

Saudi central bank says corruption probe not hurting companies, banks

REUTERS

Saudi Arabia's central bank sought to reassure the business community on Tuesday that a sweeping anti-corruption investigation would not hurt the economy, saying companies and banks could operate as normal.

At the request of the attorney-general, the central bank is freezing personal bank accounts of suspects pending court rulings on their cases, but it is not suspending operations of their companies, the bank said in a statement.

"In other words, corporate businesses remain unaffected. It is business as usual for both banks and corporates," the central bank said, adding that there were no restrictions on money transfers through proper banking channels. Dozens of royal family

members, officials and business executives have been detained in the crackdown and are facing allegations of money laundering, bribery, extorting officials and taking advantage of public office for personal gain.

Commercial bankers told Reuters earlier on Tuesday that Saudi banks had frozen more than 1,200 accounts on the central bank's instructions and that the number was continuing to rise almost hourly.

This has raised fears among businessmen that payments of outstanding debts could be delayed and that day-to-day activities of some companies, such as paying staff and creditors, might be hindered.

The share prices of some companies linked to detained tycoons have plunged about 20 percent in the past three days.

Nissan slashes annual operating profit forecast

AFP, Tokyo

Japanese car giant Nissan on Wednesday downgraded its annual operating profit forecast after a damaging inspection scandal in its domestic market, as its CEO vowed to regain customers' trust.

Nissan said it now expects to make an operating profit of 645 billion yen (\$5.7 billion) for the year to March, a cut from its previous forecast of 685 billion yen.

The manufacturer left its forecasts for net profit and sales unchanged at 535 billion yen and 11.8 trillion yen respectively.

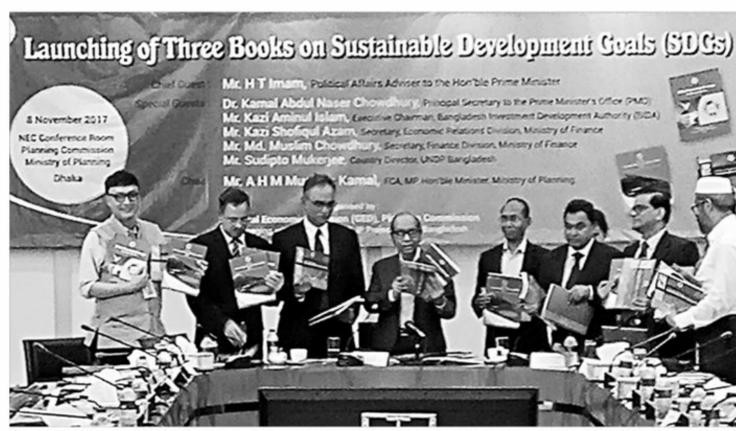
Before presenting the figures to journalists, Nissan chief executive Hiroto Saikawa bowed long and deep in apology.

"I would like to express my apologies to customers, partners, dealers and all the people who have been supporting Nissan," said Saikawa.

The scandal has "undermined the trust of all of you", he said, adding: "We would like to do our best to regain the trust of all of you."

Last month Nissan said it was recalling some 1.2 million cars in Japan that had failed to meet domestic rules on final vehicle inspections.

The company confirmed that tests were performed by staff who were not certified to check the vehicles to Japanese government standards.



From left, Sudipto Mukerjee, country director of UNDP Bangladesh; Kazi Shofiqul Azam, secretary of Economic Relations Division; Md Muslim Chowdhury, secretary of finance division; HT Imam, political affairs adviser to the Prime Minister; Kazi M Aminul Islam, executive chairman of Bangladesh Investment Development Authority; AHM Mustafa Kamal, planning minister, and Shamsul Alam, member of General Economics Division (GED), attend the launching of three reports titled "SDGs Financing Strategy: Bangladesh Perspective", "Bangladesh Voluntary National Review (VNR) 2017 on SDGs" and "A Training Handbook on Implementation of the 7th Five Year Plan" at a programme jointly organised by GED and Engaging with Institutions, IP Project, UNDP Bangladesh at Planning Commission in Dhaka yesterday.



Imran Ahmed, chief operating officer of NRB Bank, and Bilash Das, managing director of Asian Town Development Ltd, exchange documents after signing a payroll agreement at the bank's corporate head office in Dhaka. Employees of Asian Duplex Town and Asian Town Development Ltd will enjoy privileged services from the bank.

AT&T says timing of Time Warner deal completion now uncertain

REUTERS

The US Department of Justice is pushing AT&T Inc for "structural remedies" in order to satisfy antitrust concerns over its purchase of Time Warner Inc, a source told Reuters on Wednesday.

Structural remedies, which generally involve the sale of assets, represent a greater hurdle for AT&T than merely meeting conditions on what the com-

pany can and cannot do after the deal.

The Justice Department's demand may complicate its continuing conversations with AT&T, which said on Wednesday it was now uncertain when the deal would be completed.

Previously, AT&T had said the \$85.4 billion acquisition, announced in October 2016, would close by the end of this year.

Shares of Time Warner fell 2.6 percent

to \$92.18 in early trading while AT&T was down 0.2 percent to \$33.01.

The Justice Department and AT&T did not immediately respond to requests for comment.

The deal is opposed by an array of consumer groups and smaller television networks on the grounds that it would give AT&T too much power over the content it would distribute to its wireless customers.

Muhith plans corporate tax cut before polls

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Muhith said reforming multiple corporate taxes would enable them to raise their contribution to GDP growth.

Currently, banks, non-bank financial institutions and insurance companies pay 42 percent corporate tax whereas merchant banks pay 37.5 percent.

Though there is a provision stating that listed companies would get 10 percent tax exemption, financial institutions and insurance companies are excluded from this facility.

Muhammed Aziz Khan, president of the BAPLC, blamed high corporate tax for stagnant investment from the private sector.

He said Bangladesh has one of the most onerous tax regimes, with corporate tax of up to 42 percent on financial institutions.

Therefore retained earnings become less, for which companies are unable to invest, he said, adding that the high tax prompted business firms to avoid paying tax in different ways.

"We are providing up to 76 percent tax through corporate, dividend and personal file," said Ahmad Rashid Lali, president of the DSE Brokers Association of Bangladesh.

He said though there was a provision of 10 percent exemption for listed companies, financial institutions did not enjoy it.

He urged the government to

enhance the tax exemption limit to 20 percent for listed companies as an incentive to draw companies into the capital market.

The capital market is suffering from a lack of coordination among regulators and ego is working behind it, he said.

For instance, Lali said, the insurance regulator recently cancelled the licence of a listed insurer but did not discuss it with the stockmarket regulator. As a result, the company's shareholders suffered a lot.

He said the Bangladesh Bank, another regulator of bank companies, recently penalised some banks for overexposure.

Banks can invest 25 percent of their capital according to the Banking Company Act. But the central bank considers all kinds of exposures, including investment in subsidiaries, as capital market exposure.

Moreover, the investment is calculated on the market price instead of the buying price.

Lali said there was an anomaly in the way the authority was calculating banks' exposure.

Arif Khan, managing director of IDLC Finance Ltd, emphasised developing the bond market to make the stockmarket vibrant.

A former member of the Bangladesh Securities and Exchange Commission, Khan said the corporate bond market would grow after the government develops the bond market.

High interest rate on savings instruments is the major obstacle for building the bond market.

Khan presented a keynote titled "Various Aspects of The Capital Market" at the seminar where Farzana Chowdhury, managing director of Green Delta Insurance Company, moderated the session.

The keynote paper shows that the capital market generated 19.5 percent returns alone in 2017.

There is more space for the capital market to grow as the size of the market is only 20.2 percent of the GDP, whereas it is 28.4 percent in Pakistan and 99.5 percent in India, according to the presentation.

Khan emphasised increasing institutional participation to make the market strong.

Addressing the governance issue, Khan said directors of the companies were mainly involved in insider trading.

He criticised the independent directors' role, saying they were not aware of their responsibilities. Independent directors should be interviewed before approving their appointment, he added.

M Khairul Hossain, chairman of the BSEC, Anis A Khan, vice-president of the BAPLC, KAM Majedur Rahman, managing director of the Dhaka Stock Exchange, and Shaifur Rahman Mazumder, managing director of the Chittagong Stock Exchange, also spoke.

Golden Son fined Tk 43cr

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Golden Son has done it several times, which the authorities concluded to be a tendency and decided to scrap the company's bonded warehouse licence, according to the DSE statement.

Shares of the company, which was listed in 2007 and now traded as a B category stock, fell 2.11 percent to close at Tk 13.90 yesterday on the DSE.

The government has given bonded warehouse benefit for a wide range of industries to expedite exports. Almost all items are entitled to get bonded warehouse. A 100 percent export-oriented manufacturing unit can get bonded warehouse.

The number of bond licences stands at 6,596, according to the Customs Bond Commissionerate.

Daily market:

Dhaka stocks ended up for a third straight session yesterday on the back of buoyant transactions.

The benchmark index, DSEX, rose 29.38 points to 6,159.07. The daily turnover increased 2.83 percent to Tk 765 crore.

The market started the session on a positive note and remained upward throughout the day, said UCB Capital Management in its daily market analysis.

Most of the heavy weight equities reported moderate gain and investors were mostly active in banking stocks, it said.

Among the major sectors, banks gained 0.93 percent while fuel and power sectors shed 0.66 percent.

City Bank was the highest traded share with a turnover of Tk 38.44 crore, followed by GP with Tk 32 crore.

India gold imports may fall

REUTERS, Mumbai

India's gold imports in the last quarter of 2017 could drop by a fourth from a year ago due to weak demand during key festivals and as investors seek better returns from riskier assets like equities, industry officials and analysts said.

Lower gold purchases by India, the world's second-biggest consumer after China, could drag global prices that have already fallen nearly 6 percent from this year's peak.

Bangladesh needs \$928b extra to implement SDGs

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The GED, with financial and technical support from the UNDP, has prepared and published the books.

Speaking on the occasion, Planning Minister AHM Mustafa Kamal said, "We have already integrated the SDGs into our 7th Five-Year Plan, mapped the ministries by targets, and conducted a data gap analysis and SDGs financing strategy. We are now preparing an SDG monitoring framework and a national action plan to achieve the goals."

"Bangladesh is moving forward and showing healthy signs of progress in economic and social fields, including that of SDGs. We are very much on track and hopefully will achieve the SDGs well ahead of time."

HT Imam, political affairs adviser to the prime minister, reiterated the government's political commitment in achieving the SDGs and transforming Bangladesh into a middle-income country by 2021 and a developed one by 2041.

"To achieve the targets by the timeline, a 7-plus percent GDP growth is not enough; we have to reach double-digit growth and have to employ our all-out effort in it."

UNDP Bangladesh Country Director Sudipto Mukerjee said, "Bangladesh was an example of best practice in mainstreaming SDGs into national plan with an effective SDGs implementation plan."

He expressed continued support of the UNDP to timely achieve the SDGs in the country.

The VNR 2017 on SDGs was prepared and submitted to the UN High Level Political Forum in July this year giving an account of progress of SDG 1, SDG 2, SDG 3, SDG 5, SDG 9, SDG 14 and SDG 17.

The "Training Handbook on Implementation of the 7th Five-Year Plan" specifies the tasks to be completed by each ministry or division.

Bangladesh to see six new denim mills in 2yrs

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Such accessories will be supplied to the whole Asian region, he said. "All big brands like H&M, VF and Walmart are my customers."

Similarly, Nezahat Boni, senior accounts manager of Orta, a Turkish denim maker, said her company now supplies three million metres of denim fabrics to Bangladesh every year, which was only 800 metres in 2011.

"We opened an office in Bangladesh in 2011 as we cannot ignore the importance of this country as a denim hub."

Md Mujibul Hoque, sales director for Bangladesh at China's Prosperity Textile, said his company opened an office in Dhaka last year. Hoque's company sells four million yards of denim fabrics a year in Bangladesh and targets to increase the amount to 40 million yards.

With the higher demand for denim, Bangladesh has overtaken China to become

the largest denim supplier to the European Union - a development that would give confidence to the country's garment sector as it looks to hit \$50 billion in exports by 2021.

In the January-June period of 2016, Bangladesh exported \$667.97 million worth of denim products to the 28-nation bloc with a 21.18 percent market share.

Bangladeshi entrepreneurs supply denim products to major global retailers, including Levi's, Diesel, G-Star RAW, H&M, Uniqlo, Tesco, Wrangler, s.Oliver, Hugo Boss, Walmart, and Gap.

Annually 2.1 billion pieces of denim are sold globally. In 2014, the size of the global denim market stood at \$56.20 billion. By 2020, the global denim market will reach \$64.1 billion, while Bangladesh's denim export is forecasted to reach \$7 billion by the end of 2021.

Handset vendors revving up for 4G

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"We have been preparing for 4G since the middle of this year, ever since the government made a guideline on the service for mobile operators. We are quite ready now," said Ashraf Haque, director of marketing of Edison Group, the parent company of Symphony and Helio branded mobile phones. Currently, about 7 to 10 percent of Edison Group's handsets are 4G enabled, according to Haque.

Huawei officials said they are a step ahead in their preparation for the advent of 4G. About 85 percent of all its smartphones in Bangladesh are 4G-enabled, said Ziauddin Chowdhury, deputy country director of device business department at Huawei Technologies (Bangladesh) Ltd.

The mobile operators too are urging handset vendors to bring in more 4G handsets to the country and they are also partnering with brands to facilitate matters.

"Currently all of our partnerships for handsets are for 4G-enabled sets," said Mahtab Uddin Ahmed, mobile operator Robi's managing director and CEO.

launch of 4G service in Bangladesh. "That's why they are also trying to create the ecosystem with good quality smartphones." About 12 percent of Robi's subscribers now use 4G-enabled handsets.

"This percentage needs to increase so that customers can enjoy the full benefits of this exciting new technology," Ahmed said, adding that good-quality handsets are needed to get the fastest data speed. Ahmed said the high tax rate acts as a barrier to importing quality handsets.

The country's top three mobile operators -- Grameenphone, Robi and Banglalink -- have already established and tested their 4G networks and found 50 Mbps to 100 Mbps of upload and download speed, which is much higher than under existing 3G services.

All three operators have also started to make all their SIM cards 4G-enabled as they plan to launch the service across the country as soon as they get the 4G licence.

The government had a target to introduce 4G service in the country by this year but it may be delayed to the first quarter of next year as some guideline-related issues remain to be ironed out.



Shakil Miraz, general manager for public relations at Biman Bangladesh Airlines, and Fahad MA Karim, CEO of K-Sports, sign an agreement at a programme in the former's headquarters in Balaka Bhaban in the capital's Kurmitola. The airline became a sponsor for the fifth edition of Bangladesh Premiere League (BPL) as a branding partner.