

# City Bank arranges debt financing for two power plants of Summit Group

STAR BUSINESS DESK

City Bank has arranged funds for setting up two heavy fuel oil-based power plants of Summit Group.

The Summit Barisal Power Ltd will be of 110MW and the other one is 55MW Summit Narayanjanj Power Unit II Ltd, City Bank said in a statement yesterday.

Infrastructure Development Company Ltd (IDCOL), Islamic Corporation for the Development of the Private Sector (ICD) and Opec Fund for International Development (OFID) have provided the debt funding for the projects.

Summit Group has borrowed \$77.64 million from these institutions under the arrangement, according to the statement.

A financial closure ceremony was organised in Singapore on the successful completion of the financing arrangement.

Sheikh Mohammad Maroof, deputy managing director of City



CITY BANK

Sheikh Mohammad Maroof, deputy managing director of City Bank; Ayesha Aziz Khan, managing director of Summit Power International Pte Ltd; Abdul Wadud, managing director of Summit Power Ltd, and Mahmood Malik, executive director of IDCOL, attend the closure ceremony of a \$77.64 million financial arrangement by City Bank for two power plants of Summit Group.

Bank; Ayesha Aziz Khan, managing director of Summit Power International Pte Ltd; Anjuman Aziz Khan, director of Summit

Group, and Abdul Wadud, managing director of Summit Power Ltd, attended the deal signing ceremony.

Mahmood Malik, executive director and CEO of IDCOL, and Tareq Almassar, director of OFID, were also present.

# Indo-Bangla connectivity could help resolve other issues: analysis

STAR BUSINESS REPORT

Bangladesh can use its growing connectivity with India as a tool to resolve some longstanding bilateral issues such as the Teesta water sharing treaty, according to an analysis.

Other issues that connectivity could help resolve include determination of geological borders, fencing of the borders, border killings, and the water sharing of 54 international rivers, said a joint study.

Md Khaleque, an assistant professor of the development studies department at Dhaka University, and Harunur Rashid, an economic analyst, prepared the analysis.

The analysis was presented at a seminar on "Regional Connectivity: How can it benefit Bangladesh" at the auditorium of the Bangladesh Institute of International and Strategic Studies in Dhaka yesterday. The Center for Governance Studies organised the discussion.

Speakers said Bangladesh can benefit from connectivity with India if it can use Indian land to connect with countries such

as Nepal, Bhutan and China and trade with them.

Salehuddin Ahmed, former governor of the central bank, said apart from India there are many countries in South Asia with whom Bangladesh needs to establish connectivity.

"Along with establishing the connectivity, Bangladesh should also think about ensuring economic and energy security," he said.

He said bureaucrats have to do more homework and prepare plan for establishing the regional connectivity instead of doing it hastily.

Abdul Mazid, former chairman of the National Board of Revenue, said Bangladesh's economic future would be brighter if it can develop good economic relations with other Asian and South Asian countries apart from India.

Akbar Ali Khan, former caretaker government adviser, Prof M Ataur Rahman, chairman of the CGS, M Abdur Razzak, a lawmaker, and Munshi Faiz Ahmad, chairman of the BIISI, also spoke.

# Trump orders review of financial rules to prevent future crises

REUTERS, Washington

U.S. President Donald Trump ordered the Treasury Department on Friday to examine two powers given to regulators to police large financial companies following the 2008 financial crisis, Treasury Secretary Steven Mnuchin said.

In his first visit to the Treasury building, Trump signed two memos that analysts view as largely affirming existing priorities he has outlined.

One temporarily bars regulators from identifying new non-bank financial institutions as "systemically important financial institutions," or SIFIs, while also ordering a review of this process, Mnuchin said in a briefing with reporters.

SIFIs face added regulatory over-

sight and must hold more capital as a buffer against losses to safeguard against risk to the financial system.

The other memo directs regulators to temporarily halt the use of "orderly liquidation authority" to dissolve troubled financial institutions unless the president directs it in an emergency. Trump will order a review of this as well, Mnuchin said. Still, the government has never attempted to use its orderly liquidation authority.

The memo directs the Treasury to review the authority for 180 days, focusing on whether it exposes taxpayers to losses and encourages companies to take on more risk, or whether a revamped bankruptcy process would be preferable.

Critics, including Republicans in Congress, argue the authority effec-

tively gives some firms "too big to fail" status, which could encourage them to take on more risk and necessitate government intervention if they fail.

Trump has long said financial sector oversight could curb economic growth. While the two memos indicate that revisiting the rules remains a priority, they overlap with an earlier executive order the president signed in February directing a review of all financial rules.

The impact of the memos may be limited. Mnuchin had previously said his team was already looking into both the SIFI designation process and the use of orderly liquidation.

The Trump administration has been expected to reduce the number of companies subject to SIFI-level policing.



Farooq Ahmed, secretary general of Bangladesh Employers' Federation, attends a daylong event—Master trainers meeting on essentials of occupational safety and health—organised by the federation in collaboration with the International Training Centre of the ILO, Turin, Italy and ILO country office in Dhaka, at the BEF conference hall in Dhaka on April 20.

# 4G auction after budget: Muhith

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The BTRC has 15 MHz of unsold spectrum in the 2100 band, 10.6 MHz in the 1800 band and some spectrum in the 900 band that was released from Airtel after its merger with Robi.

Mobile operators use the 2100 band for 3G services and 900 and 1800 bands for 2G services. But after getting technology neutrality, they can use the latter two bands for 4G services, which will be cost-effective.

The finance minister also sat with the leaders of US Chamber of Commerce and the business leaders who have investment in Bangladesh.

Representatives of US Chamber of Commerce, Chevron, American Apparel & Footwear Association, The Coca-Cola Company, ExxonMobil, Bower Group Asia, The Boeing Company, Walmart, Centre for International Private Enterprise and MetLife attended the meeting.

"Since they have investment in the country, the purpose of the meeting was to know about Bangladesh and the key prospects of the country, and raise their problems," the minister said.

# Wheat imports poised to rise

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The agency expected that cultivation area may rise to 4.20 lakh hectares and thus, production to 13 lakh tonnes in the coming cultivation season. Wheat accounts for about 12 percent of total cereal consumption and is the second most important food staple in Bangladesh after rice.

Wheat production was 13.48 lakh tonnes in fiscal 2015-16, posting marginal gain, according to Bangladesh Bureau of Statistics. The cereal import has been rising fast since fiscal 2012-13 spurred by increased consumption. The country imported 37.84 lakh tonnes of wheat in fiscal 2014-15, according to government data.

# Over 42pc Rana Plaza survivors still jobless: survey

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The ActionAid survey was conducted on 1,403 survivors and the relatives of 607 deceased.

Around 4.8 percent of the survivors earn less than the minimum wage of the garment sector, now standing at Tk 5,300 a month.

The situation has improved significantly since 2015 when 76 percent earned less than Tk 5,300, according to the report.

Average monthly expenditure for the survivors is Tk 10,560 with the major costs incurring for food, followed by house rent, children's education and treatment.

Some 42 percent of the survivors, who have returned to work, have an average monthly income between Tk 5,301 and Tk 10,301 while 31.6 percent earn between Tk 10,301 and Tk 15,300. Of the unemployed, 41.8 percent have opted to expand or start their own business and 26.2 percent have no plans about their future.

"The employment rate has increased in the last five years though the progress is still slow," the survey report said.

The study found 57.6 percent of the survivors are engaged in various types of wage and self-employment.

According to the survey, the condition of 13.1 percent of the victims is getting worse, while 74.5 percent

said their physical health is somewhat stable. Around 13.1 percent listed headache and pain in hand and leg and back pain as some of the major physical problems.

In terms of psychosocial health, 30.8 percent are still in trauma compared to 58.4 percent last year.

Some 57.2 percent reported that they are more or less stable and 12 percent have recovered fully.

Most survivors said they have run out of the financial support they received.

In the last 10 months, 97 survivors received trainings, 121 received psychosocial counseling and 115 received health support. The ActionAid Bangladesh was among the organisations that provided the supports.

The report said the closure of the Rana Plaza Claims Administration may indicate success in terms of completing all payments.

However, as the High Court's decision on compensation is yet to be resolved, some argue that the payment made so far was a monetary support, not compensation, the report said.

The report also touched upon the reforms initiated after the collapse.

The reforms included the amendment of the labour law, which addresses the freedom of association and takes measures to bolster occu-

pational health and safety.

"However there is no mechanism to monitor some of these provisions although the rules were framed in 2015," the report said. On the positive side, the report said, a long-term health support programme for all the survivors is in place.

The discussion for an employee injury benefit scheme has been initiated and a feasibility study is underway.

On the findings of the survey, Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said the government should introduce health cards for the injured workers so they can avail free treatment from public hospitals.

He said the injured survivors spend Tk 3,500 for buying medicine and other medical purposes every month.

"It is very difficult for them to buy the medicine and go to doctors for health check-up," he said.

Saddam Hossain, a survivor, said the NGOs or donors which committed to bearing the long-term treatment costs are no longer doing so.

"As a result, I have to buy medicine on my own. I have borrowed money from a local cooperative for the treatment," he said.

Nilufar Yeasmin, also a survivor, echoed the same.

# Govt to give incentives to job-creating sectors

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He said the revenue authority would introduce a mobile app to facilitate instant VAT payment through mobile phones. "We are in talks with Grameenphone to introduce a secure channel for the VAT payment through mobile phones."

The DCCI demanded a cut in the VAT rate to 7 percent from the 15 percent uniform rate planned by the finance minister.

"Lower VAT rate will boost government revenue. The business community will invest more if the VAT rate is reduced," said Abul Kasem Khan, president of the chamber.

Khan said the plan to install electronic cash register (ECR) at all shops is unrealistic. He suggested using mobile banking for VAT collection as an alternative to ECR.

He said a mobile app can be introduced for VAT collection as all shopkeepers use mobile phones.

# Moosa gets two weeks to appear before investigators

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The Customs Intelligence and Investigation Directorate (CIID) seized the Range Rover used by Moosa and his family members.

The car was brought from the UK in 2010 under a duty-free benefit on condition of re-exporting it after a certain period, the CIID found during preliminary investigation.

But instead of re-exporting, the vehicle was registered with Bhola office of Bangladesh Road Transport Authority under the name of Faruq-uz-Zaman Chowdhury from Pabna using fake documents, said the CIID.

# Rice stocks dip at public warehouses

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It was 24 percent lower a year ago, according to data from the Trading Corporation of Bangladesh.

Also, the average rice price in Bangladesh is about 27.9 percent higher than that in India, the CPD said recently.

Analysing rice prices and stocks at the public warehouses, the think tank said there is an inverse relation between the two.

"It will, thus, be advisable that the policymakers take a closer look at the stock situation and calibrate the targets for boro season procurement accordingly," said the CPD.

The government has targeted to buy seven lakh tonnes of paddy and eight lakh tonnes of rice during the harvest of boro at prices higher than last year's. It also announced to buy one lakh tonnes of domestically grown wheat.

Hasan said his office aims to start buying both paddy and rice from the first week of next month to refill the warehouses. KAS Murshid, director general of Bangladesh Institute of Development Studies, said the current stock would be inadequate if the government needs to intervene in the market suddenly.

"But it is time for harvests; low stocks should not impact market prices. The government should strengthen procurement drives to replenish the stock," he said.

# Edison Group plans big

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The company imported 1.16 crore mobile phones last year, of which 34 lakh were smartphones.

The industry total on handset imports for the same year is 3.12 crore, according to the Bangladesh Mobile Phone Importers Association.

Edison has meanwhile embarked on providing value added and content generation services including applications and games development.

It is also working on a mobile phone payment system, planned for market release shortly. "We are working closely with the central bank to launch the new service," says Shahid.

Edison markets two tablets though its market share is not large in the field, but the group's e-commerce platform pickaboo.com is performing well.

"We are trying to boost the online platform because it's a segment with huge prospects," says Shahid.



AMM Farhad, additional managing director of Social Islami Bank, attends an agent banking conference and training workshop at the bank's training institute yesterday.