

Islamic Finance unveils new logo

STAR BUSINESS REPORT

The government should formulate shariah law to regulate the fast growing Islamic banking and financing in Bangladesh, said Abul Quasem Haider, chairman of Islamic Finance and Investment Ltd (IFIL).

It will be difficult for the regulator to ensure discipline and expansion of Islamic financing without the shariah law, he said.

He spoke at the launch of IFIL's new logo at Hotel Purbani International in the capital yesterday.

The non-bank financial institution that started its journey in 2001 changed the logo to rebrand itself, according to Haider.

He said the company has six branches across the country and an investment of Tk 1,000 crore.

"We will raise our investment to Tk 2,000 crore in the next two years."

Islamic Finance declared handsome dividends at the time when the banking sector was hit hard by corruption, he said.



ISLAMIC FINANCE

Abul Quasem Haider, chairman of Islamic Finance and Investment Ltd (IFIL), attends the launch of IFIL's new logo at a programme at Hotel Purbani International in Dhaka yesterday. AKM Shahidul Haque, managing director, was also present.

IFIL declared 14 percent dividend last year and it would give more dividend in the coming year, he said.

The company has gone through

internal restructuring with special focus on human resource and risk management, said AKM Shahidul Haque, managing director of IFIL.

Haque said the company has also

taken steps to buy a brokerage house to increase its participation in the stockmarket.

Afzalur Rahman, vice chairman, was also present.

Apologising to London, Uber CEO offers change to keep licence

REUTERS, London

Uber's new boss apologised to Londoners for the taxi app's mistakes and pledged to make changes as the Silicon Valley firm tries to overturn a decision to strip it of its licence in one of its major markets.

The British capital's transport regulator on Friday deemed Uber unfit to run a taxi service and decided not to renew its licence to operate, which will end this week, citing the firm's approach to reporting serious criminal offences and background checks on drivers.

Its 40,000 drivers, one third of the city's total number of private hire vehicles, will continue to take passengers until an appeals process is exhausted, which is likely to take several months.

London police complained this year that Uber, which is backed by Goldman Sachs and BlackRock, was either not disclosing, or taking too long to report, serious crimes including sexual assaults and that this put the public at risk.

"It's...true that we've got things wrong along the way. On behalf of everyone at Uber globally, I apologise for the mistakes we've made," CEO Dara Khosrowshahi wrote in an open letter to Londoners.

"We will appeal the decision on behalf of millions of Londoners, but we do so with the knowledge that we must also change," he said.

The loss of the San Francisco-based start-up's licence in one of the world's wealthiest capitals comes after a tumultuous few months that led to former CEO and co-founder Travis Kalanick being forced out.

CEO Khosrowshahi, who is less than a month into his new job, did not specify which mistakes Uber had made in London.

Uber's UK head of cities, Fred Jones, said the firm was working with the police to work out how it can better report incidents. He also said Transport for London (TfL) had not been clear about its concerns.



DHAKA BANK

ATM Shamsul Huda, president of Gulshan Society, and Syed Mahbubur Rahman, CEO of Dhaka Bank, unveil the foundation stone of a children's play zone at Gulshan Lake Park in Dhaka on Friday. The bank will finance the construction of the play zone.



ENERGY MINISTRY

Nasrul Hamid, state minister for power, energy and mineral resources; Hamad Mubarak Al Muhannadi, CEO of Qatar's RasGas, and Abul Mansur Md Faizullah, chairman of Petrobangla, attend a deal signing ceremony in Doha yesterday. Story on B1

India's food grain output down 3pc

REUTERS, New Delhi

India's food grain production from summer-sown crops is likely to fall 2.8 percent in 2017/18 from a year ago to 134.67 million tonnes on lower rice output, the government said on Monday.

Production of summer-sown rice is estimated to fall 2 percent to 94.48 million tonnes, while production of pulses could drop 7.5 percent to 8.71 million tonnes, the government said in a statement.

Cotton output could fall to 32.27 million bales from 33 million bales a year ago despite a rise in the crop area.

Ctg customs dumps 528 tonnes of imported orange, apple, onion

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They delayed paying port charges and demurrages claimed by shipping agents for keeping the containers beyond the stipulated time. The charges and demurrages might have surpassed the import value, encouraging the importers to abandon the items completely, sources said.

France-based CMA CGM, the owning firm of 21 refrigerated containers, lost Tk 1.15 crore in demurrage for keeping the containers for too long in the port.

The Chittagong Port Authority did not get Tk 1.5 crore as store rent for the containers. Similarly, the customs authorities had to give up 1.5 crore in lost revenue. Importers usually pay rent and demurrages before receiving a delivery.

Wahid Alam, managing director of CMA CGM Bangladesh Shipping Ltd, said the losses could have been avoided if the customs authorities had auctioned off the goods on time. Chittagong Paul Banijio Ltd imported 25,600 kg of oranges from Egypt and the consignment arrived at the port on March 6.

Zakir Hossain, proprietor of the firm, said it took two weeks to get the berth for the vessel and when the consignment arrived, the market of orange was not good. "So, we made the delay for sample draw."

The sample draw found 25 percent of the orange were substandard, prompting the firm to write to the exporter for a discount and the exporter agreed, Hossain said.

But it took almost two months to complete the correspondence with the exporter and by then a hefty amount of charges in the form of store rent and shipping agent's demurrage were slapped on the importer. So, the firm chose to avoid taking the delivery and make the payments.

Hopes for jobs as Air Berlin picks Lufthansa, EasyJet bids

AFP, Berlin

Insolvent Air Berlin confirmed Monday it was negotiating with German airline giant Lufthansa and Britain's EasyJet to sell off parts of its business, offering hope for the future of its 8,000 employees and 140 aircraft.

"Negotiations with Lufthansa AG and the British airline EasyJet will now continue until 12 October," the firm said in a statement following a board meeting.

Technical details around winding up the carrier to be thrashed out in the coming weeks and any final deal will need to be approved by European regulators.

EasyJet is interested only in parts of the passenger airline, while Lufthansa's bid includes subsidiary LGW and Austrian airline Niki as well as parts of Air Berlin.

At stake are the carrier's 140 leased aircraft -- including those wholly owned by Niki -- coveted landing and takeoff slots at German airports, some prime Berlin real estate and the livelihoods of thousands of employees.

"We are on the way to achieving good job prospects for around 80 percent of our colleagues with our bidders," Air Berlin chief executive Thomas Winkelman said.

The company has some 8,600 employees, including part-time workers, according to DPA news agency.

Air Berlin suffered recently as huge numbers of pilots called in sick in a protest action sparked by the uncertainty over looming job losses.

At the time, Winkelman said the wildcat strike posed an "existential threat" to Air Berlin.

"Stable flight operations in the coming days and weeks are essential for success" in the sell-off negotiations, administrator Frank Kebekus said Monday.

Air Berlin triggered bankruptcy proceedings in mid-August after losing a cash lifeline from its biggest shareholder Etihad Airways, giving potential buyers a month to make their offers.

In the race to strip down Air Berlin, Lufthansa reportedly beat out IAG -- owner of Iberia and British Airways -- and three bids of between 500 million and 600 million euros (\$600 million and \$715 million) apiece from private investors.

Despite media reports to the contrary, there was no sign Monday that German competitor Condor was still in the bidding process.

Irish low-cost airline Ryanair stayed out of the bidding as its outspoken chief Michael O'Leary denounced a German "stitch-up" designed to favour Lufthansa's expansion of its low-cost subsidiary Eurowings.

"Rumours that politics had influenced the selection of investors are... completely absurd," insolvency administrator Lucas Floether said in the statement.

The German government, which extended a 150-million-euro bridging loan to Air Berlin to keep its aircraft aloft, ruled out any one competitor taking over the carrier whole for competition reasons.

Neither details of the bids from Lufthansa and EasyJet nor the amounts of their offers have been made public.

But the airline said "there is a

good chance" that the government's loan can be repaid to public investment bank KfW.

German newspaper Bild and Berlin tabloid B.Z. reported at the weekend that creditors expected the sale of Air Berlin assets to bring in 250-350 million euros.

Lufthansa chief Carsten Spohr told journalists last week that the carrier was interested in buying up to 78 Air Berlin planes.

Lufthansa has signalled it could hire up to 3,000 people to go with its new planes, possibly including some from Air Berlin's ranks.

As European low-cost airlines engage in dogfights for control of the skies, trade union Verdi fears that some buyers plan to use their own staff to profit from Air Berlin's aircraft and landing slots, rather than offering existing employees opportunities.

Christine Behle said last week the union expected the successful bidders to "take on responsibility for Air Berlin's employees and offer them good opportunities for the future".

But the clock is ticking. Despite the government's cash infusion, Air Berlin is running on fumes. It has already been forced to slash most long-haul flights and plans to end the service all together by October 15. Some domestic flights are also being cancelled from the end of the month.

Air Berlin, which transported 36 million passengers in 2016, has assured anxious travellers it will operate its other flights as scheduled until bankruptcy proceedings are completed.

LNG import deal signed with Qatar

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The government has also undertaken an initiative to construct an LNG-based power plant alongside importing small-scale LNG, Hamid said. "So Bangladesh is exploring various sources of primary energy," he added.

As per the terms of the agreement, Petrobangla will have to deposit standby letter of credit equivalent of the price of two months' LNG on the basis of a base annual contract quantity to a first-class international bank as financial security.

Payment has to be made in the US dollar within 15 days of submitting import invoice. If there is a delay of seven days, the rate of interest would be LIBOR plus 4 percent. For further delays it would be LIBOR plus 5 percent.

Apart from Qatar, the government has been holding talks with various countries, including Oman and Indonesia, for importing LNG. Bangladesh is looking outside to alleviate its energy shortage, largely caused by the depletion of domestic reserves and rising demand.

At present, gas supply stands at about 2,750 MMCFD (million cubic feet of gas per day) against the demand for 3,600 MMCFD. The shortage of gas has affected power generation as well as industries and households.

The demand for gas will stand at 8,000 MMCFD in 2041 according to an estimate of the energy division.

The finance minister has already indicated that from June next year the gas price may be hiked.

Cox's Bazar hotels, airlines get a boost

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Airlines are also getting a slice of the increased traffic movement to Cox's Bazar. "Movement has increased since the beginning of the Rohingya crisis," said AKM Mahfuzul Alam, senior manager of marketing and sales at Novo Air. The carrier, which operates two daily flights on the Dhaka-Cox's Bazar-Dhaka route, is seeing 90-92 percent load factor from 80 percent earlier.

"The number of government and UN officials as well as journalists has risen. Generally, we see a spiral in traffic flow from Thursday to Sunday. Now, we see increased traffic during the remaining days of the week as well," he added.

However, none of the airlines have increased their capacities. Besides the two daily flights of Novo, three other carriers Biman, Regent and US-Bangla Airlines, operate flights to Cox's Bazar from Dhaka every day.

The movement of people to give relief has also increased by road, said Md Kamrul Islam, deputy general manager of marketing support and public relation of US-Bangla Airlines.



ISLAMI BANK

Arastoo Khan, chairman of Islami Bank Bangladesh, hands over a cheque for Tk 38.55 lakh as donation to Mosammat Suraiya Sultana, widow of Abul Kalam Azad, yesterday. Azad was the intelligence wing director of Rapid Action Battalion who succumbed to splinter injuries in a blast near a militant den in Sylhet on March 25.

Salim Osman elected president for fourth time

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The election for 2017-19 was not held as no other opposition panel submitted the nomination papers to the electoral board for competing for the posts of the office bearers.

As a result, the electoral board yesterday declared Osman -- also a lawmaker of HM Earshad led-Jatiya Party from Narayanganj-5 -- as elected unopposed.

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