

SMEs deserve greater attention: Atiur

STAR BUSINESS DESK

Small entrepreneurs, particularly the young and women, deserve greater attention of the policymakers and regulators to help them grow and receive adequate financing, said a former central bank governor.

"Despite many successes, SME financing still remains inadequate," said the governor, Atiur Rahman.

Assistance to small and medium enterprises should include budgetary support for a robust credit guarantee scheme and priority lending arrangement for improving supply chains for the SMEs, he said at a seminar on "Designing a framework for access to finance for SMEs" at the UNESCAP in Bangkok on Friday.

Mohammad Abu Eusuf, chairman of the Department of Development Studies at Dhaka University, took part in the discussion.

The event was also attended by experts from central banks, commercial banks, universities and ministries of finance from Asia and the Pacific region as well as the Alliance for Financial Inclusion, the Credit Guarantee Schemes, and the UN Capital Development Fund.

Rahman said the government and the BB have worked hard in recent years in creating an enabling ecosystem for greater access to finance for micro, small and medium enterprises.

"Innovative developmental role of the central bank helped push financing SMEs by about three folds over the eight years," he said in a statement.

Rahman said the motivational campaign of the central bank, coupled regulatory incentives for commercial banks which went for SME financing in terms of better supervision rating,



Atiur Rahman, former governor of Bangladesh Bank, attends a seminar on "Designing a framework for access to finance for SMEs" at UNESCAP in Bangkok on Friday.

faster approval of branches and refinancing facilities, helped create this positive ecosystem.

The collaborative arrangement of banks and microfinance institutions in providing agricultural and SME loans also expedited the process, he said.

The former governor called for encouraging business associations, chambers, credit bureaus

and small capital market exchanges for facilitating greater flow of fund to the SMEs.

He said the linkage model developed between micro-finance institutions and commercial banks in financing agriculture and SMEs should be further developed and encouraged.

Rahman underscored the use of technology to facilitate greater financing for the SMEs.

France, Germany to unveil eurozone reforms in March

AFP, Brussels

Germany and France will offer their joint vision for reforming the eurozone by March, German Chancellor Angela Merkel said on Friday, in an effort to bridge divisions over the future of the single currency.

Meeting without departure-bound Britain, the bloc's 27 leaders were tasked by EU President Donald Tusk to speak freely about their often clashing visions for the single currency's future at a summit widely expected to be dominated by Brexit.

Overhauling the eurozone and making it more resilient to economic shocks has been a top priority of French President Emmanuel Macron, as well as European Commission head Jean-Claude Juncker.

But these ambitions have been stymied by political uncertainty in Germany, where Macron-ally Merkel is still trying to form a government after the pro-business FDP party abandoned talks amid doubts about eurozone reform.

"We will find a common position because it is necessary for Europe," Merkel said at a news briefing, speaking alongside Macron after a summit that was dominated by Brexit.

Merkel's overture to France will rattle her conservative CDU party, which toes a austerity-minded line on economic matters.

Reform of the eurozone is often blocked in a political split, with rich countries -- such as Germany and the Netherlands -- reticent to adopt policies that share risks with their heavily-indebted eurozone partners, such as France, Spain, Italy or Greece. The Netherlands pushed its austerity-driven vision of the eurozone at the summit, with Prime Minister Mark Rutte demanding reforms by overspending governments.

New MD for Prime Bank



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Rahel Ahmed has recently been appointed managing director of Prime Bank.

Prior to the appointment, he was a deputy managing director of the bank, the bank said in a statement yesterday.

Ahmed also worked as the bank's chief business officer. He also worked at ANZ Grindlays Bank and Standard Chartered Bank.

He served Emirates NBD Banking Group and First Gulf Bank in Dubai for seven years in senior roles, including that requiring specialisation in Islamic banking.

Ahmed has an MBA from the Maastricht School of Business, Netherlands.

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Bitcoin hits new record high as warnings grow louder

REUTERS, London

Bitcoin blasted to another all-time high of almost \$18,000 on the Bitstamp exchange on Friday, up 9 percent on the day, as warnings grew over the risks of investing in the highly volatile and speculative instrument.

The cryptocurrency's staggering recent price rises -- more than 1,700 percent since the start of the year -- have driven worries that the market is a bubble that could burst in spectacular fashion.

Bitcoin has climbed almost 80 percent so far in December alone, putting it on track for its best month in percentage terms since December 2013.

On Friday it reached as high as \$17,900 on the Luxembourg-based Bitstamp exchange.

While bitcoin has added another fifth to its value since Monday, trading has been slightly calmer than the wild price swings the market has seen in recent weeks, with volatility lower since the

launch of bitcoin futures from Cboe Global Markets on Sunday. Market-watchers said bitcoin's price was being lifted by the launch of rival CME Group's bitcoin futures contracts on Sunday.

"The hope (is) that futures signal the unlocking of institutional money into the digital arena and (that there will be) a rapid demand increase and ratification of the technology and its principles," said Charles Hayter, founder of industry website Cryptocompare. But outside of the crypto market, worries continue to grow about the amount of money piling into the space.

A study by Anglia Ruskin University, Trinity College Dublin and Dublin City University released on Friday said bitcoin could pose a threat to the financial stability of traditional currencies and markets.

"Our evidence finds that the price of Bitcoin has been artificially inflated by speculative investment, putting it in a bubble," said Larisa

Yarovaya, one of the report's authors and a lecturer at Anglia Ruskin University.

"Although bitcoin is not regulated by governments, it could still have a knock-on effect on traditional markets due to the interconnectedness of cryptocurrency markets with other financial assets."

Others, however, say bitcoin's total market size -- around \$300 billion -- mean the impact of any future price collapse would not be large enough to have a knock-on effect on financial stability.

The BBC reported late on Thursday that the head of Britain's Financial Conduct Authority, Andrew Bailey, had warned that bitcoin buyers should be prepared for the possibility that they could "lose all their money".

Outages on some of the world's biggest exchanges this week, which left millions of investors unable to access their funds during periods when trading volumes are high, have also fuelled concerns about the fragility of the market's infrastructure.

Demand for laptop defies dim forecasts

FROM PAGE B1

However, Rahman from Dell said next year might be crucial as it will be an election year. Describing customers' behaviour, Fattah said traditionally Bangladeshi customers like high-value products and sometimes they do not even calculate the value for money. Even for entertainment purposes some buy laptops with high configuration.

Most of the imported laptops are coming from China, Singapore and Malaysia, he said.

Considering the high import volume, the government is also encouraging local assembling and has invited both local and international entrepreneurs to take up this opportunity.

Local brand Walton has already started assembling notebooks in its hi-tech park at Gazipur.

But both Fattah and the top officials of other leading global brands said the interest is scant.

"No doubt Bangladesh is a big market but the ecosystem for assembling is not ready yet," he added.

Mustafa Jabbar, president of Bangladesh Computer Samity, said the country will have more than five crore students in the next five years and half of them will use laptops.

"It means all the potential of the market is still left," he said, adding that the zero duty on importing computer parts presents a glorious opportunity for investors.

There is no duty on importing laptops either, according to Jabbar, also the president of the Bangladesh Association of Software and Information Services.

Subsequently, he urged the government to impose tax on laptop imports to encourage local assembly.

Tesla largely responsible for slide in US home solar sales

REUTERS

After years of double-digit growth, home solar installations in the United States are poised to fall for the first time this year, according to a report released on Thursday by GTM Research.

The reason? An analysis of installation data suggests that most of the slowdown is traceable to a single company: Tesla Inc, which acquired sister company SolarCity about a year ago.

For years, SolarCity, with early backing from Tesla CEO Elon Musk, was the biggest player in residential solar and the driving force behind that market's supercharged growth.

When Tesla bought SolarCity last year, Musk called the acquisition a "no-brainer," saying the two companies shared "the same overarching goal of sustainable energy."

But under Tesla's ownership, the company has largely stopped its aggressive marketing campaigns and ambitious expansion.

As a result, Tesla's rooftop solar installations have fallen sharply each quarter this year compared to last. In the third quarter, installations were off

by 42 percent over the previous year.

Tesla declined to comment for this story, but has previously said that while sales are down, margins are up. The company expects its fourth-quarter solar installation numbers to be higher than those of the third quarter.

Overall, the residential solar market is expected to fall 13 percent this year, according to GTM's quarterly solar market report, released on Thursday. That compares with a 19 percent rise last year and four straight years before that of increases above 50 percent.

SolarCity was responsible for an outsized portion of that growth, accounting for a quarter of the national market in 2016 and more than 30 percent the previous two years. By the third quarter of this year, its share had dropped to 14 percent, according to GTM's US PV Leaderboard report.

"If SolarCity accounted for a 30 percent share of the national market and you cut those installation volumes effectively in half, that's really what we are looking at in terms of the market downturn in 2017," said Austin Perea, who tracks the US resi-

dential solar market for GTM.

SolarCity's rapid growth was fueled in part by a no-money-down offering that enabled residential customers to pay a monthly fee to go solar. The business generated huge sales volumes but led to investor concern about debt.

In many ways SolarCity's rise helped lift the fortunes of smaller rivals.

"They spent a lot of money making people aware of what solar can do and all of us little guys have been the beneficiaries of that," said Jim Petersen, chief executive of Fremont, California-based PetersenDean, who said his company is forecasting sales growth of 7 to 9 percent this fiscal year.

Tesla stopped selling installations door-to-door earlier this year, eliminating a major way it reached new customers. It now sells systems in its high-end retail stores, where cars and batteries are also sold.

SolarCity's fall has benefited some competitors. Sunrun Inc, the largest publicly held standalone residential installer, has gained market share this year, and its installations are expected to rise 15 percent in 2017.



Amir Hossain Amu, industries minister, and Biren Sikder, state minister for youth and sports, attend the opening ceremony of a three-day "Health & Fitness 2017" expo at International Convention City Bashundhara on Thursday.

Rice prices creeping up again

FROM PAGE B1

"We would have bagged a good amount of crops if we had been able to plant the crop timely," he said. A rice miller seeking to remain unnamed said reports of higher yields were provided to headquarters from field level agricultural offices.

"In reality, the situation is not such," he said, adding that the overall output might decline in the current Aman season from what was a year ago. The market of the staple food started rising after declining from the third week of November, to continue until the end of the first week of this month.

Saha said cost of rice imports has increased owing to weakening of the local currency taka against the US dollar. On the

other hand, Indian rupee appreciated against the greenback, leading to a further spiral in import costs, he said.

"We have to buy dollar at about Tk 83 each. The same was available at around Tk 80 one and half months ago," he said.

On December 13, the greenback traded at Tk 82.60 each, up from Tk 80.90 on the first day of November, according to the Bangladesh Bank data.

Saha said prices of the staple may edge up in the coming months. A decline in prices depends on a bumper Boro harvest.

"So far, the weather looks favourable. Agricultural extension officials should stay close to growers and provide advice to ensure a good crop," he said.

Agrani spurns BB, keeps open Canada exchange house

FROM PAGE B1

The government high-ups and the Bangladesh High Commissioner in Canada have instructed Agrani not to shutter the exchange house as it was now carrying the country's national flag in the foreign country, Bakht told The Daily Star yesterday.

"We have already taken austerity measures with the view to turning the outlet profitable one," he said, adding that the inflow of remittance from Canada will decline if the exchange house is shuttered.

But BB officials said there is no scope of allowing Agrani to continue to run the exchange house as the bank had already

remitted money to Canada in the name of closing down the outlet. Besides, a number of local banks have recently inked drawing arrangement with foreign banks to bring remittance from Canada, they said.

"So, the closure of the exchange house would not have any adverse impact on the country's inflow of remittance from Canada," said one of the BB officials upon conditions of anonymity due to sensitivity of the matter.

Agrani has so far sent Tk 5.48 crore to Canada to operate the exchange house despite the outlet never turning in any profit, according to data from the state bank.

Trade volume rises sharply at DSE, CSE

FROM PAGE B1

As a result, the markets have become stable, said former DSE president Ahsanul Islam Tityu yesterday.

He said the government organises 'Investor Day' every year and has launched financial literacy programme to build a strong capital market.

"Due to the government's time-befitting initiatives, the stockmarket is gradually becoming a lucrative position for both local and foreign investors. Now investors are showing keenness to invest in the market," Ahmed Kabir Majumder, managing director of Azam Securities Ltd.

According to BB data, both stock markets exhibited upward trend in terms of index and turnover compared to the previous quarter. The DSEX, the key index of the DSE, increased to 6,092.84 points at the end of September, which was 4,695.19 points in September last year.

At the Chittagong Stock Exchange, 149.55 crore shares were traded from July to September against 50.41 crore shares during the same period the previous year.

All share price index of the CSE stood at 18,881.60 points at the end of September, which was 30.85 percent higher than that of September last year.

Ctg Customs House vulnerable for lack of CCTV

FROM PAGE B1

Steps will soon be taken to make all the cameras functional and to store the CCTV footages, AKM Nuruzzaman, the newly appointed commissioner of the Chittagong

Customs House, told The Daily Star.

"The construction of a new building for the customs house is going on, and the whole station will be brought under CCTV surveillance as soon as the work ends."