

## Shoeniverse Footwear wins LEED certificate

STAR BUSINESS DESK

Shoeniverse Footwear Ltd, a local shoemaker, received LEED (Leadership in Energy and Environmental Design) Gold certificate from the US Green Building Council.

LEED is a certification programme for buildings and communities that guides their design, construction, operations and maintenance toward sustainability.

On Wednesday, the certificate was given to Shoeniverse—a member of Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh—in recognition to its contribution in environmental health for new and existing green buildings in Bangladesh.

"Shoeniverse is the first in leathergoods and footwear product sector to receive such prestigious award," the company said in a statement yesterday.

## Daffodil launches third season of its scholarship programme

STAR BUSINESS DESK

Daffodil International University yesterday launched the third season of its scholarship programme for young entrepreneurs as part of its effort to create 500 startups in the next five years.

The university's entrepreneurship department initiated the talent hunt and scholarship programme—Are you the next startup?—in December last year.

Promising youths are selected from across the country under the programme.

They will be provided with different sorts of assistance to help them become successful entrepreneurs, officials of the university said at a press conference in the capital's National Press Club. Five received the schol-

arships in the first season last year.

Twenty young minds win scholarships in the second season. The top eight received full scholarship of Tk 8 lakh each, six received 75 percent of the fund and six won 50 percent. "We are overwhelmed with the response of youth of the country. I hope the event will get more success in the years to come," said Syed Maruf Reza, head of the entrepreneurship department of the university.

"The winners will attend a four-year graduating course in the department of entrepreneurship in the university. They will also be guided by the top professors of the university."

Sabur Khan, chairman of the trustee board of the university, also spoke.

## New banks in risky lending: study

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The three NRB banks were supposed to bring in foreign investment in the country but they are acting just like the old banks, said Yasin Ali, supernumerary professor of BIMB.

"Just to get the licence the NRB banks promised to bring in foreign deposits," he added. The new banks expanded their branch network by 34 percent in contrast to 5 percent by the old banks in 2016.

Helal Ahmed Chowdhury, another supernumerary professor of BIMB, suggested the new banks should stop aggressive lending and should not buy back loans from other banks without due diligence.

"The new banks started their journeys with various challenges amid political turmoil," said Mohammed Nurul Amin, managing director of Meghna Bank.

The new banks are labelled as political banks, which is the main barrier for foreign transaction, he said. He went on to call for boycotting the defaulters involved in politics to flush out the default culture.

The banks were given licences with the hope of creating employment, said Khondkar Ibrahim Khaled, a former chairman of Bangladesh Krishi Bank. "Their massive hiring over the last four years ultimately fulfilled the government's wish."

## RBI may need to drain up to \$22b as inflows add to excess liquidity

REUTERS, Mumbai

The Reserve Bank of India (RBI) will likely have to drain up to \$22 billion in excess liquidity from the financial system as surging foreign investments forces the central bank to absorb the dollar inflows and sell rupees to cap gains in the local currency.

Foreign investments into debt and shares have reached a net \$31 billion this year, compared with \$2.7 billion in sales last year, due to factors including India's low inflation and improving economic growth.

The strong inflows have sent the rupee up nearly 7 percent against the dollar and forced the RBI to buy more

than \$10 billion in spot market and \$10 billion in forwards this year - which has meant an equivalent infusion in rupees.

Those rupee sales have added liquidity into a financial system already flush with cash after a ban on higher-denomination currency in November sparked a surge in bank deposits.

Average daily liquidity has risen to around 3 trillion rupees, well above the RBI's goal of around 1 trillion rupees, according to traders.

That will force the RBI to step up debt sales to remove liquidity and avoid any inflationary impact.

Traders estimate the RBI will need to

drain 1 trillion to 1.4 trillion (\$15.7 billion to \$22 billion) rupees after taking into account factors such as festival-related consumer spending that naturally reduce cash in the system.

How the RBI drains the cash will thus become an impact factor for bond traders, who have benefitted from a rally in debt markets.

"I don't think the RBI's intent is to choke the system of liquidity but also at the same time they don't want to maintain excessive liquidity in the system which could obviously create a pain point from an inflation perspective," said Lakshmi Iyer, chief debt investment officer at Kotak Mahindra Mutual Fund.

## Exporters hardly grab orders diverted from China

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Siddiqui Rahman, president of BGMEA, said Bangladesh is receiving a small quantity of work orders that are being diverted from China. He, however, said the volume of such work orders will rise in near future.

In such a situation, Bangladesh should allow foreign investment in the garment sector and make the special economic zones functional as soon as possible so that the Chinese investors can also put in money in Bangladesh, Mansur added.

Investors from many countries have

been lobbying the governments over the years to get permission to invest in garment factories located outside of the export processing zones, but the FDI has been confined to those zones.

"We do not have any problem if foreign investment is allowed in the garment sector. We want the foreign investors to come in the high-end segment and in textile manufacturing so that we get fabrics from the local market," said Rahman of BGMEA.

Commerce Minister Tofail Ahmed recently acknowledged that there is no official bar in investment in the garment sector by for-

foreign entrepreneurs outside of the EPZs, but usually such investment is not allowed to protect local entrepreneurs.

"However, we will allow FDI in the garment sector in the SEZs as the government has been working to develop 100 such economic zones across the country," he added.

No SEZ has started functioning yet although the Bangladesh Economic Zones Authority has been working to develop such zones across the country, either by leasing out land to individual local companies or to countries like Japan, India and China.



Guardian Life Insurance's Managing Director M Monirul Alam poses with the New Insurance Product of the Year award, at Insurance Asia Awards 2017 at the Shangri-La Hotel in Singapore.

## Mobile industry fares well in first half

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Telecom insiders termed this growth very natural and said this will continue in the next few years as people are getting more used to digital services.

"This is an expected growth rate to us and we think it will continue for the next few years as the market still has much potential," said TIM Nurul Kabir, secretary general of the Association of Mobile Telecom Operators of Bangladesh.

Though the number of SIMs reached 13.60 crore, the number represents about 56 percent of the country's popu-

lation, according to global statistics. "It can reach up to 70 percent by 2020."

In the internet segment, mobile operators dominate with 6.87 crore active internet connections, followed by internet service providers at 46.22 lakh and the dying WiMax operators at 75,000 customers.

"People are now using internet more for buying products," Kabir said, adding that the internet usage will soar with the advent of 4G, which provides faster speed.

**ROBI TOPS LIST OF NEW SUBSCRIPTIONS**

Newly-merged Robi and Airtel added

the highest number of customers -- 57.39 lakh -- during the period to take their total subscriber base to 3.96 crore.

Banglalink, which is now the third largest operator, added 56.64 lakh new customers to take the tally to 3.15 crore.

Market leader Grameenphone added 36.25 lakh subscribers, widening their subscriber base to 6.16 crore.

State-run Teletalk though lost 3.73 lakh subscribers and was left with 33.6 lakh customers at the end of June.

## Bangladesh seeks duty-free access for 36 products to Thailand

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Thailand exports mainly clinkers, machineries, cosmetics, toiletries and food items to Bangladesh.

At the meeting Ahmed urged Thai entrepreneurs to invest more in Bangladesh.

At present, 100 Thai companies are in operation in the country with investment totalling \$1.5 billion in sectors such as poultry, food processing, ceramics, tiles, and energy.

The minister called for more Thai investment in tourism, infrastructure, power generation, agro and food processing, health services, light engineering and IT.

Ahmed also offered a special economic zone to Thai businessmen. Bangladesh is developing 100 special economic zones across the country to attract both foreign and local investment.

The commerce minister also urged his Thai counterpart Apiradi Tantraporn to accept the certification of Bangladesh Standards and Testing Institution so

exports from Bangladesh to Thailand increase.

After the meeting, both Ahmed and Tantraporn announced at a joint media briefing that a feasibility study would be carried out to see whether a free trade agreement could be signed between the two countries to boost trade. They also said they want to raise the bilateral trade to \$2 billion by 2021.

During the commission meeting, Bangladesh signed a memorandum of understanding with Thailand to import up to 10 lakh tonnes of rice each year until 2021.

Food Minister Md Qamrul Islam and Tantraporn signed the initial agreement.

The price of the rice will be fixed as per the rate in the international market at the time of the imports, said a joint statement.

The fifth joint trade commission meeting will be held in Thailand at a convenient time, it said.

## Ensure transparency in public spending

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"Information on earnings from state-owned enterprises is included in the supplementary budget documents. However, information on allocation to the state-owned enterprises is not clearly presented and discussed in the budget," he said.

Fiscal transparency can be seen as an end in itself and also as a means to promote good governance, accountability and efficient resource allocation.

The local government allocations are non-transparent, he said.

Citing the public-private partnership initiatives by the government, he suggested for framing modalities for fiscal accounting to ensure transparency in this area.

He also recommended for fixing revenue collection target based on reality.

"Revenue projection is done in an ad hoc manner, which often results in unrealistic projections," Mansur said, adding that the budget presentation process lacks any analysis of major expenditures and revenue measures, and their contribution to policy objectives.

In particular, estimates of current and future budgetary impact are not provided, he said, adding that poverty and social impact analysis of the new fiscal measures are not generally presented to the parliament as part of budget preparation.

Citing the Production Sharing Contracts (PSC) signed by the government with international oil companies on a case-to-case basis, Mansur said the contracts are not published.

"PSCs should be published for public access. That is our legitimate demand," he said, adding that subsidies given by the gov-

ernment to various state agencies are also not explicitly recorded. Mansur also said Bangladesh's defence and security policy scores poorly in terms of transparency.

Information on the defence budget include only aggregate figure and it does not cover all defence-related spending, especially regarding allocation or procurement.

Given the importance of defence budget, there should be more information available to parliament and people for an informed public debate on the size and composition in the current security context.

Mansur went on to cite neighbouring India as an example. India's defence budget explicitly lists details regarding allocation for capital expenditures, revenue expenditure and other information.

Bangladesh's military expenditure as a share of total expenditure is high in comparison with comparative countries like India and Vietnam, which also have large and strong standing armed forces, Mansur added.

"There is a major concern relating to the treasury's contingent liabilities emerging from the operations of the state-owned public non-financial and financial institutions," said Sadiq Ahmed, vice-chairman of PRI.

The contingent liability of the institutions amounted to Tk 3,254 billion in fiscal 2013-14, which was 24 percent of that year's GDP.

Similarly, the value of the non-performing loans of public banks that year was Tk 308 billion, which was 1.7 percent of GDP, he said.

## Tofail asks Ctg port to release basic commodities in 24hrs

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Gulam Moula, general secretary of Moulvibazar Babosayee Samity, the traders' association in Moulvibazar, said retailers charge abnormal prices although they purchase it at lower prices from the wholesale markets.

An importer in Shyambazar, Zahir Uddin Ahmed, said he could not release goods from the Chittagong port due to congestion created from the damage of two gantry cranes.

Two out of four gantry cranes are now out of order, for which businessmen cannot supply goods to maintain stability in the supply and demand in markets.

If the port can deliver onions properly, prices will come down very soon in local markets. "We are losing our money every day due to congestion in the port," said Hafizur Rahman, another onion importer at Shyambazar.

Mostafa Kamal, chairman of Meghna Group, said prices of edible oil and sugar in the local markets were stable as the supply was adequate.

## Spend CSR funds efficiently

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Kh Rashedul Ahsan, a board member of the Dhaka Chamber of Commerce and Industry, said more CSR funds should be channelled to the health sector to prevent child mortality and raise healthy babies so they can drive the development of the country.

Bazlul Huque Khandaker, a professor of economics at Dhaka University, Irum Iqbal, corporate affairs and CSR manager of British American Tobacco Bangladesh, and Asif Mohammad Shahan, assistant professor of the development studies department of DU, also spoke.

## Foreign ministers talk market access in Kathmandu meeting

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Nepal is the current chair of the Bimstec. Its secretariat is located in Dhaka. The ministerial meeting, which coincides with the 20th anniversary of the establishment of Bimstec, today will review the progress and achievements in 14 areas of cooperation and discuss ways to accelerate the

cooperation under the Bimstec.

It will also discuss the dates for the fourth summit of the Bimstec to be held in Nepal later this year. Krishna Bahadur Mahara, deputy prime minister and minister for foreign affairs, will chair the ministerial meeting as the leader of the Nepali delegation.



Atul Jain, chief operating officer of Sorrel Hospitality, a partner of Best Western Hotels and Resorts, and Md Mamunur Rashid, managing director of Index Holdings, sign an MoU and franchise agreement at a programme at the Westin Dhaka, in the presence of Hasanul Haq Inu, information minister, and Ronald Pohl, chief operating officer of Best Western Hotels and Resorts.



Tanvir Haider Chaudhury, CEO of Kazi Food Industries Ltd, and Mahbubur Rahman Chowdhury, chairman of Bangladesh Eye Hospital and Institute Ltd, cut a ribbon to open Kazi Farms Kitchen's 80th outlet on the premises of the hospital at Dhanmondi in Dhaka.