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BUSINESS

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Bangladesh has stable economic outlook

Three rating agencies arrive at same verdict

STAR BUSINESS REPORT

Bangladesh has held on to its stable credit profile from three global rating agencies, in what can be viewed as an endorsement of the way the central bank and the government are steering the economy.

For the ninth year in a row Moody's and Standard & Poor's gave Bangladesh 'Ba3' and 'BB-' ratings respectively. Fitch gave a 'BB-' for the fifth time.

The Bangladesh Bank published the country's latest sovereign credit ratings from the three agencies on its website on Sunday.

However, the agencies have identified the banking sector, especially the state-owned banks, and the prospect of political uncertainty

surrounding the upcoming general election as major risks.

"The stable outlook reflects our expectation that Bangladesh's consistent economic growth trajectory and strong donor support will continue to raise average income and broadly sustain the country's external profile over the next 12 months," S&P said in its report.

The rating agency may raise the ratings if measures targeted at growing the revenue base and boosting collection efficiency materially improve Bangladesh's fiscal performance.

It may also upgrade Bangladesh if the government significantly reduces energy, infrastructure and administrative bottlenecks, resulting in higher investment and eventually a sustained increase in trend

growth for real per capita GDP.

Conversely, S&P may downgrade Bangladesh if fiscal slippages result in rising public debt and external donor support declines materially.

Low economic development, as represented by per capita GDP of \$1,620 for 2018, is one of Bangladesh's main rating constraints. This income level offers a weak and narrow revenue base, in turn limiting the fiscal and monetary flexibility needed to respond to exogenous shocks.

"Nevertheless, Bangladesh's real per capita GDP growth of about 5.4 percent over the 2012-2021 period indicates consistently strong real GDP growth despite numerous structural impediments, in particular the shortage of power," it added.

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Bioplastic bags made from starch are being displayed at Poribesh Mela (environment fair) in the capital's Sher-e-Bangla Nagar on Monday. A Bangladeshi company is attempting to import the technology from Indonesia. The show ended yesterday.

Muhith rejects NBR claim over BB gold

STAR BUSINESS REPORT

Finance Minister AMA Muhith has shrugged off the anomalies raised by the National Board of Revenue about the weight and grade of the gold kept at the Bangladesh Bank's vault.

"The BB has no problem. What has been said about gold is absolutely useless talk," he told reporters after a meeting with the deputy commissioners at the cabinet division yesterday.

"There were 936 kg gold in the central bank vault, of which 3kg were adulterated. That's okay."

The BB recorded some of the gold in its vault as low-grade although an investigation by the Customs Intelligence & Investigation Directorate (CIID) found that they were of superior quality.

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Foreign donations rise riding on Rohingyas

MUHAMMAD ZAHIDUL ISLAM

Inflow of foreign donations witnessed a 15.66 percent year-on-year rise to \$827.02 million in 2017-18, the highest for Bangladesh in a year.

Analysts attributed the growth to the rising humanitarian assistance that came for the Rohingyas.

Foreign grants coming thru' NGOs

In million \$



SOURCE: NGO AFFAIRS BUREAU

The fund, received by different non-governmental organisations (NGOs) through Bangladesh Bank upon getting clearance from the NGO Affairs Bureau, will be used for 1,625 projects -- the highest approved by the bureau in a single year.

The projects, either implemented in 2017-18 or undergoing implementation, were scheduled to get another \$50.84 million, as committed by the donors.

The highest amount to be committed was \$939.29 million in 2011-12, although \$579.64 million came through in the end.

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HSBC launches 8th export awards



HSBC BANGLADESH

Francois de Maricourt, *centre*, chief executive of HSBC Bangladesh, speaks at the launch of the 8th HSBC Export Excellence Awards at a programme at the Pan Pacific Sonargaon hotel in Dhaka yesterday. Md Mahbub ur Rahman, *left*, deputy chief executive officer, and Talukdar Noman Anwar, country head of communications, are also seen.

STAR BUSINESS REPORT

The Hongkong and Shanghai Banking Corporation Ltd in Bangladesh yesterday launched the eighth edition of the HSBC Export Excellence Awards to recognise the contribution of the country's exporters.

Francois de Maricourt, chief executive officer of HSBC Bangladesh, and Md Mahbub ur Rahman, deputy CEO, announced the awards at a press conference at the Pan Pacific Sonargaon Hotel in Dhaka. Speaking at the event, Maricourt said Bangladesh's economy grew 7.3 percent last year, making it the fastest growing economy in Asia.

"Bangladeshi entrepreneurs have been at the forefront of achieving this success and for the last eight years, we have provided a platform to Bangladesh's exporters to showcase their capabilities and celebrate their global potential."

The awards aim to support businesses

to thrive further and connect them with global opportunities.

"This is something we have been doing for more than 150 years around the world," Maricourt said.

The lender will give away the awards in five categories. Of them, four will be the "Exporter of the Year" in the readymade garments; supply chain and backward linkage industry (apparel); traditional and emerging sectors (non-garment and -textile), and SMEs (non-garment and -textile) categories.

This year, the bank has introduced the fifth award titled "Excellence in Import Substitution".

There are two groups in the garment category: in the 'A' group, the eligibility criteria has been fixed at \$100 million and above in annual export turnover, while it has to be less than \$100 million to qualify for the group 'B'.

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DEEP-SEA FISHING

16 firms get nod

SOHEL PARVEZ

The government has given the approval to 16 firms to bring vessels to catch tuna and pelagic fishes beyond the 200-metre depth of the Bay of Bengal and in the international waters, said officials of the Ministry of Fisheries and Livestock.

Of the 16, nine got the permission to catch tuna and seven for seine fishing to catch pelagic fishes beyond the 200-metre depth, said a senior official of the ministry.

Seine fishing is a method of fishing that employs a fishing net called seine that hangs vertically in the water with its bottom edge held down by weights and its top edge buoyed by floats.

Nou Kollan Foundation Trading Company and Nou Kollan Shipping Lines, welfare enterprises of Bangladesh Navy, got permission to operate two long liners and two purse seiners to catch fish in the deep sea.

Some firms are connected to people of the ruling party Awami League, said insiders.

Ministry officials said businesses that got clearance are required to submit specification of vessels and project profile to the Department of Fisheries (DoF) within six months to bring the ships for licences.

Until now, five have submitted their specification.

"We expect that the rest of the firms will also submit their papers," said Md Towfiqul Arif, joint secretary (blue economy) of the fisheries ministry.

Mahbubur Rahman, chief executive of Al Rafi Travel Trade, said his firm along with

three others that got approval to bring purse seiner vessels to catch pelagic fishes in the deep water had submitted documents last week.

The rest of the firms are yet to submit the required documents to the ministry, although three months have passed since the permissions were granted.

Fishing in deep sea is a new area for business.

"There are prospects. We are considering going for a joint venture," Rahman said, while declining to give further details.

Industry insiders said Bangladesh is yet to introduce long line fishing, a commercial fishing technique to catch tuna and other fish species in the deep water.

So, some local investors remain shy about proceeding fast as they do not have any idea of the stock of tuna in the deep part of the Bay and prospects of returns on investment.

"We are actually exploring. We are doing our due diligence," said Sameer Sekandar, proprietor of Diamond Fisheries, one of the nine firms that were awarded approval for longliners.

He said those who have got permission for long liners are related to the fishing industry.

"So, we are taking time. We really want to do something great," Sekandar said.

There is perception among some that high investment would be required. But \$2-\$4 million may be needed to buy a long liner, he said, adding that he will submit specification and other documents within the next 30 days.

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