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Shipbuilders served loan rescheduling on silver platter

JEBUN NESA ALO

At a time when the country's banking sector is going through a liquidity stress, the borrowers from the shipbuilding industry are being gifted with a 10-year loan rescheduling facility by the finance ministry.

As of December last year, the total loans to the shipbuilding industry, whose contribution to the economy is less than 1 percent, were Tk 4,600 crore, and now the banking sector will be saddled with the sum for the next decade.

The loans carry interest rate of 10-13 percent, but as per the special package being offered to the shipbuilders the interest rate will be revised down during rescheduling.

Of the loan amount, only Tk 860 crore is with the state banks, meaning the move will intensify the ongoing liquidity crisis in the banking sector, the epicentre of which is in the private banks.

It will also enable indiscipline in the banking sector further, said a central bank official requesting anonymity to speak candidly about the matter.

"The Bangladesh Bank was not in favour of extending the package to the shipbuilders but the finance ministry put it in a tight spot."

The finance ministry sent a letter to the central bank in August last year asking it to issue a notice offering long-term loan payment facility for the industry upon request from shipbuilders.

"But the central bank refused to issue any such letter."

The shipbuilders had first approached the BB in August last year

Rescheduling benefit given for **10** yrs

Rescheduling does not need any down payment

The loans will have a grace period of **3** yrs

The existing interest rate will be revised down

Outstanding loan of the industry is Tk **4,600** crore

LOANS OF TOP FIVE BANKS IN THE SECTOR in 2017; figures in crores of taka

ISLAMI	800
NATIONAL	600
JANATA	370
UCBL	325
AB	320



for the facility but their request was turned down. Subsequently, they went to the finance ministry, he said.

On January 3 this year, the finance ministry held a meeting with representatives from the shipping ministry, the Bangladesh Securities and Exchange Commission, the

Online fund transfer to any bank from June

AKM ZAMIR UDDIN

Fund transfer to any Bangladeshi bank account through online banking will become possible from June, in a development that promises to be a great timesaver for bank customers.

For that end, the central bank has asked all banks in the middle of February to connect their fund transfer channel to the National Payment Switch Bangladesh (NPSB).

In November last year, six banks -- Bank Asia, Standard Chartered, Bangladesh Commerce Bank, City, Dutch-Bangla and Midland -- signed up for the fund transfer facility through the NPSB.

Another 22 banks will soon integrate their systems with the NPSB, said a Bangladesh Bank official.

The banks that are yet to introduce internet banking will have to offer at least fund receiving facility to their clients.

Thanks to the facility, customers will be able to pay their credit card bills and make their monthly instalment payments on deposit pension schemes, loans and insurance premiums from the comforts of one's homes.

A person can make a maximum of five transactions amounting to Tk 2 lakh a day; the single transaction limit is Tk 50,000.

Customers will be informed about the transactions instantly through an SMS alert service.

As of January, there are nearly 17.61 lakh users of internet banking, according to data from the BB. Of them, more than 90 percent are clients of private banks and the remain-

AT A GLANCE

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Both the number of users of the online banking platform and the transactions will shoot after June, the BB official said.

"We have completed the testing process to integrate internet banking with the NPSB. We will connect the system in due time," said Mohammad Ali, deputy managing director of Pubali Bank.

The initiative taken up by the central bank will ultimately help build a cashless society as it will encourage e-commerce, he added.

NBR plans tax benefits for manufacturing sector

STAR BUSINESS REPORT

The revenue authority plans to provide manufacturing industries with tax benefits to accelerate expansion of the sector, NBR Chairman Md Mosharraf Hossain Bhuiyan said yesterday.

Manufacturing flourished and exports increased in some sectors owing to the past fiscal benefits provided by the National Board of Revenue (NBR), he said.

His comment came at a pre-budget meeting with mobile phone manufacturers and importers, television and electrical merchandise manufacturers and software makers at the NBR headquarters in the capital.

"We want to do that for important sectors so that you can go for exports," Bhuiyan said in response to a plea for duty cuts in imports of components of mobile handsets, televisions and electrical items from 2018-19.

Bangladesh Mobile Phone Importers Association (BMPIA) demanded a cut in import duty and tax for components to 1 percent from a total of 16 percent for the next fiscal year. The trade body also urged for a cut in import tariffs on smartphones to 22.19 percent from the existing 30.19 percent to boost use of 4G-enabled handsets.

"We want a balance in tariff between manufacturing and imports," said BMPIA President Md Ruhul Alam Al Mahub.

The cut in import tariff would help the smartphone market to grow further, he said.

Already seven firms have applied for permission to go for assembling phones in Bangladesh, said Mahub, also chairman of Fair Group, which partnered with smartphone giant Samsung to make smartphones here.

A lot of investment will come to Bangladesh as soon as the assembling of smartphones begins, he said.

Bangladesh is one of the largest and fastest growing smartphone markets. Last year, the country imported Tk 10,000 crore worth of devices, 26 percent of which were of Samsung, according to the BMPIA.

He also urged the tax administrator for curbing illegal smartphone imports.

Illegally imported mobile phones should not be given access to network, he said, adding that such steps would stop the state from losing revenue.

The NBR chairman said his office would write to the telecom regulator about the illegal handset imports.

The Bangladesh Association of Software and Information Services (BASIS) sought easing the process for getting tax exemption certificates from the tax authority.

BASIS President Syed Almas Kabir said it was mandatory for software developers and providers of information technology enabled services (ITES) to get exemption certificates every year.

"Sometimes it takes five to six months to get the certificate," he said.

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Winners of the National Productivity and Quality Excellence Awards-2016 pose with Amir Hossain Amu, industries minister; Muhammad Abdullah, industries secretary; Kamran T Rahman, president of Bangladesh Employers' Federation; and SM Ashrafuzzaman, director of National Productivity Organisation, at a programme at Bangladesh Shilpakala Academy in Dhaka yesterday. The ministry awarded 12 organisations for enhancing productivity and improving product quality.

Wilmar-Adani to invest \$350m in Mirsarai economic zone

The groups want 100 acres of land for industrial park

JAGARAN CHAKMA

Singapore-based Wilmar and India's Adani Group plan to invest \$350 million in Bangladesh to establish an industrial park in the Mirsarai economic zone under a joint venture that will produce agro-based foods and allied products.

Pua Seck Guan, chief operating officer of Wilmar International, a leading agribusiness group in Asia, sought a 50-acre land at Mirsarai in Chittagong so as to make the investment during Prime Minister Sheikh Hasina's visit to Singapore in March this year.

Hasina agreed and urged the officials of Wilmar to visit the zone.

Subsequently, Kuok Khoo Hong, chairman and CEO of Wilmar Group, visited the zone in the first week of April, said Paban Chowdhury, executive chairman of the



Bangladesh Economic Zones Authority (Beza).

"Hong was so much impressed with the zone that he doubled his demand to 100 acres to make the best use of the \$350 million investment."

The Beza consented and urged the group to

submit its investment proposals in detail.

The investment will enhance competitiveness of local manufacturers and help consumers get quality products, Chowdhury said.

The amount of investment could be higher, said Ainul Haque Sarder, head of human resources at Bangladesh Edible Oil Ltd (BEOL), a joint venture of Wilmar and Adani.

Established in 1993, BEOL sells edible oil in Bangladesh under various brands, including Rupchanda, Meizan, King's, Fortune, Veola and Lucky.

"Our products such as Rupchanda Soybean Oil, Mustard Oil, and King's Sun Flower Oil have gained huge popularity in Bangladesh, which has encouraged Wilmar to go for further investment."

He said Adani and Wilmar plan to invest heavily in Bangladesh if they get proper investment environment.

Stocks rise riding on banking shares

STAR BUSINESS REPORT

Dhaka stocks rose 0.77 percent yesterday on the back of the upward movement of banking shares.

The banking sector led the turnover chart of the Dhaka Stock Exchange, contributing 22.57 percent to the day's total turnover. Twenty-nine out of 30 banking shares soared.

The DSEX, the benchmark index of the premier bourse, advanced 45.04 points to close at 5,822.99.

Optimistic investors took a fresh position in bank, telecom, fuel and power shares, pulling the market up, EBL Securities said in its regular market analysis. Turnover, another important indicator of the market, jumped 10.6 percent to Tk 561.48 crore, with 15.85 crore shares and mutual fund units changing hands on the DSE.

Of the traded issues, 129 advanced, 166 declined and 44 closed unchanged on the premier bourse.

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