

STOCKS	Week-on-week	COMMODITIES	As of Friday	ASIAN MARKETS	Friday closings	CURRENCIES	As on Thursday
DSEX	0.92%	Gold ▲	\$1,330.00 (per ounce)	MUMBAI	0.71%	USD	82.20
CSCX	1.25%	Oil ▼	\$63.57 (per barrel)	TOKYO	0.19%	EUR	99.27
6,122.23	11,391.09			SINGAPORE	0.82%	GBP	112.76
				SHANGHAI	0.41%	JPY	0.72
						BUY TK	83.20
						SELL TK	102.87
							116.36
							0.76

আপনার বিআরটিএ ফি এবং সকল ইউটিলিটি বিল এসআইবিএল এর যে কোন শাখার মাধ্যমে জমা দিন

* ফ্রি অনলাইন সেবা
যে কোন প্রয়োজনে ০৯৬৯২০০৯৯২২

star BUSINESS

DHAKA SUNDAY JANUARY 21, 2018, MAGH 8, 1424 BS

Businesses frustrated with lethargic reforms

STAR BUSINESS REPORT

Businesses yesterday expressed frustration over the lack of improvement in the processes for doing business and the sluggish progress in implementation of reform measures.

The economy is buoyant, the macroeconomy, on balance, is positive; yet the private domestic and foreign investment are not showing the dynamism that is needed to accelerate growth to 8 percent, said Sadiq Ahmed, vice-chairman of the Policy Research Institute of Bangladesh.

“A big part of the answer is the continued high cost of doing business as suggested by the ease of doing business rankings.”

Ahmed’s comments came at a roundtable on doing business in Bangladesh, organised by the PRI at its office in Dhaka.

Businesses and analysts also talked on the lack of willingness among civil servants to ease the process of doing business, which is badly needed to take the economy to the next level.

Some stressed on ensuring the accountability of civil servants and expressed dissatisfaction over the quality of education and the low skills of workforce.

In the World Bank’s ranking of Doing Business, Bangladesh was ranked 177 out of 189 economies in 2018, down one notch from 2017.

“Bangladesh’s ranking is at the lower end of the rankings in 9 out of the 10 categories,” said Ahmed.

It fared the worst in enforcing contracts, registering property, getting electricity and trading across the borders.

“These suggest that the investment climate challenges are broad-based and will require fundamental reforms over a long period of time.”

The Bangladesh Investment Development



Farooq Sobhan, president of Bangladesh Enterprise Institute, Ahsan H Mansur, executive director of Policy Research Institute, Kazi M Aminul Islam, executive chairman of Bangladesh Investment Development Authority, and Sadiq Ahmed, vice-chairman of PRI, attend a roundtable in Dhaka yesterday.

Authority has prepared an action plan for eight indicators of doing business through stakeholder consultations earlier, according to Ahmed.

But the implementation of the developed action plan is yet to be initiated, he said, adding that the National Committee for Monitoring Implementation of Doing Business Reforms needs to be operationalised for stronger oversight of the reforms.

“With the national election cycle fast

approaching, swift efforts are needed to show progress in the next few months.”

As an immediate task, he suggested addressing the problems faced by the banking sector.

“If the banking sector problems that we are facing, if the pressure that we see on the balance of payments and on the credit side are not resolved quickly, there is a risk that some of the gains that we have made on the economy might be lost.”

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Japanese investors gaining confidence: survey

REFAYET ULLAH MIRDHA

Confidence among the Japanese investors doing business in Bangladesh has improved remarkably as they think the country is a lucrative destination for their investment, according to a new survey by Japan External Trade Organisation (Jetro).

In particular, the 2018 diffusion indices of Bangladesh, India, Sri Lanka and Pakistan, plus Vietnam and Laos, exceeded 50 points, indicating a remarkable improvement of business confidence, the survey said.

Among reasons for the improvement “increased sales in local markets” ranked first, followed by “improvement of productivity” and “increased sales due to expansion of exports”.

The survey ran on the business condition of Japanese companies in 20 countries and regions in Northeast Asia, Southeast Asia, Southwest Asia, and Oceania from October to November 2017.

The questionnaire included operating profit forecast, future business plan, management matters, rising cost of production and services, procurement of raw materials and parts, export and import, efforts at local market development and wages.

“The survey result has the reflection in reality as I have been noticing an influx of Japanese investors in Bangladesh over the last six months,” said Tareq Rafi Bhuiyan, secretary general of the Japan Bangladesh Chamber of Commerce and Industry (JBCCI).

Japanese investors are looking for an alternative destination, pulling back their investment from China for the Japanese government’s “China Plus One” policy, adopted in 2008, he told The Daily Star over phone.

Moreover, Japanese investors see Bangladesh as a good destination for production and sales of goods for having a strong consumer base with rising income, said Bhuiyan.

Bhuiyan said nearly 50 Japanese companies inquired to the JBCCI, apart from Jetro, over the last six months on the business potential in Bangladesh. Japanese businesses are interested in investing in textile and garment and consumer goods.

Another reason for the high turnout of Japanese investors is the implementation of some mega infrastructure projects involving Japanese experts, he said.

Asked, Bhuiyan said the killing of seven Japanese in the Holey Artisan Café attack in July 2016 was an isolated incident.

“Still the Japanese people believe that the nature of Bangladeshis is not like this. Japanese people love Bangladesh very much,” he said.

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ADP spending rises 32pc

STAR BUSINESS REPORT

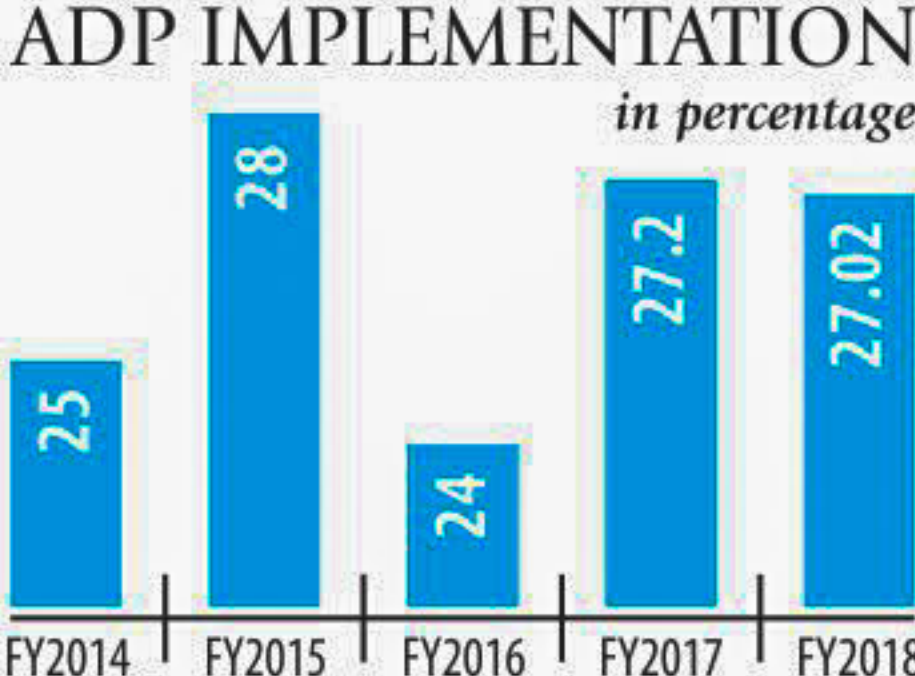
The government’s development spending rose 32.11 percent year-on-year to Tk 44,331 crore in the first six months of 2017-18 thanks to the increased use of foreign aid.

Project aid utilisation increased by more than 124 percent year-on-year to Tk 19,918 crore, according to the Implementation Monitoring and Evaluation Division (IMED). In comparison, use of the government’s own funds rose by 2.79 percent.

Interestingly, development spending by state-owned enterprises—a part of the country’s annual development programme (ADP)—declined by 30 percent.

In the current fiscal year, the total size of the ADP was Tk 164,085 crore. Its implementation slightly declined due to decreased use of the own funds of the government and the state-owned enterprises.

In six months to December 2017, the ministries and divisions spent 27.02 percent of the ADP allocation, down from



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BTRC lifts minimum speed limit for 4G

MUHAMMAD ZAHIDUL ISLAM

The Bangladesh Telecommunication Regulatory Commission will not enforce a precondition that instructed mobile phone operators to ensure a minimum 20 megabytes per second download speed while scrutinising their 4G licence applications.

The minimum speed issue will be kept in a “quality of service (QoS) directive” for telecommunication service providers and the figure will be updated from time to time.

“The directive will be on the table within a short time,” Shahjahan Mahmood, chairman of the telecom regulator, told The Daily Star.

Now 20mbps seems high but

time will come when customers will get faster speed, he said. “In the QoS directive, we will set a standard speed and if operators fail to ensure it, they will face tough action,” he added.

The BTRC on Sunday received five licence applications, including from state-run Teletalk and now out-of-service Citycell. The private entities are scheduled to sit in a spectrum auction on February 13.

The regulator has formed two separate committees to evaluate the applications for licences and spectrum auction. The names of those qualifying will be published on January 25 and a mock auction will take place on February 12.

The BTRC expects mobile internet users, especially in cities, to enjoy

super-fast data service by March as all the operators are set to roll out the 4G service.

The minimum speed was initially set at 1 gigabyte per second and later brought down to 100mbps. It however settled at 20mbps when Prime Minister Sheikh Hasina last November approved the 4G guideline containing the licence prerequisites.

For 3G, mobile operators enjoyed a minimum speed regulation of 512 kilobytes per second whereas the global average was 4.4mbps.

Mobile operators praised the BTRC for overlooking the prerequisite, saying all such conditions need to be fixed taking ground realities into consideration.

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Grameen Bank on track to log its highest profit

STAR BUSINESS REPORT

Grameen Bank is on course for record profit in 2017 in what can be described as a pat on the back to the stewardship of the three government-appointed directors and the acting managing director.

The Nobel Prize-winning organisation recorded Tk 310 crore as operating profit for 2017, up 16.54 percent year-on-year, according to Ratan Kumar Nag, acting managing director of the bank.

“This is the highest operating profit achieved by Grameen Bank,” said Nag, who has been serving as the acting MD since October 2015.

The record operating profit, which came on the back of increased loan disbursement, recovery and beefed-up monitoring by the head office, paved the way for the microlender to log in its highest net profit in its 35-year history.

The bank may post a net profit of about Tk 220 crore for 2017, which would be an increase of 58 percent from a year earlier.

The net profit figure will become available next month after deducting all expenses. The previous highest net profit was recorded in 2012 – Tk 145.48 crore.

The sharp rise in both operating profit and net profit came despite fully implementing the salary for its 21,000 employees in line with the government’s salary for the public sector.

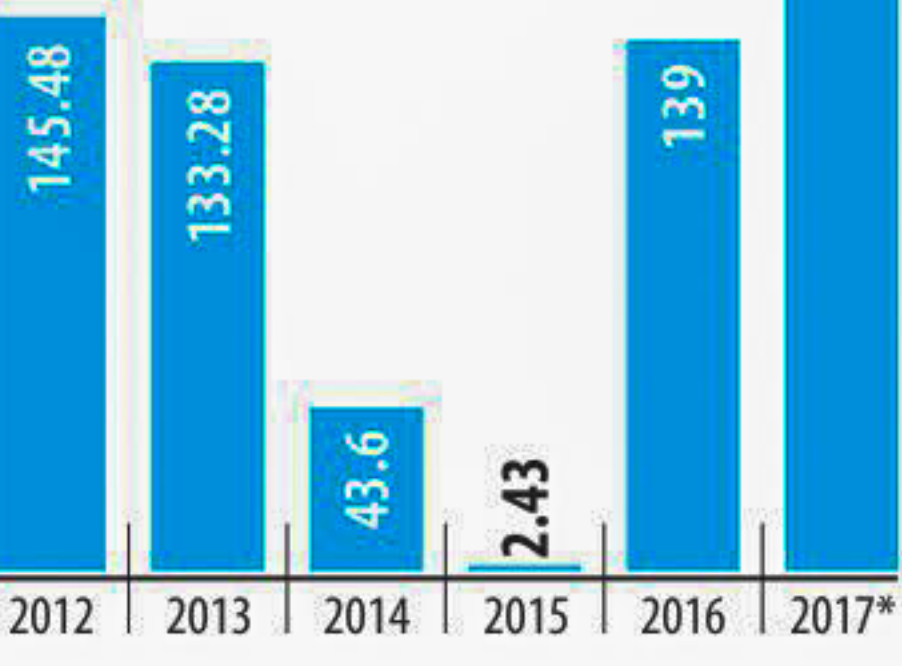
Grameen Bank officials said the new pay-scale encouraged the employees to put in more efforts in lending and recovering loans.

The head office undertook month-based activities and follow-up programmes from the very first month of the year and it continued throughout 2017, said the officials.

The acting managing director himself visited zonal offices and maintained regular contacts with managers at branch, area and



Net profit
in crores of taka; *estimated
SOURCE: GRAMEEN BANK



zone levels to give a boost to the bank’s activities and targets.

Senior officials were also sent to field offices for visits. As a result, the employees were motivated.

Nag even talked to senior managers over Skype several times during the course of the year, said another banker.

The bank has been distributing dividends among its shareholders since 2006.

Before that, it could not pay dividends as the amount of profit was low and the central bank instructed Grameen Bank to keep the profit in its disaster fund.

However, since 2008 the microcredit lender has been giving out 30 percent annual dividends to its 62 lakh shareholders.

In December last year, the government received Tk 6.17 crore in dividend for 2016 thanks to its 25 percent stake in the bank.

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Western Marine to export \$250m worth of vessels in 5yrs

STAR BUSINESS REPORT

Western Marine Shipyard Ltd aims to export small vessels worth \$250 million or over Tk 2,000 crore in the next five years.

Western Marine will fulfil 25 percent of Bangladesh’s target to export \$1 billion worth of vessels in the period, said Saiful Islam, chairman of the country’s largest shipbuilding company.

He spoke at a press meet over the recent development in the shipbuilding industry at the Sonargaon hotel in Dhaka yesterday.

He demanded policy support from the government to implement its export target and give a boost to the shipbuilding industry.

The industry has bright prospects in the coming years, as the world economy has started to gain momentum after a long break, he said.

Bangladesh’s shipbuilding industry needs long-term and low-cost financing arrangement to help the sector to continue to grow, Islam said.

Western Marine still owes Tk 1,084 crore to banks and financial institutions, he said. The listed company now plans to arrange the financing through issuing rights shares in the stockmarket to reach its projected export target, he said.

The company’s directors will also contribute from their own funds to increase the shipbuilder’s infrastructure capacity, he said.

Sakhawat Hossain, managing director of the company, gave a presentation over the local and international shipbuilding industry at the event.

The local industry needs Tk 4,000 crore worth of ships every year, 10 percent of which comes from Western Marine, he said.

The shipbuilding industry was hit hard in 2009 due to the global economic meltdown and many companies in Bangladesh were forced to close their operations then, he said.

“The sector started recovering in 2015.”

Western Marine is currently producing 30 ships for the local market and eight for companies in Norway, the Netherlands and India, according to his presentation.

Established in 2000, Western Marine manufactures and exports ferries, cargo vessels, passenger vessels, offshore patrol vessels, hi-tech fishing trawlers, tugboats, landing craft tank etc.

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NRBC Bank gunning to impress in 2018

STAR BUSINESS REPORT

NRB Commercial Bank is gunning for an operating profit of Tk 250 crore in 2018 as the embattled bank looks to shake off the image crisis that befell towards the end of last year.

The fourth generation bank’s operating profit in 2017 was Tk 200 crore, said Kazi Md Talha, the current charge of NRBC, at a press briefing held yes-

terday at the capital’s Westin hotel following NRBC’s annual conference.

NRBC’s new Chairman Tamal SM Parvez presided over the annual conference.

“We are now getting back the depositors’ confidence,” Talha said.

The tendency of depositors pulling out their funds from the bank has stopped. Rather, in the last one month, Tk 200 crore of new deposits came in.

The institutional depositors who wanted to withdraw their deposits changed their mind and renewed their agreements.

The bank has set the target to collecting fresh deposit of Tk 1,300 crore in the new year to take its deposit base to the neighbourhood of Tk 6,000 crore.

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