| STOCKS | |
|---|---|
| DSEX | CSCX |
| ▲ 0.22% | ▲ 0.14% |
| 6,336.88 | 11,861.45 |

| COMMODITIES (As of Friday) | |
|---|---|
| Gold ▲ | Oil ▲ |
| $1,291.60 (per ounce) | $58.97 (per barrel) |

| ASIAN MARKETS (Friday closings) | | | |
|---|---|---|---|
| MUMBAI | TOKYO | SINGAPORE | SHANGHAI |
| ▲ 0.27% | ▲ 0.12% | ▲ 0.55% | ▲ 0.06% |
| 33,679.24 | 22,550.85 | 3,442.15 | 3,353.82 |

| CURRENCIES (STANDARD CHARTERED BANK) | USD | EUR | GBP | JPY |
|---|---|---|---|---|
| BUY TK | 81.95 | 96.89 | 108.41 | 0.72 |
| SELL TK | 82.95 | 100.49 | 112.01 | 0.76 |




# Star BUSINESS

DHAKA MONDAY NOVEMBER 27, 2017, *AGRAHAYAN 13, 1424 BS*


BANKING COMPANY ACT

## Amendment mistimed: analysts

STAR BUSINESS REPORT

The proposed amendment to the banking company act will shrink the size of the board at a time when banks need bigger boards with experienced members for sound risk management, speakers said yesterday.

Earlier in May, the cabinet approved a proposal to amend the Banking Companies Act such that four directors from a single family are allowed in a bank's board instead of existing two.

The amendment will strengthen the grip of a family in a bank's board -- a highly undesirable trait.

"A large board is needed to establish good governance but the proposed new amendment will squeeze the scope," said Faruq M Ahmed, additional managing director of Trust Bank, while addressing a conference.

Ahmed's comments came at the Annual Banking Conference, organised yesterday by the Bangladesh Institute of Bank Management at its auditorium in the capital. The two-day conference was inaugurated by Bangladesh Bank Governor Fazle Kabir.

BIBM has been organising the event every year since 2012 with the view to bringing together experts, academicians and researchers from all over the world to exchange and share knowledge, experience and research outputs on banking and related issues.

"Such gathering will generate innovative ideas and policies to address the current issues of the banking industry," Kabir said while delivering his speech as the chief guest.

Private banks should look to effectively employ audit committees and pack in bigger boards with experienced members to guarantee sound risk management, said GM Wali Ullah, lecturer of the Independent University, Bangladesh's business school, referring to an empirical study.

Speakers at the conference also said that banks are not reporting the actual figure of non-performing loans in their financial statement.

"If the non-performing loans are actually calculated, the figure will go up further," said Ahmed.

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## Next budget to be of Tk 468,000cr

### *Muhith starts work on fiscal 2018-19's budget*

STAR BUSINESS REPORT

The budget for next fiscal year could be set at Tk 468,000 crore, which would be higher than current year's by almost 17 percent, as the finance minister plans to deliver an annual outlay that is simple but not uninspiring.

Finance Minister AMA Muhith said he would not prepare the budget for fiscal 2018-19 in a lacklustre way because he feels the government would be able to retain power in the next elections.

The government yesterday commenced its preparation work for the next budget after a meeting of two committees on budget monitoring was held.

After the meeting, Muhith disclosed the primary figure of the budget for next fiscal year to reporters.

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## IT to beat apparel in exports by 2030: Palak

STAR BUSINESS REPORT

Bangladesh's export earnings from information technology and IT-enabled services will cross that from readymade garments by 2030, State Minister for ICT Zunaid Ahmed Palak said yesterday.

The scope for value addition in garments was not more than 30 percent but it was 100 percent for IT and ITES, he said.

"Every taka earned through ICT has an impact on the economy, but for the garment sector we need to import most of the raw materials," Palak said at a programme with the leaders of Telecom Reporters' Network, Bangladesh (TRNB) at his office.

The government targets to earn $1 billion from exporting IT products by 2018 and $5 billion by 2021; Bangladesh is on way to hit the targets with the sector already bringing in $800 million this year, Palak said.

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## Dollar continues to get dearer

AKM ZAMIR UDDIN

The US dollar appreciated heavily against the taka over the last seven days despite the injection of $102 million into the market by the Bangladesh Bank during the period.

The inter-bank exchange rate of the dollar shot up to Tk 81.70 yesterday from Tk 81.20 seven days back and from Tk 78.63 a year ago, according to data from the central bank.

The BB has sold $239 million to banks in the first 26 days of November - the biggest selling spree yet in 2017.

From July 1 to November 26, the central bank has sold a total of $553 million to banks. In contrast, it sold $175 million and purchased $1.93 billion during the course of fiscal 2016-17.

"The central bank has repeatedly intervened in the market by injecting greenback to halt the depreciating trend of the taka, but its initiative has become fruitless as the demand for the US dollar continues to rise," said a BB official yesterday.

The taka has been depreciating against the dollar since the middle of October mainly due to a mismatch between the demand and supply of the greenback.

Remittance and exports, the two major sources of foreign currency for Bangladesh, are in the slow lane, while imports have ballooned, putting pressure on the exchange rate, said Syed Mahbubur Rahman, managing director of Dhaka Bank.

Businesspeople have long been taking buyers' credit from foreign sources to import industrial raw materials and capital machinery, he said.

A significant amount of buyers' credit has matured recently meaning the local banks have to pay back the foreign currency loans, which has led to a mismatch between supply and demand of the dollar, Rahman said.

The upward trend of the dollar is bad news for importers, who have to pay Tk 10 lakh extra for a bill of $1 million if the dollar rate goes up by even Tk 1.

Bangladesh's import bills have significantly increased in the first three months of the fiscal year and the existing trend indicates that the payments will rise further in the months to come. In the first three months of the fiscal year, imports soared 28.38 percent year-on-year to $12.19 billion.

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