline in the sector.

The amendments did not get through until 2013, when the IMF tagged the changes as one of the conditions for receiving \$1 billion under the Extended Credit Facility or ECF.

Later, the banks proposed relaxation of the amendments made to the law in 2013 after Bangladesh successfully completed the Manila-based donor's ECF programme.

On the new move for amendments, a high official of the Banking Division said: "We are just

stocktaking. No decision has yet been taken about the amendment."

The central bank has given written opinion point-by-point about the amendments sought by the BAB, officials said.

In October last year, a BAB team led by its Chairman Nazrul Islam Mazumder placed their demands for fresh revision of different provisions of the law to Finance Minister AMA Muhith and presented the logic behind the demands, an official of the Banking Division said.

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## People not much aware of tribunal for energy sector

**STAR BUSINESS REPORT**

The government has set up a tribunal at Bangladesh Energy Regulatory Commission (BERC) to speed up settlement of energy-related cases but people do not know much about the special court, its judges said.

The government formed the tribunal in April last year and appointed three members including a chairman.

"The courts are not accepting any energy related cases now. Even if

someone goes to courts with a complaint the case is referred to the tribunal," Prof Salim Mahmud, chairman of the tribunal, told reporters at a media briefing at the BERC in the capital yesterday.

"Now nobody will have to go through the existing court system. Henceforth, the cases will be settled quickly at the tribunal."

The tribunal organised the briefing to raise awareness among consumers, service holders and licencees.

Tribunal members M Emdadul Haque and Md Mokhlesur Rahman Khandker also spoke.

Since inception, the tribunal has received 95 cases. More than 95 percent of the cases have been referred by the courts, said Mahmud, who had served BERC as its member for seven years before taking up the new position.

"The consumers, service providers and licencees still do not know much about the tribunal," he said.

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