

| STOCKS | | COMMODITIES | | ASIAN MARKETS | | | | CURRENCIES | | | |
|----------|-----------|---------------------------|-------------------------|---------------|-----------|-----------|----------|---------------|-------|--------|------|
| DSEX | CSCX | Gold | Oil | MUMBAI | TOKYO | SINGAPORE | SHANGHAI | USD | EUR | GBP | JPY |
| ▲ 0.10% | ▲ 0.03% | \$1,204.50 (per ounce) | \$56.09 (per barrel) | ▲ 1.76% | ▲ 0.56% | Closed | Closed | BUY TK 78.90 | 83.92 | 97.82 | 0.68 |
| 5,473.89 | 10,276.36 | | | 28,141.64 | 19,148.08 | | | SELL TK 79.90 | 87.52 | 101.42 | 0.71 |

আপনার বিআরটিএ ফি এবং সকল ইউটিলিটি বিল এসআইবিএল এর যে কোন শাখার মাধ্যমে জমা দিন



* ফ্রি অনলাইন সেবা
যে কোন প্রয়োজনে ০৯৬২২০০৯২২

Star BUSINESS

DHAKA THURSDAY FEBRUARY 2, 2017, MAGH 20, 1423 BS

Sovereign wealth fund to take off with reserves

REJAUUL KARIM BYRON

The much talked-about sovereign wealth fund is likely to be formed with Bangladesh Bank's foreign currency reserves and finances from multilateral donor agencies following recommendations from a high-powered committee.

For the past decade, the economy had been stuck in the 6 percent growth trajectory and the lack of adequate infrastructure has been blamed for it. To address the issue, the government has decided to use the sovereign wealth fund to bankroll long-term physical infrastructure projects like the Padma bridge for the most part.

Foreign currency reserves currently stand at upwards of \$32 billion, which is enough to honour eight months' import bills. But the central bank does not just sit on the reserves: it invests in lucrative areas. In recent years the rate of interest in the world market has dropped sharply, and in many sectors it is zero percent.

As a result, Bangladesh Bank's returns from its investment have shrunk. This prompted the government to devise ways to utilise the reserves for a cause that will accelerate the economic growth and the idea of creating a sovereign wealth fund came up.

In 2015, the government formed a seven-member team led by Bangladesh Bank Deputy Governor SK Sur Chowdhury to evaluate the prospects of creating the fund. The team submitted its report to Finance Minister AMA Muhith in December.

In its report, the committee said the government may buy foreign currencies from the central bank with funds raised by issuing treasury bonds in local currency.

In this case, a proper financial provision will be put in place in the budget.

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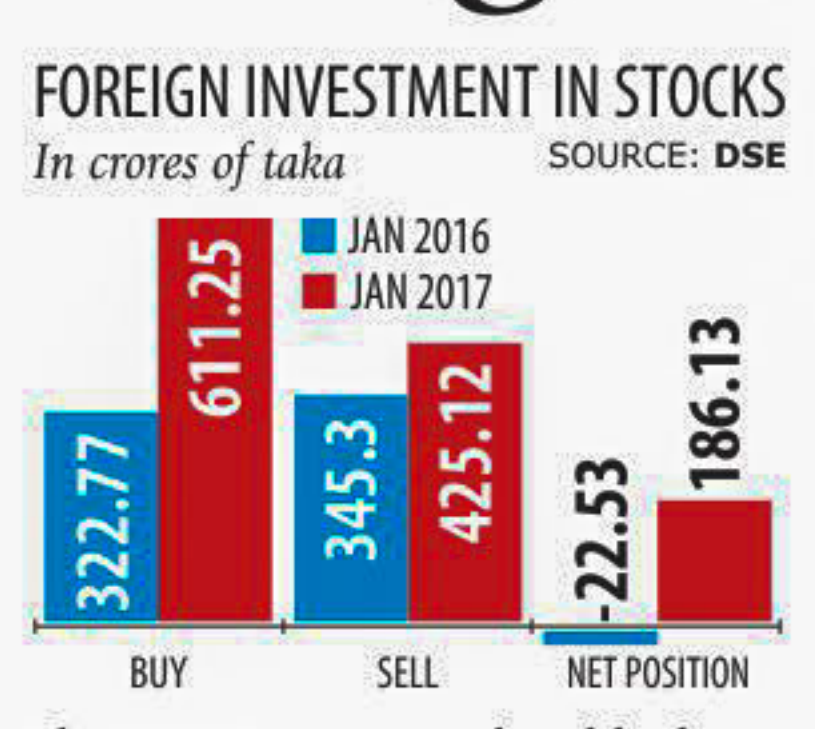
Foreign funds in stocks jump on bright data

SARWAR A CHOWDHURY

Net foreign investment in the capital market soared more than nine times year-on-year in January, as overseas investors kept up their buying spree of Bangladeshi shares for five months.

Foreign investors bought shares worth Tk 611.25 crore and sold shares worth Tk 425.12 crore to take their net investment to Tk 186.13 crore in January, according to data from the Dhaka Stock Exchange.

But the sales outstripped purchases during the same period a year ago, resulting in a negative position. The investors bought shares worth



Tk 322.77 crore and sold shares worth Tk 345.3 crore in January last year.

Foreign investors continued to inject more funds into Bangladesh, a frontier and emerging market in the

region, analysts said.

"If we analyse the economic factors -- first, in the way that they affect interest rate and overall market liquidity, and second, in the way that they affect company earnings -- conditions are very friendly for the foreign equity investors," said Md Ashaduzaman Riadh, strategic portfolio manager of LankaBangla Securities, which deals with foreign investment.

He said extreme anxieties that persisted in the previous years from both the fiscal, monetary and political frontiers were not seen in the last one year that gave huge comfort to foreigners.

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Remittance continues its slide

Migrant workers sent home 12.27pc less in Jan

STAR BUSINESS REPORT

Remittance continued its downward trajectory into the new year, declining 12.27 percent year-on-year to about \$1 billion in January.

During the July-December period of the fiscal year, remittance slumped 17.63 percent to \$6.17 billion.

The central bank in its latest monetary policy blamed the slow growth of

remittance on the global price fall of oil. Some other factors, including illegal mobile banking, are also responsible for the sluggish growth, said Bangladesh Bank Governor Fazle Kabir.

However, January's receipts were 5.28 percent higher than the previous month, according to Bangladesh Bank.

The central bank has taken a number of measures -- from immediate to

short-term -- to identify the reasons behind the fall in remittance through the banking channel.

"We will do a research to find out the reasons. We hope to get the findings in a month," Kabir said on Sunday.

The research team will visit Saudi Arabia, UAE and some other Southeast Asian nations where Bangladeshi expatriates live.

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Sylhet Gas takes up Tk 505cr project to make best use of condensate

STAR BUSINESS REPORT

The government has signed a contract with a Bangladesh-Indonesia joint venture to ensure the best use of the locally produced natural gas condensate under a project involving Tk 505 crore.

Condensate is a low-density mixture of hydrocarbon liquids that are present as gaseous components in the raw natural gas. It is later refined into petrol and octane.

Different gas fields in Bangladesh produce about 12,570 barrels of condensate a day. A number of public and private sector refineries refine them, producing octane and petrol.

State-run Sylhet Gas Fields Ltd signed the deal with the consortium of PT Istana Karang Laut of Indonesia and Energypac Power Generation of Bangladesh at a ceremony held at the capital's Westin hotel on Tuesday.

The joint venture company is the EPC (engineering, procurement and construction) contractor of the project.

Under the agreement, a catalytic reforming unit will be set up at Rashidpur in Habiganj. Once completed, it will produce about 2,800 barrels of octane and 25 tonnes of liquefied petroleum gas daily from condensate.

The project will be financed by Sylhet Gas Fields Company, said Nizam Shariful Islam, its managing director.

Once the two plants are built and gone into commercial operation, the country's total demand for octane and petrol would fully be met, thus earning foreign currencies.

The project would help Bangladesh ensure energy security in the area of octane production, said Tawfiq-e-Elahi Chowdhury, energy adviser to the prime minister.

It would also help the country address the misuse of condensate, said Energy Secretary Nazimuddin Chowdhury.

Humayun Rashid, managing director of Energypac Power Generation, thanked the government for encouraging local companies, engineers and resources to undertake the project.

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Software expo kicks off

STAR BUSINESS REPORT

The country's largest exposition of software and ICT-enabled services providers kicked off yesterday in Dhaka showcasing the fast growing sector's latest offerings.

Some 140 local companies are taking part in the fair organised by the Bangladesh Association of Software and Information Services at the Bangabandhu International Conference Centre.

The fair, which is taking place after a lull of four years, is seen as a congregation of ICT companies, personalities, key policymakers, industry leaders and other stakeholders.

Local companies are showcasing their modern products and services to banks, government agencies, telecom operators, businesses and foreign companies as well as IT users.

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Parliament Speaker Shirin Sharmin Chaudhury visits a stall at the four-day Basis SoftExpo in Dhaka yesterday. Some 140 local companies are taking part in the fair organised by Bangladesh Association of Software and Information Services at Bangabandhu International Conference Centre.

Tk 31cr package to boost aus paddy

STAR BUSINESS REPORT

The government is set to provide Tk 31 crore in incentives to encourage farmers to grow paddy during the *aus* season that begins in March.

Under the scheme, 2.26 lakh farmers will be given seeds and fertiliser for free, along with cash for irrigation to cultivate the high-yielding and Nerica varieties of *aus* rice, the dry season crop.

"We are continuing the flow of incentives to ensure the advancement of agriculture," Agriculture Minister Matia Chowdhury said at a media briefing at her ministry.

The government has been providing incentives for the past eight years in the form of input support to rejuvenate cultivation of rice during *aus* and boost food production to meet the growing needs of the population.

This is the fifth consecutive year that the paddy acreage during *aus* has fallen, as many farmers frustrated by the low prices switched to other crops, mainly jute, said agricultural officials.

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