

## Biman to get two new Boeing aircraft this year

### STAR BUSINESS REPORT

The government is set to purchase two Boeing aircraft this year with a \$270 million hard loan from HSBC as part of the plan to turn Biman profitable.

The rate of interest on the loan would be Libor plus 2.16 percent, said Finance Minister AMA Muhith after approving the loan yesterday.

As per the current Libor rate, the total interest rate would be about 7.2 percent and payable in 12 years, he said, adding that six more Boeing planes would be procured.

In April 2008, Biman had signed a deal with US aircraft maker for procuring 8 vessels by 2019 for \$1.26 billion (Tk 8,728 crore).

Subsequently in 2014 two Boeing planes were bought, which were added to the Biman fleet in November 2015.

The government took \$356 million hard-term loans for buying the two wide-bodied aircraft.

# Banks' operating profits soar despite challenges

### AKM ZAMIR UDDIN

Most of the private banks registered higher operating profits in the first half of the year in spite of a number of challenges, including liquidity crisis and interest rate hike.

The figure, however, is provisional as the operating profit is a profit from business operations before deduction of provisioning against loans and corporate taxes.

The Daily Star obtained data of 18 banks' operating profits; 14 posted growth in operating profits ranging from 5 percent to 36 percent.

"This development is of great comfort to the banking sector," said a high official of the Bangladesh Bank.

The majority of the banks have widened their respective balance sheets, which reflected in the higher operating profit numbers, said Md Arfan Ali, managing director of Bank Asia, whose operating profit surged the most, 36 percent.

Private sector credit growth maintained a satisfactory trend in recent months, which allowed banks to log in a handsome amount of operating profit, he said.

Another reason for the rise in operating profits is the acceleration of implementation of mega infrastructural projects.

"The banks have enjoyed a hefty amount of charges and commissions against the guarantee they offered to contractors," said Ali.

## OPERATING PROFIT IN FIRST HALF OF 2018

In crores of taka

	H12017	H12018
IBBL	881	1,020
Southeast	411	456
Pubali	458	451
DBBL	350	418
Bank Asia	307	417
EBL	375	365
Mercantile	324	325
Exim	320	325
National	300	310
NCC	237	297
SIBL	255	275
Jamuna	186	265
Al Arafah	320	260
Mutual Trust	180	229
Premier	194	225
Shahjalal	173	215
First Security	222	128
Union	118	104

an adverse impact on the banks' operating profit," Hossain added. The rising operating profit is not the true picture of the banking sector, said Syed Mahbubur Rahman, managing director of Dhaka Bank.

The actual profit figures would change significantly after accounting for provisioning and tax, said Rahman, also the chairman of the Association of Bankers, Bangladesh.

He said the opening and settlement of letters of credit have registered huge growth in recent months.

"The leap in most banks' operating profits suggests the sector performed well in the first half of 2018," said M Kamal Hossain, managing director of Southeast Bank, which logged in 11 percent growth in profit.

But he fears the trend might not continue in the second half because of lower interest spread.

From July 1, banks have started to lower the interest rates to single digits on loans and deposits in line with the decision of the Bangladesh Association of Banks, a forum of bank directors.

Banks will have to bring down the interest rates for lending and deposit to 9 percent and 6 percent respectively, meaning that the interest spread will come down to 3 percent from the 5 percent limit set by the central bank.

"Non-performing loans are increasing, which will also have an impact on the banks' operating profit," Hossain added. The rising operating profit is not the true picture of the banking sector, said Syed Mahbubur Rahman, managing director of Dhaka Bank.

## Container handling rises at Ctg port

### DWAIPAYAN BARIUA, Ctg

Container handling at the Chittagong port increased by around 12 percent in the just concluded fiscal year from around 24.19 lakh twenty-foot equivalent units (TEU) in the previous year.

Official figures show the annual growth in the handling of such import, export and empty containers was 10.50 percent in 2016-17, down from 17.27 percent a year ago.

According to port users and authorities, container handling rose due to higher import and export, capacity enhancement of container storage, new handling equipment and streamlining of activities.

Storage has been increased by some 15,000 TEUs from around 36,000 TEUs while 10 pieces of container handling equipment, mostly cranes, costing Tk 118.50 crore were added in May, said Sarwarul Islam, terminal manager at Chittagong Port Authority.

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## United adds 200MW to grid

### STAR BUSINESS DESK

United Mymensingh Power Ltd has recently added 200MW electricity to the national grid from its first fast-track power plant in Jamalpur.

The heavy fuel oil fired power plant is one of the 10 power plants awarded by the government on a fast-track basis, the company said in statement yesterday.

The company has implemented the project in six and a half months, well ahead of the required commercial operations date, United said in a statement.

# Brexit won't harm UK-Bangla trade

## Says British state minister

### STAR BUSINESS REPORT

United Kingdom's foreign direct investment to Bangladesh will continue rising even after Brexit thanks to the growing potential of the South Asian country, a British state minister said yesterday.

"We (UK) have the second largest development budget for Bangladesh," said Mark Field, who is responsible for Asia and the Pacific.

"A part of that will also be used for ease of doing business in the commercial sphere between the UK and Bangladesh."

Currently, 200 British companies have operations in Bangladesh.

The bilateral relationship between the two nations is tremendous and opportunities are there to improve it further, he said.

The UK is the third largest export destination for Bangladeshi apparels encompassing more than \$4 billion worth of shipments a year.

The UK will try to assist Bangladesh and "try to bring in more investment here", Field said at a press meet after a meeting with Commerce Minister Tofail Ahmed at the latter's secretariat office in Dhaka.

Field also said his government will cooperate with the Bangladeshi students who want to complete higher education in different universities and educational institutions in the UK.

He also expects Bangladeshi people living in the UK for years to cooperate in bringing in more investment here.

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# World is grateful

## WB praises Bangladesh for helping Rohingyas

### STAR BUSINESS REPORT

World Bank President Jim Yong Kim yesterday praised the people of Bangladesh for providing shelter to the Rohingya refugees.

"We want to say to the people of Bangladesh that the world is very grateful for the humane reception. We also know that there is more work to do," he told reporters after a meeting with Finance Minister AMA Muhith at the latter's office in the secretariat.

The WB president and United Nations Secretary General Antonio Guterres arrived in Dhaka separately on Saturday night. They are scheduled to visit the makeshift Rohingya camps in Cox's Bazar today.

"We are here, both me and the UN Secretary General, to express our gratitude to the government of Bangladesh for receiving so many refugees that have been peaceful and humane," Kim said.

"We are all extremely concerned about the situation of the Rohingyas."

The WB chief said they are insisting that humane and generous countries that support refugees should not be punished for that.

"That's why on the insistence of the finance minister, we are happy to ensure that the resources coming in are grants. This situation is a humanitarian tragedy, and we need to move on this."

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# Rohingyas can open bank accounts to receive aid



STAR/FILE

BB has come up with a system to enable Rohingya refugees to receive financial support from the government and global agencies through a proper channel.

### AKM ZAMIR UDDIN

Rohingya refugees will soon be able to open bank accounts after the Bangladesh Bank has come up with a system to enable the displaced community to receive financial support from the government and global agencies through a proper channel.

The development comes following request from the World Food Programme to prevent overlapping of humanitarian assistance to the refugees. At present, a number of agencies are providing assistance to the Rohingyas but there have been repeated instances of the aid reaching the same households while the others are left out.

Such overlapping will be stopped when the assistance will be distributed through financial institutions, said a BB official.

Photo identity documents issued by the government and the United Nations organisations will be accepted for Know

Your Client (KYC) purpose.

The Rohingya refugees will be given a prepaid debit card or mobile wallet, with which they can pay for their daily needs.

Financial service can only be provided within Cox's Bazar, the area designated for Rohingya rehabilitation by the Bangladesh government.

Such method has been introduced in different parts of the globe where refugee crisis has emerged, the BB official said, adding that the central bank has already prepared a notice to issue to banks shortly.

Bangladesh has subjected to several influxes of Rohingya refugees from Myanmar's Rakhine state due to persistent marginalisation and violence over the past 40 years. Violence escalated in the Rakhine state since August 25 last year, resulting in a full-fledged humanitarian crisis with about 700,000 Rohingyas crossing the border to Bangladesh.

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