

Yarn makers to suffer as Indian cotton traders halt shipment

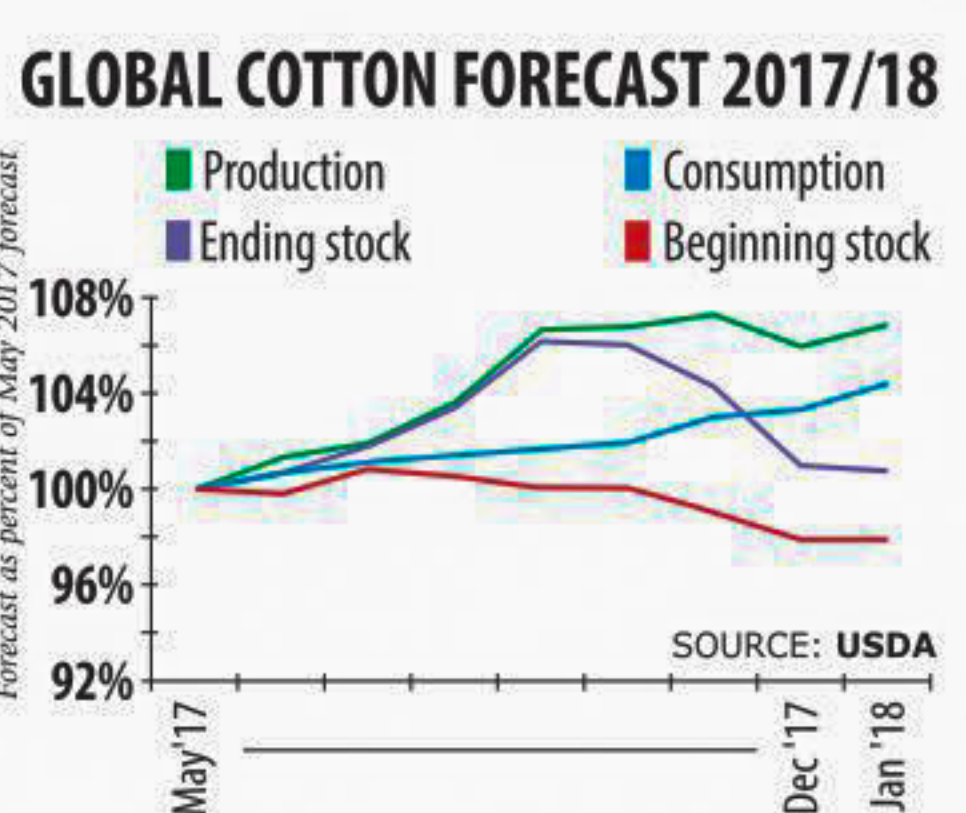
REFAYET ULLAH MIRDHA

The sudden cancellation of shipment of 400,000 bales of cotton by Indian traders will negatively affect yarn production of Bangladeshi firms which could deal a blow to apparel exports, industry insiders said.

"It is a sad incident," said Abdul Hai Sarker, chairman of Purbani Group, which imports 30,000 bales of cotton a year, 15 percent of which from the neighbouring country.

Bangladesh imports 46 percent of its annual requirement for the natural fibre from India.

Indian cotton traders have cancelled contracts involving 400,000 bales of the natural fibre after a rally in domestic prices and the rising rupee made overseas sales unattractive, Atul Ganatra, president of the Cotton Association of India, told Reuters last week.



Prices surged more than 15 percent in the past six weeks after pest infestations squeezed supplies in India, the world's biggest producer of the fibre.

The local spinners have already increased the prices of yarn after the latest move by the Indian traders, said Mohammad Hatem, former vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association.

At present, the widely consumed 30-count yarn is selling at \$3.30 a kilogram in the local market, up from \$2.90 to \$2.95 in the first week of the year, he said.

Hatem said garment exporters had negotiated their work orders based on the previous rates of yarn, so the sudden spike in the rate will throw off their calculations and even their profit margins.

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Farmers Bank selects new chairman

STAR BUSINESS REPORT

The Farmers Bank Ltd has selected Chowdhury Nafeez Sarafat as its new chairman after the resignation of Muhiuddin Khan Alamgir from the post over allegations of involvement in financial scams.

The board of the bank had taken the decision on Sunday in line with the central bank's recommendation, Sarafat told The Daily Star yesterday.

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NRBC left without govt funds after media reports

Chairman of the private bank says

STAR BUSINESS REPORT

The government agencies have withdrawn their funds, amounting to Tk 500 crore, from NRB Commercial Bank recently due to media reports on its precarious financial position, the bank's Chairman Tamal SM Parvez said yesterday.

He, however, claimed that the general public is yet to pull out funds from the bank, in an encouraging signal for the fourth generation bank.

At present, the embattled bank's deposit stands at Tk 4,700 crore, he said at a press conference to disclose the bank's latest financial performance.

The bank's classified loans are now less than 2 percent of its outstanding loans, according to Parvez. "Some directors had recommended sanctioning loans to the tune of Tk 250 crore."

Of the sum, the bank has already recovered Tk 100 crore and is now trying to recover its problematic loans -- about Tk 150 crore -- within the next six months, according to Parvez.

The new NRBC chairman acknowl-

edged that there were some irregularities in loan sanctions and disbursements. "But it has not become a matter of concern yet."

In some cases, the media reports exaggerated the irregularities and this had an adverse impact on the bank, he said.



On allegations of anonymous shares in NRBC, he said: "The bank has not been involved in holding anonymous shares -- there is no scope."

Parvez said the bank will introduce new credit and deposit products for non-resident Bangladeshis with the view to opening a new window for foreign investment.

NRBC restructured its board of directors on December 10 last year to restore corporate governance and depositors' confidence in the bank.

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Development Forum begins tomorrow

More investment from development partners will be sought for SDGs

STAR BUSINESS REPORT

Bangladesh will seek more investment and cooperation from the development partners instead of loans to finance the sustainable development goals and graduation from the least developed countries category.

The country will make the call at the two-day Bangladesh Development Forum that will start in Dhaka tomorrow, said Kazi Shofiqul Azam, secretary of the Economic Relations Division (ERD).

He spoke at a press meet yesterday in presence of Finance Minister AMA Muhith. The finance ministry organised

the meet at the NEC auditorium. The slogan of this year's forum is "Partnership for Development".

An additional \$928.48 billion—over the current provision of investment related to SDGs by public sectors and external sources—would be required till 2030 to implement the SDGs, according to a report of the ERD.

The secretary said only 15 percent financing is estimated to come from abroad, 10 percent of which is in the form of foreign direct investment and only 5 percent in loans on concessional or other terms.

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Islami Bank had a good 2017: Arastoo

STAR BUSINESS REPORT

Islami Bank Bangladesh, the country's largest private bank, saw its financial performance improve in the past one year, according to its Chairman Arastoo Khan.

For instance, IBBL's default loans at the end of 2017 stood at 3.56 percent, down from 3.74 percent a year earlier, he said at a press conference yesterday to disclose the bank's financial position.

In 2017, the bank's credit growth was 13.7 percent against the deposit growth of 10.7 percent. Its total deposits stood at Tk 75,130 crore.

Though the loan-deposit ratio went past the authorized limit of 90 percent set by the Bangladesh Bank in the middle of the last year to 90.2 percent, it has come down to 87.8 at the end of last year.

The bank made fresh lending of Tk 8,000 crore last year to take its total



Arastoo Khan, chairman of Islami Bank, speaks at a press conference at Islami Bank Tower in Dhaka yesterday. Md Abdul Hamid Miah, CEO, was present.

loan portfolio to Tk 70,000 crore.

Its income growth improved to 9.2 percent last year from 8.2 percent the previous year, he said.

Each share of IBBL lost Tk 0.5, or 1.43 percent, to close at Tk 34.50 yesterday.

Going forward, the bank will put in more effort to enhance its financial technology by expanding

mobile banking and agent banking services, said Khan, who assumed his current position on January 5 last year after a major reshuffling.

The bank will also focus on the small- and medium-sized enterprises this year, shifting away from the corporate sector.

The veteran banker also touched upon the overall banking sector.

The interest rate on deposits are set to go up this year if the BB announces a contractionary monetary policy for the second half of the fiscal 2017-18 to guard against inflation risk.

"Bangladesh Bank will take measures in the new monetary policy to pull money into banks from the market."

The banking sector will face challenges in liquidity management due to the higher cost for deposits, he said.

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bKash, MTB offer instant remittance service



State Minister for ICT Zunaid Ahmed Palak addresses the launch of a remittance service of bKash and Mutual Trust Bank (MTB) in the Westin Dhaka yesterday. Lila Rashid, general manager, payment systems department, Bangladesh Bank, Kamal Quadir, CEO of bKash, and Anis A Khan, managing director and CEO of MTB, were also present.

STAR BUSINESS REPORT

Mutual Trust Bank and bKash yesterday jointly launched a service enabling remittance to be sent directly to the account-holders of the mobile financial service provider through the bank's partner exchange houses and money transfer operators abroad.

Funds can be sent round the clock and

accessed instantly via 180,000 bKash agents countrywide or stored for interest on savings. bKash has around 30 million customers.

Starting off with eight countries, including Saudi Arabia, the United Arab Emirates, Qatar and Kuwait, the service will be made available in more countries gradually, said bKash officials.

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Stocks continue to slide

STAR BUSINESS REPORT

Dhaka stocks continued its losing streak for the second consecutive day on the back of investors' selling spree upon anticipation of a contractionary monetary policy.


Investors fear that the new policy will interrupt the money flow into the stockmarket, said a senior executive of a merchant bank. Yesterday, the prime index came down to less than 6,100 -- the lowest in two months.

DSEX, the benchmark general index of the Dhaka Stock Exchange, lost 60 points or nearly 1 percent to close at 6,057 yesterday. However, the market turnover increased 23.79 percent to Tk 406 crore.

The day started on a positive note but went on a freefall amid the broad sell-off pressure, UCB Capital Management said in its daily market analysis.

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