

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▼ 0.57%	▼ 0.44%	\$1,224.00 (per ounce)	\$45.82 (per barrel)	▲ 0.40%	▼ 0.44%	▼ 0.69%	▲ 0.17%	BUY TK 80.15	90.09	103.09	0.69
5,749.65	10,776.15			31,369.34	19,994.06	3,226.34	3,212.51	SELL TK 81.65	93.69	106.69	0.73

রোগ নির্ণয়ে সর্বাধুনিক যন্ত্রপাতি, সর্বোচ্চ মান।
প্রতিটি ডায়াগনস্টিক টেস্ট, আইসিইউ, সার্জারী ও ডায়ালাইসিসে ন্যূনতম ৩০% সঞ্চয়।

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Star BUSINESS

DHAKA FRIDAY JULY 7, 2017, ASHAR 23, 1424 BS

Car sales speed up

Rising purchasing power, easy loans fuel sales growth

JEJUN NESA ALO

A steady rise in the purchasing power of the middle class and affordable automobile loans are contributing to the growth of car sales in Bangladesh, according to bankers and industry players.

The auto loan portfolio grew 22.36 percent to Tk 1,413 crore in 2016 compared to a year ago, shows an analysis of Mutual Trust Bank. Also, the number of auto loan accounts saw 17.52 percent growth to 14,702 last year.

Declining lending rates for the past two years have been pushing up demand for auto loans, according to bankers.

Earlier a borrower had to pay 15-16 percent interest for taking an auto loan, but now the rate has come down to as low as 10 percent, they said.

Demand for automobiles has substantially increased with the steady rise in purchasing power of middle class people, said MA Halim Chowdhury, managing director of Pubali Bank.

Consumer financing is one of the focused businesses of Pubali Bank and a large portion of such financing goes to the automobile sector.

The bank disbursed Tk 56 crore in auto loans in June.

Chowdhury said the loan recovery rate in the auto loan segment was also better than other areas. The bank recovered

Tk 49 crore from auto loans last month.

He said private sector employees, mostly of the banking sector, played a vital role in raising the demand for vehicles. Mid level employees of banks are entitled to cars, he said.

According to Bangladesh Reconditioned Vehicles Importers and Dealers Association (Barvida), the total number of registered private cars in the country was 3.5 lakh as of March this year.

The size of the car market now stands between Tk 4,000 crore and Tk 5,000 crore with a growth rate of 15-20 percent annually. Barvida data shows 15,000 private cars are imported on an average per year.

This growth was driven by the growing middle class. Boston Consulting Group in a research showed that two million Bangladeshis join the ranks of middle and affluent class every year.

Per capita income rose to \$1,602 in the last fiscal year, up from less than \$500 a decade ago, according to the Bangladesh Bureau of Statistics (BBS).

Growing urbanites and middle class have been creating new demand for auto loans.

Auto loan portfolio of over three dozen private commercial banks grew at an average of 44.25 percent in the last three years, according to Bangladesh Bank data.



Cars are on display at a showroom in the capital. Car sales are going up thanks to rising purchasing power and easy automobile loans.

Mohammed Nurul Amin, managing director of Meghna Bank, also attributed the growth to falling lending rates.

Banks are currently lending auto loan at 11 to 12 percent while the rate was above 16 percent two years ago, he said.

Currently, the average interest rate of other consumer loans is 13

percent, according to the central bank.

Moreover, the cars are mortgaged for which banks are more inclined to giving out loans.

Habibullah Don, president of Barvida, said the demand for cars has been growing due to a lack of quality public transports.

"Middle class people are com-

pelled to buy cars as they cannot use the shabby public vehicles," said Don.

Bangladesh Bank's ceiling on the auto loan at 50 percent of the total value is a barrier to the growth of car sales, he said. Five years ago, up to 70 percent of the value could be availed from loans.

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Regulator wants a new mobile operator

ICT adviser asks BTRC to invite foreign telecom giants

MUHAMMAD ZAHIDUL ISLAM

With two mobile phone operators having merged and another shutting down, the telecom regulator plans to welcome a new player when it holds spectrum auction to boost competition and enable digital services to flourish.

Robi and Airtel merged last year while Citycell, the oldest operator in Bangladesh, remained out of service for the last 10 months and its licence is due to be scrapped.

Hence, a six-player market has suddenly become a four-player one, dominated by Grameenphone, Robi and Banglalink who together control 97.3 percent of the market. The remaining 2.7 percent market share is held by Teletalk, the lone state-owned operator, according to a report of Bangladesh Telecommunication Regulatory Commission (BTRC).

The last licence was given to Airtel in 2005. At least one new entity is expected to emerge in the auction, said Shahjahan Mahmood, chairman of the regulatory body.

"One-third of the operators have left the market, and we are eagerly waiting for new players to enter," he said. The next spectrum auction might be held within two or three months.

The BTRC has drafted a guideline for fourth generation licencing which has created leeway for new entities.

Experts, however, say it would not be easy to attract new investors. Abu Saeed Khan, senior policy fellow at IIRNEAsia, a think-tank based in Sri Lanka, said regulatory certainty is a must to attract new investors. "But there is no predictability in the sector."

"Most importantly, competition has been exiled from the sector through regulations, which is a huge setback for the market," said Khan, a former secretary-general of the Association of Mobile Telecom Operators of Bangladesh.

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Remittance from outside Middle East also slumps

REJAUL KARIM BYRON

Remittance inflow to Bangladesh from outside the Gulf Cooperation Council countries, especially the US, crashed in fiscal 2016-17 mainly due to uncertainty over migration policy aimed at Muslims amid a spurt in militant activities.

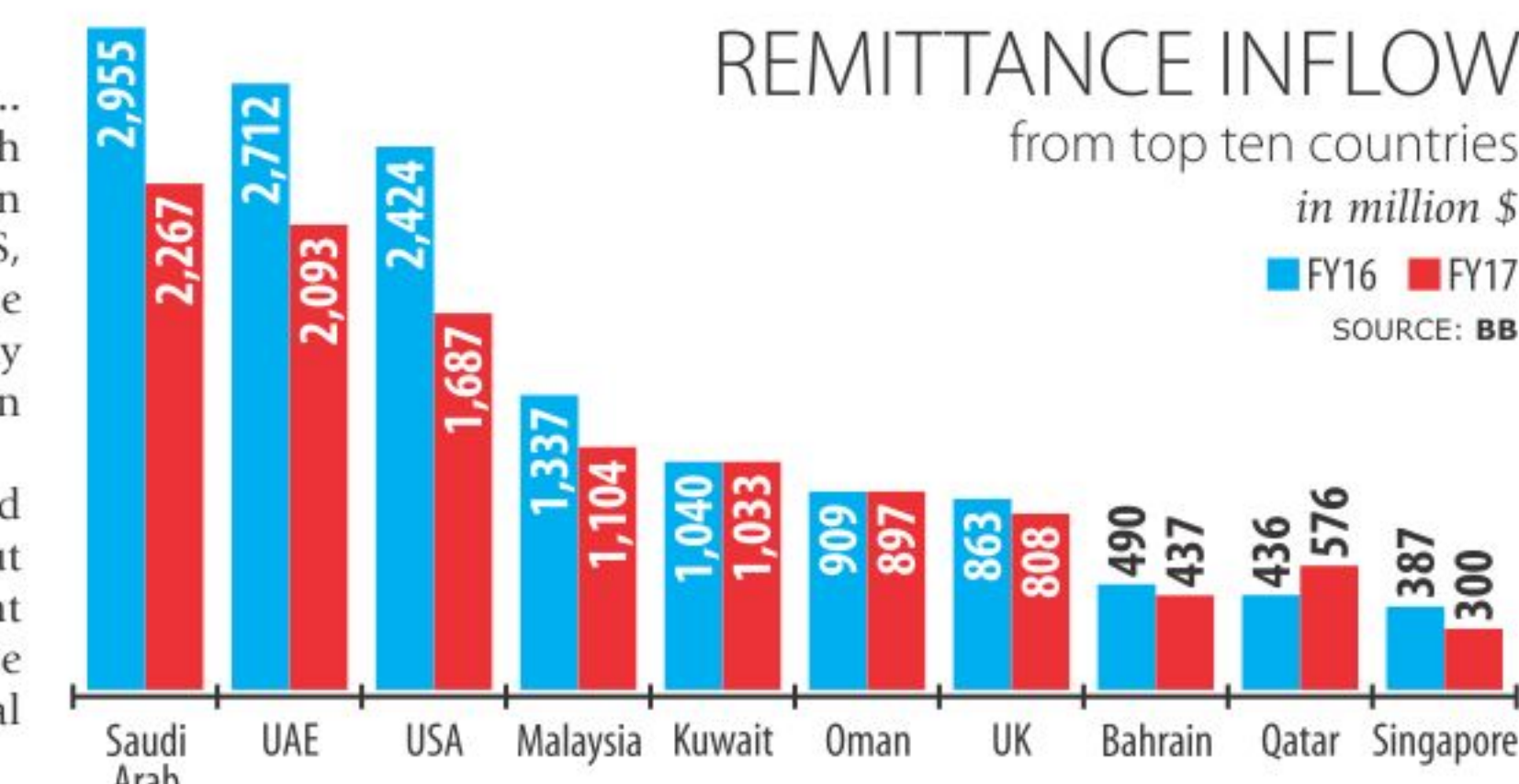
Bangladesh receives the third highest remittance from the US, but the inflows dropped 30.15 percent year-on-year to \$1.69 billion in the last fiscal year, according to central bank statistics.

"There is an uncertainty over the US's ensuing migrant policy, especially regarding Muslims," said Zahid Hussain, lead economist of the World Bank's Dhaka office.

He said due to uncertainty over their job security, the expatriate Bangladeshis in the US may send home less money.

Even the green card-holders, meaning those who have the right to reside permanently in the US, are afraid of leaving the country to visit Bangladesh lest they are not allowed back in, said the economist.

"In times of such uncertainty, depositing money in their bank accounts brings them comfort," he



added.

Remittance from the US normally comes through legal channel, but due to the large divergence between formal and informal rates in the foreign exchange market, there might have been a rising tendency to send money home through hundi, said Zaid Bakht, former research director of the Bangladesh Institute of Development Studies.

The inflows in 2016-17 have been the lowest in six years -- a development that can be viewed as a dark cloud over an otherwise buoyant economy.

Migrant workers sent home \$12.77 billion last fiscal year, down

14.47 percent year-on-year, according to data from the central bank.

The slump was due to persistent weaknesses in the GCC economies, where the majority of the migrant workers reside, as a result of the low oil prices, according to the economists and multilateral development agencies.

Not only Bangladesh, remittance inflow to other developing countries has also fallen.

However, in case of Bangladesh, remittance inflow from Malaysia, Singapore and the UK also declined last year.

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Pay Multifabs victims as per ILO convention

Accord says

STAR BUSINESS REPORT

All brands sourcing apparel from Multifabs, where a boiler explosion killed at least 13 people on Monday, as well as the factory owner should ensure that victim families get full and fair compensation, Accord said yesterday.

Accord, the platform of more than 200 European retailers, also said the compensation should be paid as per standards established following the Rana Plaza building collapse.

Retailers and brands paid Rana Plaza victims following the International Labour Organisation's Convention 121, which mainly deals with industrial accidents and compensation payments to victims.

The Accord, in a statement, said it would continue to monitor the condition and medical treatment of the injured workers.

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Dhaka stocks close week with a fall

STAR BUSINESS REPORT

The benchmark index of Dhaka Stock Exchange, DSEX, broke a week-long gaining streak and fell by 0.57 percent or 33 points to 5,749 yesterday.

Turnover also declined by Tk 160 crore to end the day at Tk 1,005 crore.

It was a normal correction in stocks as DSE index was upward throughout the week, said a senior executive of a brokerage house.

Although, index lost points at the last session of the week but the turnover was buoyant due to active participation of investors, he said.

The large cap stocks which were in lead in the first four sessions saw major price correction, taking the market in red, said another senior executive of a merchant bank.

Thursday's trading session experienced significant fall in large cap stocks such as Grameenphone by 4.3 percent, Lafarge Surma Cement 1.8 percent and Islami Bank 2.1 percent.

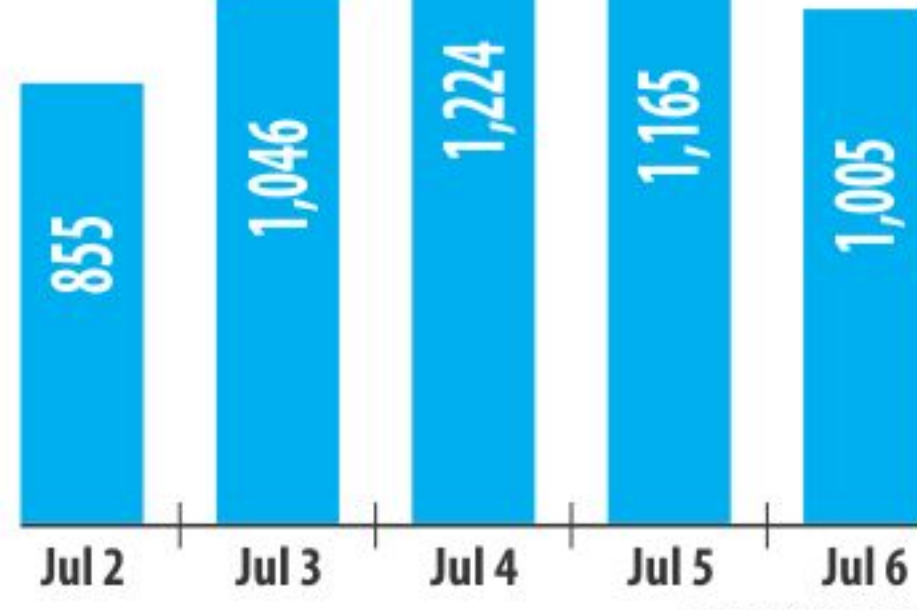
While other large cap stocks, non-bank financial institutions, bank and cement gained 7.36 percent, 3.35 percent and 3.02 percent respectively.

Telecom was the only large cap sector that experienced a 1.24 percent fall.

The average daily turnover increased by 48.2 percent yesterday compared to the

TURNOVER ON DSE

In crores of taka



SOURCE: DSE

previous week.

The average trade volume increased by 59.8 percent and total number of trades increased by 281 percent yesterday compared to the previous week, where there were only two trading days because of Eid vacation.

Top gaining stocks were Fu-wang Foods, Rupali Bank and International Leasing and Finance in the last week. Conversely, top losing stocks were Beach Hatchery, Shinepukur Ceramics and Standard Insurance.

LankaBangla Finance topped the weekly turnover list followed by Regent Textile, Baraka Power, Fu-wang Foods, Keya Cosmetics and Doreen Power.

Singapore-based IIX's \$8m bond to help women in Southeast Asia

STAR BUSINESS DESK

The Impact Investment Exchange (IIX), a Singapore-based impact enterprise, has closed the world's first social sustainability bond expected to be listed on the Singapore Stock Exchange.

The \$8 million Women's Livelihood Bond is the first in a series of IIX social sustainability bonds.

The bond is projected to empower over 385,000 women across Southeast Asia through increased credit access, market linkages, and affordable goods and services, IIX said in a statement yesterday.

structured by the IIX.

It is supported by a diverse range of stakeholders such as DBS Bank Ltd, ANZ Banking Group, the Rockefeller Foundation, the Clinton Global Initiative, the US Agency for International Development, the Australian Department of Foreign Affairs and Trade, Shearman & Sterling, Hogan Lovells, and the Japan Research Institute.

The bond aims to support a select group of high-impact enterprises and microfinance institutions in Cambodia, Vietnam, and the Philippines.

"The closing of the Women's Livelihood Bond is a landmark achievement for the impact invest-

ment market, demonstrating that impact investment products can achieve scale, transparency and liquidity," said IIX Founder Durreen Shahnaz.

"The infrastructure for social capital markets is now taking off," she said.

"This transaction brings us one step closer to a day when our financial markets consider social and environmental impact on an equal footing with financial returns and we can at last aim to have an equitable and truly connected financial market."

The four-year bond offers a coupon rate of 5.65 percent per annum. The bond includes a number of

credit protection features, including \$500,000 of first-loss capital provided by the IIX as well as a 50 percent guarantee of the principal amount of the underlying loan portfolio, provided by the USAID.

The bond received over 60 percent of its investment capital from Asian investors.

Tan Su Shan, group head of consumer banking/wealth management at DBS Bank, added: "We would like to acknowledge the support of our clients, who helped to make the WLB a reality."

"With Asia's entrenched culture of giving, we see tremendous potential in the business of impact investing in this region."

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The ACME Laboratories Ltd.
For Health, Vigour and Happiness

PRICE SENSITIVE INFORMATION

This is for information of all concerned that the Board of Directors of The ACME Laboratories Ltd. in its 76th Meeting held on 6 July 2017 at 3:30 p.m. at the Corporate Office of the Company, Court de la ACME, 1/4, Kallayanpur, Mirpur Road, Dhaka-1207 endorsed with immense pleasure the certificate of upgradation of ISO standard from 9001:2008 to 9001:2015 version after a thorough audit of all relevant departments of Plant, Head Office and Depots by Orion Registrar, Inc., USA. As per certificate of certification issued by the Orion Registrar Inc., USA, "The Quality Management System is applicable to Marketing, Human Resource and Supply Chain etc. of Human and Veterinary Pharmaceutical products" of the Company.

It may be noted that The ACME Laboratories Ltd. is the first certified Company of Orion Registrar Inc., USA that has successfully upgraded its existing ISO certification under 9001:2015 among the Pharmaceutical Companies in Bangladesh.

By the order of the Board
Sd/-
Md. Rafiqul Islam, FCS
Company Secretary

Dated : Dhaka
6 July 2017

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