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ক্যাশ ওয়াকফ স্কিম
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 হবার সম্পত্তির পরিবর্তে নগদ টাকায়
 ওয়াকফ করার সুযোগ -
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Nordic firms betting big on Bangladesh

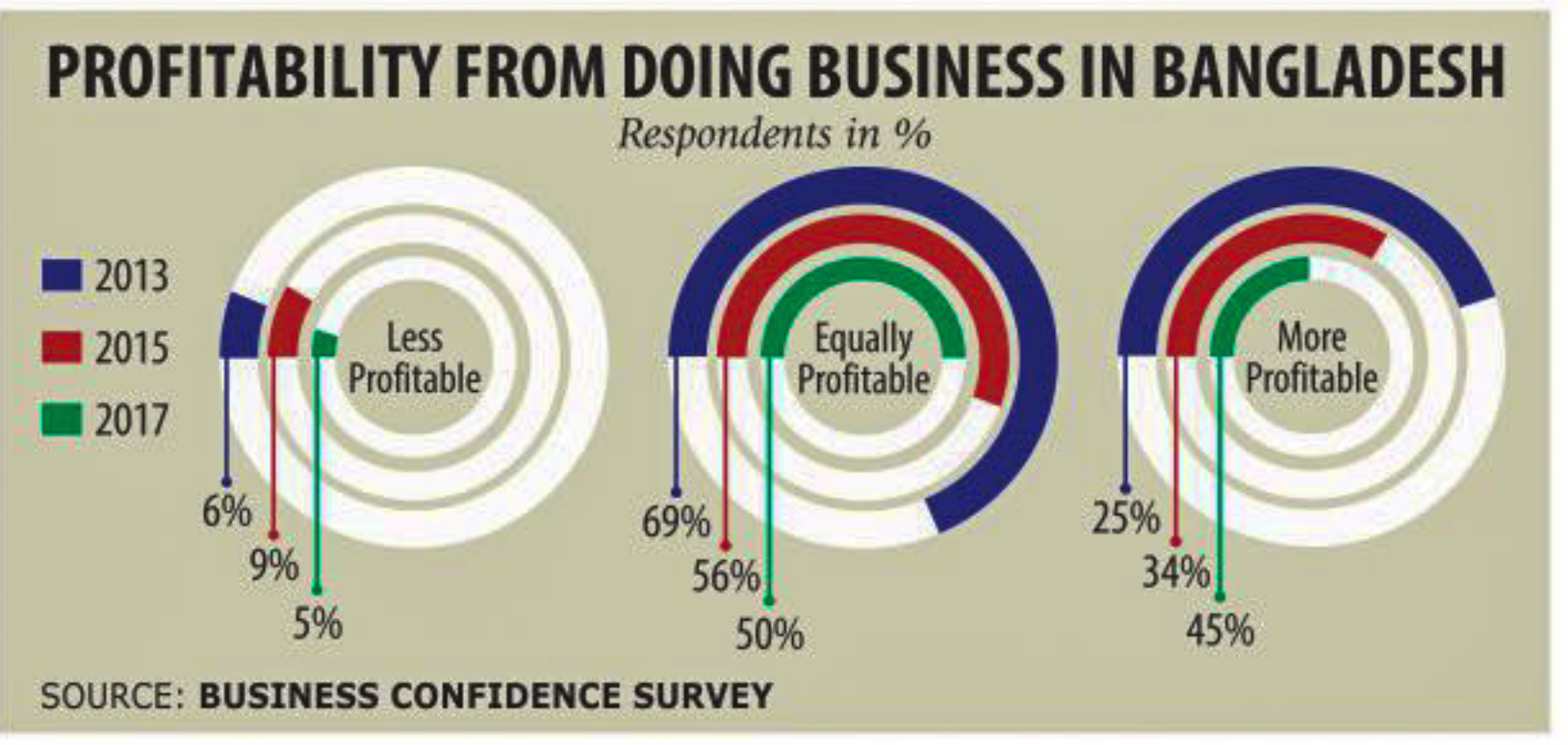
STAR BUSINESS REPORT

Nordic companies are faring well and are optimistic about their future in the country, found a survey by the Nordic Chamber of Commerce and Industry in Bangladesh and the Sweden Bangladesh Business Council.

As many as 94 percent of the survey respondents said they would be expanding their operations with an expected investment of 213 million euros (about Tk 2,000 crore) over the next three years.

The disclosure in the Business Confidence Survey 2017, which was supported by the embassies of Sweden, Norway and Denmark, can be viewed as an endorsement of the country's business climate and investment outlook.

The survey was conducted from December 3 last year to February 15 this year and was sent out to 52 companies that are all members of NCCI. Of them 22 completed the survey.



Between 2014 and 2017, the Nordic companies have invested 167 million euros (about Tk 1,400 crore) in Bangladesh, according to the survey, which was unveiled on Monday at a programme in Dhaka. Commerce Minister Tofail Ahmed attended the event as chief guest.

As many as 82 percent of the respondents are looking to expand their operations in Bangladesh over the next three years, which is a slightly lower number compared with those

in 2015 and 2013.

Still a strong majority of the companies plan to increase their activities owing to the respondents experiencing higher profits in comparison to other markets.

Some 45 percent of the respondents experienced higher profits in 2017, a rise from 34 percent in 2015. Only 5 percent of the respondents feel it is less profitable to undertake their business in Bangladesh.

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NBFIs want state banks' deposits to lower interest

STAR BUSINESS REPORT

Non-bank financial institutions have demanded low-cost deposits from state banks like private banks so that they can lend at single digit interest rate.

The development comes after the NBFIs yesterday sat with the Bangladesh Bank governor and sought policy support from him such as deposits from the state banks at 6.5 percent interest rate.

The private banks earlier sought the same support, which the central bank obliged to. Earlier on Monday, the central bank asked state banks to deposit their funds with private banks at 6 percent interest.

From July 1 banks started to bring down the lending rate to 9 percent. At the meeting, the NBFIs also promised to bring down the interest rate to single digit immediately after getting the policy support.

"Bangladesh Bank has assured the NBFIs of extending policy support to lower the interest rates," said Abu Hena Mohd Razeeq Hassan, deputy governor of the BB.

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Bay's leather park eyes \$25m Chinese fund

JAGARAN CHAKMA

Chinese companies are likely to invest Tk 200 crore (\$25 million) at the Bay's planned leather and footwear industrial park in the Mirsarai Economic Zone in Chittagong.

According to Bay Group, 18 leather and footwear makers based in China are interested to make the investment in order to produce leather goods and footwear.

The investment figure is an initial estimation and it will go up gradually, said an official of the group. At least 1,000 jobs will be created directly at the park.

A business meeting between Bay Group and the Chinese investors' group will take place at the Pan Pacific Sonargaon hotel in Dhaka today with a view to establishing the industrial park.

A total of 18 managing directors and chief executive officers of Chinese footwear and leather companies, including Ju Qiang Flyknit, Shuang Qi Apparel & Footwear, Yan Shan Footwear Sole, Hua Xia Happiness, Jia Le Footwear Materials, and Emma Group, will be present.

Naushad Hassan, communications officer of Bay Group, said the group organised a roadshow in China a few days ago to attract Chinese investors, particularly those in the leather sector.

Today's meeting will discuss the modalities of the planned investment, he said.

According to Hassan, the Chinese investors are keen to establish their production units out of China in order to lower production cost.

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Stocks dip to 18-month low

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Dhaka stocks have been in the red for the last three consecutive days with the benchmark index hitting a one-and-a-half year low yesterday.

Industry insiders say some traders are causing the nosedive to press home their demand ahead of the national elections due year-end. The DSEX, the benchmark index of the Dhaka Stock Exchange, fell 49.24 points, or 0.92 percent, before finishing the day at 5,273.16.

The bearish mood continued even after the government has taken steps to boost the market.

In a letter last month, Finance Minister AMA Muhith instructed the Bangladesh Bank to fulfil the demand of merchant banks, stockbrokers and stock dealers.

The BB, however, hasn't taken any step yet.

Merchant bankers and brokers have demanded a change to the definition of the capital market exposure so that they can keep their subsidiaries' investment in the stock market out of the purview when banks determine such exposure.

In case of exposure calculation, they also demanded exclusion of non-listed securities and non-listed strategic investment and consideration of the cost price rather than the market price of securities.

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ADP spending hits record high

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Spending on development projects hit 93.09 percent of allocation in the just concluded fiscal year, the highest in the country's history, riding on a massive escalation in expenditure in the last month of fiscal 2017-18.

Ministries and divisions spent Tk 146,703 crore of the revised annual development programme (ADP) in the last fiscal year, according to Planning Minister AHM Mustafa Kamal, who released the data yesterday.

"The ADP implementation was record high in the last fiscal year," he told reporters.

ADP implementation rate stood at 89.76 percent in 2016-17 when the government spent Tk 107,085 crore.

ADP IMPLEMENTATION in % of allocation (July-June)



Historically, the ADP spending rate remains low in the beginning of a fiscal year and gets momentum in the second half of the year.

Last week, Kamal explained that the physical work of a project goes on although cheques are given to contractors in June, pushing up the spending in the whole fiscal year.

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Inflation crawls down

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Inflation came down 9 basis points to 6.39 percent in June on the back of a decline in food prices, according to Bangladesh Bureau of Statistics.

In the international market, the prices of various consumer items, including sugar, edible oil and lentil, witnessed a decline, said Planning Minister AHM Mustafa Kamal yesterday while releasing the data.

Alongside, the production of corn and rice was good, which pulled down inflation, he said.

In June, food inflation declined 58 basis points to 5.98 percent. In the previous month too it declined: 95 basis points to 6.56 percent.

Rice price fluctuated but it remained within control and the food stock in government silos was sufficient. "The food

stock is good enough for the next year," he added. However, non-food inflation surged 79 basis points to 4.87 percent in June, according to the BBS data.

But in May, non-food inflation went up 41 basis points from April.

The decline in year-on-year headline inflation in June relative to both May this year and June last year largely reflects the drop-off in food inflation, said Zahid Hussain, lead economist of the World Bank's Dhaka office.

"This is a reflection of the stable rice prices following a good boro harvest."

However, the food inflation is still high and could rise in the near future with increase in rice prices due to the re-imposition of 25 percent customs and 3 percent regulatory duties on rice imports in the budget for fiscal 2018-19.

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