

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
0.72%	0.01%	\$1,291.90	\$50.55	32,182.22	20,954.72	3,303.09	3,387.65	81.00	95.42	106.62	0.71
6,064.40	11,377.84	(per ounce)	(per barrel)					BUY TK	82.50	99.02	110.22
								SELL TK	82.50	99.02	110.22

Star BUSINESS

DHAKA FRIDAY OCTOBER 13, 2017, ASHWIN 28, 1424 BS

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

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VAT law might have two rates

Govt may change stance of single rate of 15pc



FINANCE MINISTRY
Finance Minister AMA Muhith attends a briefing after a meeting with high officials of the World Bank and International Monetary Fund on the sidelines of an annual meeting of the two institutions at the World Bank headquarters in Washington yesterday.

STAR BUSINESS REPORT
Finance Minister AMA Muhith is now pushing for two different rates of value-added tax for the forthcoming VAT law in what can be described as a sharp about-turn from his stance thus far.
The revised plan for the VAT and Supplementary Duty Act 2012 was presented to the top brass of the International Monetary Fund yesterday by Muhith on the sidelines of the World Bank-IMF annual conference.
"I told them that we are not making a proposal but considering two rates," he told

reporters after a meeting held at the IMF headquarters in Washington DC.
One rate will be 15 percent and another 10 or 8 percent, Muhith said, adding that the rates will be finalised next year.
The new VAT law, which prescribed a uniform rate of 15 percent for almost all goods and services available in Bangladesh, was scheduled to come into effect from July 1.
But due to opposition from various quarters, mainly the business community, its implementation has been deferred for two years.

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Digital payments to help save Dhaka \$1.5b a year: study

STAR BUSINESS REPORT

Use of digital payments can help Dhaka save \$1.5 billion annually, according to a report recently released by Visa, the global leader in digital payments technology.
The report estimated that relying more on electronic payments, such as cards and mobile payments, could yield a net benefit of up to \$470 billion per year across the 100 cities studied – roughly, equivalent to 3 percent of the average gross domestic product (GDP) of these cities.
The study—Cashless cities: realising the benefits of digital payments—was conducted by Roubini Thought Lab and commissioned by Visa.
It examined the economic impact of increasing the use of digital payments in 100 major cities around the world, including Dhaka.
Some 3,000 consumers and 900 businesses have been surveyed in 2016 to examine the use, acceptance and cost-benefit impact of physical and digital money.
For example, Dhaka, with a population of 15.82 million and GDP of \$47.8 billion, could gain \$1.5 billion in annual net benefits.
Estimated catalytic impacts for the city over the next 15 years include a 34.9 basis point increase in GDP growth rate and 4.4 percent increase in employment.
"Dhaka could achieve, on average, \$1.5 billion in annual net benefits – roughly the equivalent to 3 percent of the city's average GDP," said TR Ramachandran, group country manager of Visa in India and South Asia.
Cities are the new engines of economic growth and they must embrace digital payments to unlock their true economic potential and become globally competitive, he said.
"This global study shows how becoming more cashless delivers real benefits to the governments, businesses and consumers, stimulating long-term economic growth," said Ramachandran.

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Industrial park for pharma ingredients finally taking shape

SOHEL PARVEZ

The Active Pharmaceutical Ingredients (API) industrial park is finally taking shape nearly a decade after the scheme was taken up with the view to facilitating a steady supply of raw materials of drugs to reduce import dependency.
Recently, the developer of the park, Bangladesh Small and Cottage Industries Corporation, has asked the 27 pharmaceutical companies -- which include Square, Incepta, Globe, Opsonin, Beximco and Eskayef Bangladesh -- to complete all procedures and take possession of the 41 plots allotted to them in August.
"We will complete all procedures to take possession by this month," said SM Shafiuzzaman, secretary general of the Bangladesh Association of Pharmaceutical Industries.
The companies will start construction of their plants once taking handover of the plots.
"We hope that some of us will start operation by 2019."
The initiative to build the API Park by the Dhaka-Chittagong Highway under Gazaria upazila of Munshiganj for Tk 213 crore was taken in January 2008.
Originally supposed to be complete within five years, the construction of the complex was delayed for land acquisition and addition of new components to the project.
As a result, the project cost was revised upwards twice to Tk 332 crore, up 56 percent from original estimate.
It has been revised up again to Tk 364 crore based on recommendation from the

ACTIVE PHARMACEUTICAL INGREDIENTS PARK



AT A GLANCE

- 41 plots allotted to 27 drug makers
- The pharma companies may take possession of the plots by this month
- Some firms will start operation in the API park by 2019
- The initiative to build the pharma park was taken in 2008 at Tk 213cr
- The project cost has been revised upwards twice to Tk 332cr and may go up further

planning ministry in June this year, said Abdul Basset, project director of the industrial park.
But the final cost of the project is expected to rise when it is close to completion, according to the BSCIC.
Of the cost, Tk 80 crore will be needed for the effluent treatment plant to be set up by BAPI, he said.

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Three-fourth bankers favour merger of banks: BIBM study

STAR BUSINESS REPORT

Some 72 percent bankers are in favour of reducing the number of banks in Bangladesh through merger or acquisition as their number is high given the size of the economy, according to a survey.
About 88 percent of the respondents said mergers, acquisitions or takeovers may be executed to trim the number of banks, particularly the weak ones, found the survey of the Bangladesh Institute of Bank Management (BIBM).
The institute released a research paper titled "Exploring Merger and Acquisition in the Context of the Banking Sector of Bangladesh" at a workshop at its auditorium in the capital yesterday. Mohiuddin Siddique, professor and director of the BIBM, presented the paper.
The survey, which was conducted through interviews, showed 11 percent respondents are okay with the existing number of banks, while 17 percent

declined to make comments.
Currently, 57 banks are operating in the market. Nine banks were given licence in 2013.
The report said aggressive lending by banks in the competitive market has caused pileup of bad loans.
As of June this year, total default loan stood at Tk 63,365 crore, accounting for 10.06 percent of the total loan outstanding. State-owned banks accounted for one-third of the total sour loans.
About 77 percent of the respondents think a merger between two poorly governed banks will not be successful in Bangladesh.
According to the research, improving asset quality was one of the prime motives behind the merger of Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha, but the result was not satisfactory.
The two state banks' combined default ratio was 28.57 percent in 2009 when they merged and started journey as Bangladesh



SK Sur Chowdhury, deputy governor of Bangladesh Bank, addresses a workshop in the auditorium of the Bangladesh Institute of Bank Management in Dhaka yesterday.

Development Bank Ltd. BDBL's non-performing loan ratio stood at 46.18 percent in 2015.
In developed countries, the concept of merger is seen as an attempt to enhance profitability

and expand internationally, but in Bangladesh the perception is that weak banks merge, said Khondkar Ibrahim Khaled, a former deputy governor of the central bank.
"As a result no merger became

successful in Bangladesh," he said.
Khaled also said the excess number of banks will make them grocery stores soon.

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Textile chemical sector catches eye of foreign firms

REFAYET ULLAH MIRDHA

The textile chemical and dye market of Bangladesh is edging towards \$1 billion on the back of rising garment exports, according to industry insiders.
This has caught the eyes of many foreign companies, who now mull over expanding their geographical footprint to Bangladesh.
One such company is Huntsman Textile Effects, a concern of the globally renowned US-based chemical and dye company Huntsman.
The company is currently working with nearly 200 textile and dye factories in Bangladesh and logging in 16 percent year-on-year sales growth, according to its Vice-president Chuck Hirsch.
Hirsch was in Dhaka this week to sign agreement with a textile company. Huntsman sells chemicals and also consultation as after sales services.
"Huntsman is among the top three chemical companies for Bangladesh. The country is among its top four destinations globally. There is room for further expansion of chemical and dye business."
Swiss Colours Bangladesh, a local chemical and dye company, has been working as the agent of Huntsman in Bangladesh.
Hirsch, however, declined to divulge Huntsman's annual chemical and dye sales figure in Bangladesh. But industry insiders said Huntsman has more than \$350 million worth of chemical and dye business in Bangladesh.
Globally, Huntsman's textile chemical business is worth \$800 million. Among major garment producing nations, Huntsman supplies chemicals to textile factories in China, India and Vietnam.
Asked how green Bangladesh's textile mills were, Hirsch said water use for washing and dyeing can be reduced about 50 percent if the chemicals can be used properly. Similarly, energy consumption can also be cut 30 percent.
Regarding the prospects of garment business in Bangladesh, he said: "The outlook is very good."
Bangladesh needs to address the health and safety issues and labour rights to grab more market globally, he added.
"Very soon Bangladesh's textile chemical and dye market will cross \$1 billion, as the demand is fast increasing," said Dheeraj Talreja, commercial director of Huntsman Textile Effects for South Asia, Middle-East and Africa.

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Pran bags \$5m spot orders at German food fair

STAR BUSINESS REPORT

Leading processed food exporter Pran has bagged \$5 million worth of export orders at the just-concluded Anuga Fair held in Germany.
The Bangladeshi company received the orders from importers of 35 countries at the biennial event, which is one of the largest food trade fairs in the world.
"We received a fabulous response from the buyers at the five-day expo that ended on Wednesday," said Md Mizanur Rahman, chief operating officer for exports at Pran.
Over 7,400 companies from 107 countries participated in the fair held at the Koelnmesse Exhibition Centre in Cologne to showcase their finest products to supermarket chains, restaurants owners and consumers.
Golam Rasul, assistant general manager for exports at Pran, said the group displayed over 500 products in two stalls this year.
"Juice, confectionery and bakery items were at the centre of attraction," he said.

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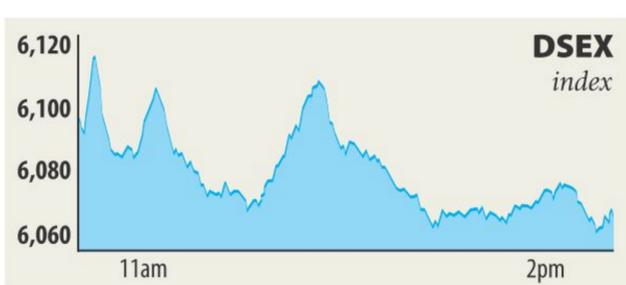
DSE closes week in the red

STAR BUSINESS REPORT

Dhaka Stock Exchange (DSE) closed the week in the red with a thin turnover amid huge sales pressure since Bangladesh Bank's action against overexposed banks last week.
The benchmark index, DSEX decreased by 44.16 points to close at 6,064.41 yesterday. The daily turnover decreased by 31.94 percent to Tk 743 crore.

Retail investors refrained from investing in the stocks fearing that further tough action may come against banks from the central bank, said market insiders.
As a result, price indices remained downward throughout the week with slumped turnover, they said.
Last Thursday the central bank fined seven banks for violating the stock rule over making investments in stocks. Investigation is ongoing

against some other banks, prompting investors to refrain from making transactions.
"Market went on a rollercoaster ride throughout the trading session and ended on a negative territory yesterday," according to daily market research of UCB Capital Management.
Most of the major sectors witnessed moderate correction yesterday, the research said. Among the major sectors, only pharmaceuticals and chemicals posted a 0.2 percent gain.
The banking sector led the market yesterday by contributing 42.30 percent of the total turnover, according to the research.
Brac Bank accounted for the highest number of traded shares with a turnover of Tk 37.97 crore, followed by Ifad Autos with Tk 37.95 crore.
At DSE, 97 securities gained price, 197 declined and 37 remained unchanged. DS30 and DSES were 10.99 and 6.86 points in the red respectively.



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